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**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
COMMISSION MEETING
WEDNESDAY, DECEMBER 15, 2010**

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 Simpson, Commissioner/Treasurer Michael DuPont; Commissioner Harold Hodes; Commissioner David Evans (via teleconference); Commissioner Raymond Pocino; Commissioner Troy Singleton; and Commissioner Ulises Diaz.

ALSO PRESENT

Executive Director Veronique Hakim; Deputy Executive Director John O'Hern; Chief Engineer Richard Raczynski; Electronic Toll Collection Director Dennis Switaj; Finance Comptrollers Donna Manuelli, Pamela Varga and Tracey Walters; Human Resources Director Mary-Elizabeth Garrity; Internal Audit Director James Carone; Assistant Director of Building Maintenance Joseph Lentini; Manager of Operations Chip Eibel; Purchasing Director Andrea Ward; Acting Technology and Administrative Services Director Stephen Ehrmann; Tolls Director Robert Quirk; Chief of Staff Megan Mulcahy; NJ State Police Troop Commander Major Walker, and Assistant Secretary to the Authority Sheri Ann Czajkowski.

Also present were: Deputy DOT Commissioner Joseph Mrozek, General Counsel Judy Verrone; Governors' Authorities Unit Representative Maura Tully; additional individuals consisting of other NJTA employees; interested organizations; the general public; and from the media: the Asbury Park Press; Bergen Record; Star Ledger; Bloomberg News; 10-10 Wins; and NJN.

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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 October 26, 2010; he did not exercise his power to veto any items in those minutes.

Upon motion made by Commissioner DuPont, seconded by Commissioner Diaz, the minutes of the October 26, 2010 meeting were unanimously approved.

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RECUSALS

The Executive Director reported that advisements of recusal had been submitted and asked for any further recusals or abstentions to be placed on record for this meeting. Those results are regarding the following items:

Commissioner Hodes: 296-10, 297-10, 302-10, 306G-10, 306I-10, 306K-10 and 306P-10

Commissioner Pocino: 287-10 through 300-10, 301-10, 303-10 and 305-10

Commissioner Singleton: 288-10, 289-10, 292-10, 293-10

Commissioner Diaz: 302-10

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PUBLIC COMMENT

Chairman Simpson opened the floor to public comment on matters relating to the current agenda.

MURRAY BODIN

Murray Bodin commented on Agenda Item 306H-10. Mr. Bodin requested that a switch be placed in State Police cars to turn off the lights facing forward when a vehicle is pulled over. People traveling in the opposite direction are distracted by the lights and this causes slowdowns.

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EXECUTIVE SESSION

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

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

The motion was made by Commissioner Hodes, seconded by Commissioner Diaz, 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 11:20 a.m.; Chairman Simpson resumed the public portion of the meeting.

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PUBLIC COMMENT

Chairman Simpson opened the floor to public comment on other matters related to the Authority.

FRANCELINE EHRET, PRESIDENT, LOCAL 194

Franceline Ehret spoke regarding privatization of tolls. Ms. Ehret appealed to the Commissioners to save jobs and give these employees the ability to support their families. Recognizing that neighbors are losing their homes and jobs, she asked if the Authority could find savings and not outsource their jobs. Ms. Ehret noted that Local 194 is willing to come to the table to discuss work rules and that the Union has always worked together to solve problems. Ms. Ehret urged that NJTA hold off on the RFP and work this out. The Union looks for a fair resolution to this issue. In the last 10 years the Union has never been in litigation; let's try to work this out.

PAUL SHEARON, GENERAL SECRETARY IFPTE

Mr. Shearon noted that the matter of privatization is a focus of his concerns. These workers have dedicated years of their lives to these jobs. The employee is what makes the roads what they are today. Mr. Shearon expressed that it is a misguided thought to think about privatization of these roadways. The other issue of concern in privatizing work is that the funding is so dire and private corporations work for profit and their profits would be taken out of this state.

LAUREL BRENNAN, SECRETARY-TREASURER OF AFL-CIO

The AFL-CIO opposes privatization of the jobs of the NJTA. This has an adverse affect on dedicated employees of the AFL-CIO. The impacted employees will lose their livelihood. This is the worst case scenario possible. New Jersey residents need good jobs more than ever. Ms. Brennan stated that toll collectors contribute to the state's economy, and that these workers take care of their families with these jobs. While this recession has hit New Jersey hard, New Jersey needs strong local and state services. Highlighting the need for dedicated employees; Ms. Brennan urged NJTA to talk with the labor unions and negotiate.

TOM TIGHE, MIDDLESEX COUNTY CENTRAL LABOR COUNCIL

Mr. Tighe stated that privatization would threaten the careers of over 700 employees. This will result in additional unemployment benefits for the state and charity care. Privatizing jobs will require training new employees, oversight of the company and of safety, and there is an additional cost for all of this. Mr. Tighe urged NJTA to sit down with the representatives of the union to ensure that current employees continue working. What appears to be an upfront savings may cost more in the long run and result in a reduction of services to the patrons. Mr. Tighe concluded, saying when you are too old to work and too young to die, we just ask for a little something, pension and collective bargaining rights.

RAY GREAVES, BAYONNE COUNCILMAN

Mr. Greaves said that he rides these roads a lot, pays tolls and still doesn't have E-ZPass. Privatization will have a detrimental effect on the City of Bayonne because almost 200 employees who work for the Turnpike live in Bayonne. Find ways to save; talk with the union and work something out against privatization.

HETTY ROSENSTEIN, CWA STATE DIRECTOR

Ms. Rosenstein asked this commission to oppose the privatization of toll jobs. Ms. Rosenstein asked if anyone who thinks that someone who works in a small space, in the middle of the night, in all weather, with tractor trailers whizzing by should earn \$12 an hour. Noting that New Jersey is the second richest state in the country, there is no need to privatize here, and NJTA should stand up for good jobs in New Jersey and oppose privatization.

RICK ENGLER, WORK ENVIRONMENT COUNCIL

Reject privatization. Holding a map of New Jersey with sensitive environmental sites where potential catastrophic events could occur along the Turnpike corridor, Mr. Engler noted that toll collectors could alert authorities to suspicious behavior. He concluded that it's time to invest in employees, put more money in training, dedication and skills to prevent such a catastrophe.

FRANK FORST, LOCAL 194

Mr. Forst opposed privatization. The union is reasonable and he feels that things can be worked out with the Authority. The union doesn't know what work rules are of concern because Mr. Forst said it is all about money per the Executive Director. Maintenance and Tolls representatives don't know what work rules are being referred to. Schedule G of Agenda Item 314-10 shows expected surplus revenues. Mr. Forst objects to privatization because of these surplus revenues, noting the Authority has made unreasonable demands, a \$15,000.00 pay cut for each worker. This is only for openers, the Union is willing to sit and work this out, but Mr. Forst also said that the RFP says that maintenance workers will also be displaced.

CECELIA REEVES, TOLL COLLECTOR TURNPIKE

Mrs. Reeves said that she has been a part-time toll collector for eleven (11) years. In November 2009 she lost her primary job and this part-time work is her primary source of income. The jobs are important to everyone, let everyone keep them.

STEVE YOUNG, AFT

Mr. Young noted that he has driven many toll roads in this country and he has pride in the Turnpike and Parkway and the workers that service these roads. Workers do a tremendous job with a middle class living and this is not the time to destroy their dreams. Mr. Young noted that privatization is a flawed decision. The Zimmer reports are flawed and this decision is erroneous on many points. A new study is coming out that will demonstrate the areas of privatization that have failed and have ultimately come back into the public sector. Failed projects don't work. Mr. Young urged NJTA to care about its workers and their children because their children won't be able to attend college.

RAE ROEDER, CWA 1033

Ms. Roeder said that if any organization knows about privatization CWA does because it represents 7,000 state workers. The worst experience was the privatization of Motor Vehicles. Any time there has been a privatization effort it has failed. Noting that we are people who pay taxes and work for the State of New Jersey, Ms. Roeder asked that NJTA not experiment to have another failure in the State of New Jersey.

ANTHONY MISKOWSKI, SECRETARY CWA 1033

In 1993 Mr. Miskowski put together points in the evaluation of privatization. Privatization results in less state work through a smaller workforce; workers have no retirement benefits; healthcare packages are nothing; fewer paid holidays, sick days and leave days; employees pay more for services and continue to pay high taxes; forced to compete with private workers; wage base and lower standards of living; less experienced workers replacing the current staff gives poor results; political patronage; competitive private service contracts have a monopoly, corporate entities make decisions; tax payers bear costs; government has less control of services; and the civil service system will be dismantled to pay the way for private services. Chris Christie's reputation started out as a crime buster, now a Union buster, and a belligerent ball buster.

BILL HOLLAND, NJ WORKING FAMILIES ALLIANCE

Mr. Holland stated that during difficult economic times privatization sounds appealing but a quick infusion of cash is not good. Mr. Holland urged the NJTA to oppose privatization. Rather, he recommended implementing lines of defense, safety and homeland security. Background checks matter and private companies may not conduct background checks. Previous privatization attempts have shown that cost savings are not really achieved and New Jersey needs to learn from example. There have been analyses done by clearing groups which have shown that private contractors overcharge companies and privatization raises more questions than answers and the long-term risks are too high.

CHARLES HALL, PRESIDENT LOCAL 108

Mr. Hall stated that he represents 8,000 workers of the state. The workers are concerned about privatization and why NJTA would drop a middle class job to a low paying job with minimal benefits. Mr. Hall stated that this is the wrong signal to send to New Jersey and he asked NJTA to oppose privatization.

The public comment portion of the meeting was closed. The Members of the Authority moved on the following agenda matters presented for consideration:

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The following matters constitute the Public Session agenda:

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PERSONNEL

280-10

Human Resources Director Garrity submitted the **Personnel Agenda**, dated December 15, 2010, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, 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

Assistant Director of Law Linda Lordi Cavanaugh requested approval of items 281-10 through 286-10. Moved as a group those items are as follows:

281-10

In a memorandum dated December 3, 2010, concerning **Ratification of Action Taken for Acquisition of Property Interests Required for the New Jersey Turnpike Interchange 6 to Interchange 9 Widening Program**, The New Jersey Turnpike Authority (the "Authority") is proceeding with its plans to widen the Turnpike between Interchange 6 in Mansfield Township, Burlington County and Interchange 9 in East Brunswick Township, Middlesex County (the "Widening Program"). The roadway will be widened to 12 lanes with major modifications constructed at four interchanges. Final design is currently underway and construction is proceeding.

The acquisition of the necessary property interests is critical to the success of the Widening Program. In light of same, the Commissioners of the New Jersey Turnpike Authority authorized the Executive Director to take all steps necessary to prepare for the acquisition of easements or other property rights needed to begin Phase 1 construction of the Widening Program with final action being brought to the Commissioners for ratification.

Since the last Commissioner's meeting, the Authority has taken final action with respect to the following properties.

1. New Acquisitions, Reimbursement for Damages and Relocation Benefits. The Authority has determined that the seven (7) properties listed below are necessary for the Widening Program. To that end, 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. The Authority then entered into good faith negotiations with the owners and their respective counsel as appropriate for the purchase of same or the settlement of any claims related to said acquisition based on this appraised value and in compliance with the laws governing its powers of eminent domain. Negotiations continued and a settlement of all terms was agreed upon. The following is a description of each property for which the parties have finalized negotiated terms of sale or other terms of settlement:

1. Turnpike Design Section 8, Turnpike ROW Section 4L
Parcel Series 1223, Block 2.01, Lot 3.02 (Partial Taking)
5 Corporate Drive, Cranbury Township, Middlesex County
Owner: Kerzner Associates No. 5, LLC
Amount: \$31,800.00
(\$5,300.00 additional monies; \$26,500.00 previously approved for condemnation)

The property currently consists of 8.258 acres of land improved with a 72,415 square foot multi-tenanted flex building (the "Property"). The NJTA must acquire the following interests in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 0.118 acres of the Property to be designated as Parcel 1223; and (2) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of a driveway and appurtenances, impacting 0.049 acres of the Property to be designated as Parcel C1223.

2. Turnpike Design Section 8, ROW Section 4L
Parcel Series 1224, Block 2.01, Lot 2.01 (Partial Taking)
7 Corporate Drive, Township of Cranbury, County of Middlesex
Owner: Kerzner Associates No. 7, LLC
Amount: \$10,300.00
(\$1,000.00 additional monies; \$9,300.00 previously approved for condemnation)

The property currently consists of 7.951 acres of land improved with a 100,550 square foot multi-tenanted industrial flex building. The NJTA must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 0.021 acres of the Property to be designated as Parcel 1224; (2) a temporary construction

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easement consisting of the right to access land and area with vehicles and equipment for use during the construction of a driveway and appurtenances, impacting 0.022 acres of the Property to be designated as Parcel C1224.

3. Turnpike Design Section 5, Turnpike ROW Section 4H
Parcel Series 1047, Block 44, Lot 34.02 (Partial Taking)
286 Sharon Road, Robbinsville, Mercer County
Owner: Matthew and Rosette Adera
Amount: \$1,000.00
(no additional monies; \$1,000.00 previously approved for condemnation)

The property currently consists of 2.86 acres of land improved with a 2,890 square-foot, single-family residence (the "Property"). The NJTA must acquire the following interests in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 0.005 acres of the Property to be designated as Parcel 1047; (2) a slope easement consisting of the right to form and maintain slopes for grading and draining Sharon Road, impacting 0.002 acres of the Property to be designated as Parcel E1047; and (3) a temporary construction easement consisting of the right to access land and area for the construction of a driveway, impacting 0.007 acres of the Property to be designated as Parcel C1047.

4. Turnpike Design Section 7, Turnpike ROW Section 4K
Parcel No. 1162, Block 12, Lot 2 (Partial Taking)
269 Wyckoff Mills Road, East Windsor, Mercer County
Owner: S & J Investments
Amount: \$172,000.00

The property currently consists of 18.10 acres of vacant land (the "Property"). The NJTA must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 3.810 acres of the Property to be designated as Parcel 1162.

5. Turnpike Design Section 6, Turnpike ROW Section 4J
Parcel Series 1086, Block 25, Lot 4.03 (Partial Taking)
249 Ward Street, East Windsor, Mercer County
Owner: The Peddie School
Amount for Land: \$2,640,000.00
Amount for Damages: \$225,000.00 (Reimbursement for damages to golf course)

The property currently consists of 13.192 acres of vacant land (the "Property"). The NJTA must acquire the following interests in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 4.851 acres of the Property to be designated as Parcel 1086; and (2) a utility easement consisting of the right to install and maintain sanitary and drainage sewer systems, impacting 0.644 acres of the Property to be designated as Parcel UE1086.

6. Turnpike Design Section 6, Turnpike ROW Section 4J
Parcel Series 1082A, Block 28, Lot 3 (Partial Taking)
322 Ward Street, East Windsor, Mercer County
Owner: The Peddie School
Amount: \$3,000.00

The property currently consists of 34.330 acres of land improved with fenced-in baseball and soccer fields (the "Property"). The NJTA must acquire the following interests in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in

0.068 acres of the Property to be designated as Parcel 1082A; and (2) a slope easement consisting of the right to form and maintain slopes for grading, drainage and support of Etra Road, impacting 0.068 acres of the Property to be designated as Parcel E1082A.

7. Turnpike Design Section 2, Turnpike ROW Section 3E
Parcel No. 270, Lot 1.01 (Relocation Benefit)
231 Bordentown-Crosswicks Road, Township of Chesterfield, Burlington County
Owners/Displacees: Carolina Gutierrez-Haviland and Adam Haviland
Amount: \$15,000.00 (Replacement Housing Benefit)

Pursuant to N.J.A.C. 5:11-3.7, the displacees are eligible for relocation benefits as follows: (i) The cost in excess of the price paid by the Authority for the displacees to obtain a functionally comparable replacement dwelling in the community (subject to a maximum payout of \$15,000). The purchase of this property was previously ratified by the Authority's Board of Commissioners.

II. New Eminent Domain Proceedings. The Authority has determined that the one (1) property listed herein is necessary for the Widening Program. To that end, 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. With respect to the below parcels, the Authority had contacted the respective property owners for the purchase of same based on the appraised value and in compliance with the laws governing its powers of eminent domain. Eminent Domain proceedings are being filed as the last resort. The following is a description of same properties:

1. Turnpike Section 3, ROW Section 3F
Parcel Series 323A, Block 2732, Lots 5 and 6; Block 2733, Lot 2
1023 Yardville-Allentown Road, Township of Hamilton, County of Mercer
Owners: Chong Il Kim and Sung Tae Kim
Amount: \$ 1,279,386.00 (Deposit for Payment of Crop Damages)

The property currently consists of 142.429 acres of preserved farmland (the "Property"). The Authority is in the process of acquiring the necessary property interests in the Property via condemnation; authorization for said action was approved by the Authority's Board of Commissioners at the October 2010 meeting. A portion of the property interests to be acquired/condemned by the Authority contain a large quantity of fruit trees (Asian Pears, Fuji Apples, Peaches and Grape Vines). Pursuant to N.J.S.A. 20:3-29.1, the Authority must compensate the owners for this crop damage, separate and apart from compensation for the fair market value of the land being condemned. The Parties have agreed to the number and type of trees located in the acquisition area, however a price has not been agreed to. The Authority's agricultural expert, Allen Williford & Seale, Inc., issued an opinion of value regarding the standing crops and concluded that total compensation payable for impact to standing crops is \$1,279,386. The Authority and the property owner have agreed that this amount be filed with the Court as part of the condemnation action in exchange for immediate access so construction work can begin.

The acquisitions as proposed above do not involve properties designated as "Preserved Farmland" pursuant to and as regulated 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 those 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.

All actions taken by the Executive Director have been necessary for the purchase of the properties listed above including the satisfaction of certain other costs required by law to be paid at closing. All action taken by the Executive Director have been reviewed and approved by the Law Department and General Counsel.

Based on the foregoing, it is required that the Authority Commissioners ratify any and all actions taken by the Executive Director as outlined herein for the acquisition of properties set forth above.

282-10

In a memorandum dated December 1, 2010, concerning **Request for Authorization to Extend Legal Counsel Professional Services Agreements through February 28, 2011** at the October 31, 2008 Commission Meeting, the Board of Commissioners authorized Agenda Item 214-08, approving the thirteen (13) law firms identified in Exhibit A, attached hereto, to serve as General or Special Counsel to the New Jersey Turnpike Authority. After authorization, one law firm, Riker Danzig Scherer Hyland & Perretti, LLP, reassessed its interests and requested to be removed from the authorized list of counsel.

The original two-year term of each law firm's agreement with the New Jersey Turnpike Authority is about to expire in January 2011. A Request for Qualifications ("RFQ") in compliance with N.J.S.A. 27:23-6.1 and Executive Order No. 37 (Corzine 2006) is being advertised and seeks proposals, to be submitted in early January 2011, from law firms within the State of New Jersey interested in being chosen as legal counsel to the Authority. An Evaluation Committee, to be appointed by the Executive Director, will review and rank the proposals received in accordance with the RFQ's advertised weighted factors designed to ascertain which law firms best exhibit the experience, expertise and capability to meet the diverse needs of the Authority for recommendation to and approval by the Commission. This process, although in progress, cannot be completed by the expiration date of each of the current agreements.

Accordingly, authorization of a two-month extension through February 28, 2011, beyond the expiring term of the current law firm agreements, is respectfully requested for each agreement in order to allow time for the conclusion of the present competitive procurement as outlined above. Current General Counsel and Special Counsels have confirmed their agreement to a two-month extension at their respective current billable rates.

283-10

In a memorandum dated November 15, 2010, concerning **Recommendation to Settle Formal Workers' Compensation Matter of Mary Ann Papac v. New Jersey Turnpike**

Authority, Mary Ann Papac is a Parkway Division Toll Collector hired in May 1994. This recommended settlement will resolve a formal Claim Petition encompassing a job related injury which occurred September 22, 2005.

The petitioner is represented by Hobbie, Corrigan, Bertucio & Tashjy located in Eatontown, NJ. The Authority is defended by Special Counsel John T. Lane, Jr. located in Wall, NJ. The matter is venued in the district office of Freehold before Judge Lionel Simon.

Permanency evaluation on behalf of the petitioner was performed by Dr. Van Goorich who opined 60% and 65% permanent partial total for two separate conditions. Also, Dr. Sidney Tobias opined orthopedic disability to be 30%. Permanency evaluation on behalf of the respondent was performed by Dr. Mercurio who valued the orthopedic disability at 0% and Dr. David Scasta who opined a 5% aggravation of a pre-existing condition due to the injury.

Petitioner's attorney made a demand of 77.5% permanent partial total which equates to \$309,690.00. Due to two prior awards from 1999, the Authority is already starting at 62.5%. The Authority will receive an Abdullah credit for the 62.5% which equals \$216,375.00. In addition, there is a remaining balance of \$24,695.87 from the Authority's third party Section 40 lien. After these credits, the total award equals \$68,619.13. Special Counsel and our third party administrator believe this is the best possible outcome for the Authority.

The Law Department has reviewed this matter and agrees with the recommendation of the Special Counsel, the Authority's third party workers' compensation administrator and the Assistant Director, HR, Safety & Benefits. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of \$68,619.13.

This settlement will be payable under Account No. 10-870-405070.

284-10

In a memorandum dated November 10, 2010, concerning **Recommendation to Settle Formal Workers' Compensation Matter of Theresa Flanagan v. New Jersey Turnpike**

Authority, at the time of the injury Theresa Flanagan was a Parkway Division Toll Collector hired in November 1997. She has since become a Turnpike Division Toll Collector. This recommended settlement will resolve a formal Claim Petition encompassing a job related injury which occurred February 2, 2008.

The petitioner is represented by Stephen A. Satkin, Esq. located in Scotch Plains, NJ. The Authority is defended by Special Counsel Curt Cox of Kamensky, Cohen and Associates located in Pennington, NJ. The matter is venued in the district office of New Brunswick before

Judge Joel B. Gottlieb.

Permanency evaluation on behalf of the petitioner was performed by Dr. Theodora Maio who valued one injured body part relating to this claim at 66.6% permanent partial total and the second body part at 33.3%. In addition, Dr. Cheryl Wong opined neurological disability to be 37.5% and neuropsychiatric disability 20% partial total. Permanency evaluation on behalf of the respondent was performed by Dr. Francis Deluca who valued the disability at 7.5% of permanent partial total for the first body part involved and 0% for the second.

Petitioner's attorney made an initial demand of 50% permanent partial total for both body parts which would equate to \$148,500.00. Per Special Defense Counsel, Judge Gottlieb stated that the claim should settle between 40%-45%. Special Counsel put forth a settlement of 32.5% of partial total for the first body part and 7.5% for the second. This equates to a total award of \$95,040.00. Due to the significance of the injury and the surgery and treatment involved, Special Counsel and our third party administrator believe this to be an appropriate settlement request.

The Law Department has reviewed this matter and agrees with the recommendation of the Special Counsel, the Authority's third party workers' compensation administrator and the Assistant Director, HR, Safety & Benefits. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of \$95,040.00.

This settlement will be payable under Account No. 10-870-405070.

285-10

In a memorandum dated December 3, 2010, concerning **Authorization to Acquire by Negotiated Purchase or Eminent Domain, Property Interests Deemed Necessary in Connection with the Garden State Parkway 30-80 Widening Project, Specifically the Bass River Rehabilitation and Widening Project and Ratification of Actions Taken to Date in Furtherance of Acquisition of These Property Interests – Bass River** by Agenda item 96-07 at the July 23, 2007 Authority meeting, the Commissioners authorized the acquisition by negotiated purchase or eminent domain, of various real estate interests identified at the time, needed for the Widening. At the time, the Widening was in its preliminary design phase and not all required right-of-way was identified. The Commissioners also authorized the acquisition, of all property interests needed for the Project, in a total amount not to exceed \$60,000.

The Bass River Rehabilitation and Widening Project (the "Project"), a portion of the Widening, is now in its final design phase, and additional property interests have been identified which are necessary for the Project, the acquisition of which would require the costs to exceed the amount previously authorized.

The following properties have been identified as necessary to the Widening and the Project, and authorization is requested to acquire the following properties by negotiated purchase or eminent domain:

- Allen's Dock, Inc., Block 8.00D, Lot 20.000, Township of Bass River, (Partial taking)
- Elvin L. Mathis, Block 8.00C, Lot 4.000, Township of Bass River (Partial taking)
- Gregory Smith, Block 8.00C, Lot 1.000, Township of Bass River (Partial taking)
- Keith Webb and Shirley Webb, Block 41.00B, Lot 1.000, Township of Bass River, (Full taking)
- Floyd V. West, Block 54.00, Lot 35.000, Township of Bass River (Partial taking)
- George Lupton, Block 54.00, Lot 40.000, Township of Bass River (Partial taking)

Based on the foregoing, it is recommended that the Executive Director, with the assistance of the Law Department and the Engineering Department, with the assistance of outside counsel and other Authority consultants, to take all steps necessary to prepare for and acquire by negotiated purchase or eminent domain, all property interests needed for the Project, specifically including the Properties listed above. Final action with respect to each property interest will be brought to the Commissioners for ratification.

286-10

In a memorandum dated December 3, 2010, concerning **Authorization to Approve Settlement in the Matter of Martin and Minnie Filipowicz v. New Jersey Turnpike Authority, PNC Bank Arts Center, United States District Court, District of New Jersey, Docket No. MON-L-2483-07**, Mr. Filipowicz alleges that he slipped and fell while attempting to exit his car within the PNC Bank Arts Center ("Arts Center") parking lot and walking to the box office to purchase tickets for an upcoming event at the Arts Center near its main entrance on May 6, 2006 at approximately 11:00 a.m. Both the New Jersey Turnpike Authority (the "Authority") and the entity which leases the Arts Center, Live Nation, are defendants in this matter. Both parties are cooperating in jointly defending this matter.

Plaintiff claims to have fallen into a large depression on the grassy area of a parking lot median closest to the box office kiosk. Plaintiff alleges that the depression was created by Authority maintenance workers sometime over the previous winter months. Plaintiff was removed from the scene via ambulance to a local emergency room where he underwent x-rays and initial evaluation and treatment. He followed up with his family physician who prescribed months of medication and ongoing treatment and therapy which has continued almost unabated, since the date of the accident.

With no improvement in his condition after several years of physical therapy and various treatments, plaintiff finally underwent surgery last December. His treatment records are extensive, as he was consistently treated since the accident, visiting his physician at least once monthly since then. He now claims alleged limitations in every aspect of his working and leisure life. Plaintiff complains that the surgery did not improve his condition, and currently complains of persistent pain and discomfort in his lower back, with radiating pain down his hip and leg (radiculopathy).

Pursuant to the Authority's lease with Live Nation, the Authority's Maintenance

Department holds joint responsibility for the maintenance of the Arts Center grounds with Live Nation's contractors. Both the Authority and Live Nation share the full calendar year with regard to maintenance of the grounds; specifically, the Authority performs these tasks from November 1 until May 1 of every year. Live Nation takes over from May to November while concerts and events were being held. Since the Authority's responsibility for the grounds ceased just one week prior to the incident thus, liability is in question.

The Parties have determined settlement in the total amount of \$120,000 is reasonable and recommended in light of several factors. The Authority's motion for summary judgment was denied. Plaintiff has clear and evident injuries and has an extensive record of treatment. Any potential liability would be difficult to allocate between the Authority and Live Nation. Live Nation has already agreed to commit \$60,000 to settlement. The Authority is requesting authorization to pay its equal share of the settlement, an additional \$60,000. Further, in the opinion of the Authority's Counsel, DeCotiis, FitzPatrick and Cole, in consultation with the Law Department, a lengthy and costly trial is not advisable.

Accordingly, the Law Department recommends that the Commissioners authorize full and final settlement of the matter, in an amount not to exceed \$60,000. This settlement will conclude all claims by Plaintiff against the Authority. Authorization is also recommended to allow the Executive Director to execute any and all documentation upon review and approval by the Law Department and General Counsel necessary to conclude this litigation.

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority unanimously approved items 281-10 through 286-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Chief Engineer Raczynski requested approval of item numbers 287-10 through 291-10, Award of Contracts. Moved as a group those items are as follows:

287-10

In a document dated December 6, 2010 concerning Recommendation to Award Contract No. P100.132, this contract will provide for the superstructure replacement, substructure improvements, and widening of the Patcong Creek Bridge to accommodate three lanes of traffic with full shoulders in each direction.

Eleven bid proposals were received on November 19, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$16,820,346.82, may be compared to the second low bid proposal in the amount of \$18,950,684.20. The low bid is about 11% below the second low bid. A post-bid meeting was conducted with Midlantic Construction, L.L.C. (Midlantic) based on the difference in total price and select unit prices between Midlantic and the next four low bidders to ensure Midlantic

understands the scope and schedule of the contract and is comfortable with the total price bid. Midlantic confirmed their understanding of the contract scope and schedule, and adequacy of the total price bid. Midlantic Construction, L.L.C., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.132 be awarded to the low bidder, Midlantic Construction, L.L.C. of Barnegat, New Jersey, in the amount of \$16,820,346.82. 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.

288-10

In a document dated November 19, 2010 concerning **Recommendation to Award Contract No. T100.153**, this is the first of two Turnpike repair contracts to be awarded for the 2011 construction season, focusing only on bridge deck repairs concentrated in the northern sector of the Turnpike. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and related incidental items.

Four bid proposals were received on November 10, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$11,999,644.00, may be compared to the second low bid proposal in the amount of \$12,440,490.00. The low bidder has previously performed similar bridge deck repair work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T100.153 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey, in the amount of \$11,999,644.00, allocated as follows: Maintenance Reserve Fund No. 03010001 - \$7,900,000.00 in 2011, and \$99,644.00 in 2012; and 2010 Capital Construction Program No. 31401010 - \$4,000,000.00 in 2011. 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.

289-10

In a document dated November 19, 2010 concerning **Recommendation to Award Contract No. P100.187**, this is the first of two Parkway bridge repair contracts to be awarded for the 2011 construction season, concentrated in the southern sector of the Parkway between Milepost 0 to 126. The work generally involves selective replacement of complete deck panels, parapet replacement, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and miscellaneous substructure repairs.

Four bid proposals were received on November 16, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$5,482,275.00, may be compared to the second low bid proposal in the amount of \$6,966,650.00. The low bid is about 21% below the second low bid. A post-bid meeting was conducted with Gardner M. Bishop, Inc. (GMB) based on the difference in total price and select unit prices between GMB and the second low bidder to ensure GMB understands the scope and schedule of the contract and is comfortable with the total price bid. GMB confirmed their understanding of the contract scope and schedule, and adequacy of the total price bid. GMB has previously performed similar bridge repair work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.187 be awarded to the low bidder, Gardner M. Bishop, Inc. of White Plains, New York, in the amount of \$5,482,275.00, allocated as follows: Maintenance Reserve Fund No. 03020001 - \$3,900,000.00 in 2011 and \$82,275.00 in 2012; and 2010 Capital Construction Program. No. 31401010 - \$1,500,000.00 in 2011. 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.

290-10

In a document dated November 24, 2010 concerning **Recommendation to Award Contract No. T600.223**, the work to be performed under this contract involves replacement of ground mounted sign structures and installation of service area sign panels at seven locations on the Turnpike between Milepost 4.2 and 116.6. All work under this contract shall be performed from January 26, 2011 to May 13, 2011.

Four bid proposals were received on November 23, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$324,255.00, may be compared to the second low bid proposal in the amount of \$357,477.00. The low bidder has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T600.223 be awarded to the low bidder, M. L. Ruberton Construction Co., Inc. of Folsom, New Jersey, in the amount of \$324,255.00. 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) 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.

291-10

In a document dated December 2, 2010 concerning **Recommendation to Award Contract No. T869.120.701**, this contract involves reconstruction of the existing northbound and southbound mainline roadways, including the replacement of Structure No. 69.85, and construction of the proposed NSO and SNO roadways, including Structure Nos. 69.85SO and 69.85NO. Also included is the replacement of Cranbury Station Road over the mainline, roadway improvements at Hightstown-Cranbury Station Road and a short length of Conrail track realignment. Additionally, there is one culvert extension, six retaining walls, and installation of three overhead sign support structures. Construction is anticipated to begin in the first quarter of 2011 and be completed by the end of 2013.

Eight bid proposals were received on December 1, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$59,718,281.57, may be compared to the second low bid proposal in the amount of \$59,977,127.00. The low bidder has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T869.120.701 be awarded to the low bidder, The Delaney Group, Inc. of Gloversville, New York, in the amount of \$59,718,281.57. 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.

On motion by Commissioner DuPont, seconded by Commissioner Diaz, the Authority unanimously approved items 287-10 through 291-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

ooo0ooo

Chief Engineer Raczynski requested approval of item numbers 292-10 through 293-10, Final Acceptances. Moved as a group those items are as follows:

292-10

In a document dated November 16, 2010 concerning **Recommendations for Final Acceptance of Contract P100.078**, this contract provided for replacing deteriorated concrete bridge deck slabs, repairing deck spalls, repairing and reconstructing deck joints; and repairing headers. It further provided for removing asphalt surfacing, placing new membrane waterproofing, resurfacing approach roadways and bridge decks, pavement striping; and other incidental work on various bridge structures along the Garden State Parkway. The contract was advertised and there were eight bidders. The contract was awarded on February 20, 2009 to the low bidder, Kyle Conti Construction, L.L.C., 749 Clawson Avenue, Hillsborough, New Jersey in the total amount of \$3,788,450.00.

During the course of the contract, there were five Change Orders for a total increase of \$623,833.96, adjusting the final total amount of this contract to \$4,412,283.96.

The Certification and Recommendation for Final Acceptance has been executed by the Engineer, the General Consultant and the Chief Engineer. All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#16F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P100.078 be accepted and that final payment in the amount of \$15,000.00 be made to the Contractor.

293-10

In a document dated December 2, 2010 concerning **Recommendations for Final Acceptance of Contract A200.122**, this contract provided for maintenance of the clear zone of

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the roadway border, along both the New Jersey Turnpike and Garden State Parkway, in both, the northbound and southbound directions at various locations. It further included the installation of right of way fencing at various locations adjacent to the New Jersey Turnpike and Garden State Parkway. The contract was advertised and there were three bidders. The contract was awarded on June 15, 2009 to the low bidder, Joseph M. Sanzari, Inc., 90 West Franklin Street, Hackensack, NJ in the total amount of \$1,828,530.00.

During the course of the contract, there was one Change Order for a total decrease of \$20,978.70, adjusting the final total amount of this contract to \$1,807,551.30.

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultants and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#10F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract A200.122 be accepted, and that final payment in the amount of \$145,229.60 be made to the Contractor.

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved items 292-10 through 293-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

ooo0ooo

Chief Engineer Raczynski requested approval of item numbers 294-10 through 300-10, Order for Professional Services (OPS').

Raczynski commented on Agenda Item 297-10. A number of years ago the bridge inspection program was divided into separate work packages. Part A takes care of major structures and oversees all other bridge inspection contracts and provides a summary report which is used to determine the bridge deck repair contracts. Part B consists of routine bridges. Part C is the biennial inspection on I-95. Part D covers antenna towers, there are (3) contracts for sign structures. This makes the program more competitive.

Moved as a group those items are as follows:

294-10

In a document dated November 24, 2010 concerning **Recommendation to Issue Order for Professional Services Nos. P3334**, the engineering services associated with OPS No. P3334 will include inspection of 130 bridges in the northern portion of the Parkway. The OPS includes FHWA Structure Inventory and Appraisal form updates, New Jersey Turnpike Authority

Bridge Prioritization System inspections and data collection, and preparation of Load Resistance Factor Ratings.

These assignments are classified as "Simple Projects" 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 29 engineering firms were prequalified and eligible under Profile Code D280C – Bridges, NBIS Program, Complex. Ten firms submitted EOIs by the closing date of September 15, 2010.

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) KS Engineers, P.C.; 2) TranSystems Corporation; and 3) WSP SELLS, Inc. The fees submitted by KS Engineers, P.C. and TranSystems Corporation have been reviewed, negotiated, and are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3334 be issued to the firm of KS Engineers, P.C. of Newark, New Jersey, not to exceed the amount of \$668,000.00, allocated as follows: \$550,000.00 in 2011 and \$118,000.00 in 2012. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.53, based on a 10% allowance for profit and an overhead rate of 130.0% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

In a document dated December 6, 2010 concerning **Recommendation to Issue Order for Professional Services Nos. P3335**, the engineering services associated with OPS No. P3335 will include inspection of 123 bridges in the southern portion of the Parkway. The OPS includes FHWA Structure Inventory and Appraisal form updates, New Jersey Turnpike Authority Bridge Prioritization System inspections and data collection, and preparation of Load Resistance Factor Ratings.

These assignments are classified as "Simple Projects" 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. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 29 engineering firms were prequalified and eligible under Profile Code D280C – Bridges, NBIS Program, Complex. Ten firms submitted EOIs by the closing date of

September 15, 2010.

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) KS Engineers, P.C.; 2) TranSystems Corporation; and 3) WSP SELLS, Inc. The fees submitted by KS Engineers, P.C. and TranSystems Corporation have been reviewed, negotiated, and are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3335 be issued to the firm of TranSystems Corporation of Newark, New Jersey, not to exceed the amount of \$600,000.00, allocated as follows: \$590,000.00 in 2011 and \$10,000.00 in 2012. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80, based on a 10% allowance for profit and an overhead rate of 154.5% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

295-10

In a document dated November 30, 2010 concerning **Recommendation to Issue Order for Professional Services No. P3341**, this Order for Professional Services will provide for design services including inspection, condition evaluation and preparation of construction contract documents for two annual bridge deck and miscellaneous structural repair contracts for 2012 that will address the northern and southern sectors of the Garden State Parkway.

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. Solicitations for Expressions of Interest (EOIs) were sent to 47 engineering firms prequalified and eligible under Profile Codes A092 – Bridges: Miscellaneous Repairs and A093 – Bridges: Deck Replacements and Rehabilitation. Twelve firms submitted EOIs by the closing date of November 9, 2010.

Subsequent to the scoring of EOIs, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Cherry, Weber & Associates; 2) TranSystems Corporation; and 3) Dewberry-Goodkind, Inc. The fee submitted by Cherry, Weber & Associates 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. P3341 be issued to the firm of Cherry, Weber & Associates of Freehold, New Jersey, not to exceed the amount of \$1,716,000.00, allocated as follows: \$1,450,000.00 in 2011 and \$266,000.00 in 2012. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.8, based on a 10% allowance for profit and an overhead rate of 154.5% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

296-10

In a document dated December 6, 2010 concerning **Recommendation to Issue Order for Professional Services No. A3352**, the terms of the New Jersey Turnpike Revenue Bond Resolution require the Authority to employ "...an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience..." (Section 709) to carry out the duties of General Consulting Engineers (GCE). The HNTB Corporation presently serves as GCE for the New Jersey Turnpike Authority under Order for Professional Services (OPS) No. A3053, which expires December 31, 2010.

Under OPS No. A3352, the GCE will perform the following services over a five year term:

- Provides the Authority with professional engineering services required for project coordination and administration;
- Provide the Authority with professional engineering services required to be performed by the "Consulting Engineers" under terms and covenants of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented;
- Provide the Authority with supplementary consulting engineering services that are necessary to develop and maintain a level of knowledge of the condition of the physical facilities of the New Jersey Turnpike and Garden State Parkway, and to provide professional assistance in an advisory capacity on a wide range of professional consulting issues; and
- Provide the Authority with additional services of a general overall nature as the Authority may specifically request (up to a \$250,000 limit), through the Work Request Authorization Form (WRAF) process, funded on a project-by-project basis.

Due to the unique scope of work there are no specific prequalification codes for this assignment. Accordingly, a Request for Letters of Qualification (LOQ) was posted on the Authority's website on September 8, 2010.

By the closing date of September 23, 2010, LOQs were received from six firms. Upon review of the LOQs, three of the firms, AECOM; HNTB Corporation; and PBS&J/Baker met the qualifications stipulated and were requested to submit Technical and Fee Proposals. The

Review Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in HNTB Corporation being the highest technically ranked firm. The fee submitted by HNTB Corporation 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. A3352 be issued to the firm of HNTB Corporation of Wayne, New Jersey. The retainer amount for 2011 is \$1,307,000. The retainer for subsequent years is as follows and the total retainer for the five year period is \$7,000,000:

2012	\$1,362,000
2013	\$1,402,000
2014	\$1,442,000
2015	\$1,487,000

It is also recommended that the Executive Director be authorized to approve separately negotiated WRAFs up to a \$250,000 limit per work order, for additional services of a general overall nature that can best be performed by the General Consulting Engineers. This funding will be encumbered upon the execution of each WRAF. Work requests will be limited to a total of \$2,000,000 annually or \$10,000,000 over the five year term of this OPS. The total fee, including the five year retainer, and the annual WRAFs will not exceed \$17,000,000 for the five year period. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

297-10

In a document dated November 30, 2010 concerning **Recommendation to Issue Order for Professional Services No. A3353**, this OPS provides for the inspection of the Authority's bridge structures in accordance with the requirements of the Main Bridge Inspection Program – Part A, on an annual basis from 2011 through 2015. The annual Part A assignment typically covers the biennial inspection of the Authority's current inventory of 17 Turnpike and Parkway major bridges to comply with the federally mandated National Bridge Inspection Standards; submittal of biennial major bridge inspection reports; FHWA Structure Inventory and Appraisal form updates; NJTA Bridge Prioritization System updates; preparation of system-wide Turnpike and Parkway annual program summary reports; cursory inspection of Turnpike and Parkway major bridges during their non-NBIS cycle; inspection of Turnpike high mast light facilities; quality overview of the Authority's bridge inspection consultants; management of the Authority's Bridge

Inspect Collector and Management System; Load and Resistance Factor Ratings for select major bridges; miscellaneous and on-call assignments for emergencies and overweight vehicle analyses; and other required services. The scope of work for 2011 through 2015 varies on an annual basis depending upon the prescribed inspection cycle for each structure.

The total cost for this five year assignment has been established based on staff's estimate in a not to exceed amount of \$13,700,000 using a multiplier of 2.80 on direct labor. The fee for 2011 will be negotiated based on staff's estimate of \$3,000,000 and the fee proposals from short-listed firms. The fees for 2012 through 2015 will be negotiated annually based on the scope of work and required manhours, subject to approval by the Chief Engineer and ratified at the Authority's Commission Meeting each December, with the five year cumulative total fee not to exceed \$13,700,000.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 29 engineering firms were prequalified and eligible under Profile Code D280C - Bridges: NBIS Program, Complex. Five firms submitted EOIs by the closing date of October 12, 2010.

Subsequent to the scoring of EOIs by the Review Committee, the top three firms were requested to submit Technical and sealed Fee Proposals. The firms in the order of ranking are: 1) HNTB Corporation, 2) Pennoni Associates, Inc., and 3) WSP Sells. The Review Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in HNTB Corporation being the highest technically ranked firm. The fee submitted by HNTB Corporation for the 2011 Bridge Inspection Program, Part A has been reviewed, negotiated, and is considered to be fair and reasonable for the services to be provided.

The total cost for this five year assignment has been established based on staff's estimate in a not to exceed amount of \$11,800,000.00. The fees for 2012 through 2015 will be negotiated annually based on the scope of work and required manhours, subject to approval by the Chief Engineer and ratified at the Authority's Commission Meeting each December, with the five year cumulative total fee not to exceed \$11,800,000.00.

It is, therefore, recommended that Order for Professional Services No. A3353 be issued to the firm of HNTB Corporation of Wayne, New Jersey, not to exceed the amount of \$11,800,000.00 for the entire five year term, and in the amount of \$2,420,000.00 for year 2011. The \$2,420,000.00 fee for year 2011 shall be allocated as follows: \$2,200,000.00 in 2011 and \$220,000 in 2012. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.57, based on a 10% allowance for profit and an overhead rate of 133.6% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

298-10

In a document dated November 30, 2010 concerning **Recommendation to Issue Order for Professional Services No. P3360**, this Order for Professional Services will provide construction services for the referenced contracts. Contract P100.130 will provide for the construction of a new northbound bridge over Bass River and for widening and rehabilitation of the existing Bass River Bridge crossing. Contract P100.132 will provide for the superstructure replacement, substructure improvements, and widening of the Patcong Creek bridge. These improvements will accommodate three lanes of traffic in each direction.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 55 engineering firms were prequalified and eligible under Profile Code B155 – Bridges: Construction Inspection. Five firms submitted EOIs by the closing date of October 18, 2010.

Subsequent to the scoring of EOIs by the Review Committee, the top three firms were requested to submit Technical and sealed Fee Proposals. The firms in the order of ranking are: 1) PB Americas, Inc.; 2) Jacobs Engineering Group, Inc.; and 3) Johnson Mirmiran & Thompson. The Review Committee reviewed and evaluated each firm's Technical Proposal. Final scoring resulted in PB Americas, Inc. being the highest technically ranked firm. The fee submitted by PB Americas, Inc. 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. P3360 be issued to the firm of PB Americas, Inc. of Princeton, New Jersey, not to exceed the amount of \$11,655,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.50 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

299-10

In a document dated November 24, 2010 concerning **Recommendation to Issue Order for Professional Services No. A3369**, this Order for Professional Services will provide construction supervision services for the two referenced contracts. Contract No. T100.153 is the first of two Turnpike bridge deck repair contracts to be awarded for the 2011 construction season and will concentrate in the northern section of the Turnpike. The work generally involves selective replacement of existing asphalt wearing surface, deck repairs and related incidental items. Contract No. A100.183 will primarily provide for perimeter fencing on 12 bridges on the Parkway and Turnpike roadways.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 47 engineering firms were prequalified and eligible under Profile Code B157 – Bridge Deck Repair/Replacement Inspection. Four firms submitted EOIs by the closing date of October 7, 2010.

Subsequent to the scoring of EOIs by the Review Committee, the top four firms were requested to submit Technical and sealed Fee Proposals. The firms in the order of ranking are: 1) Stone & Webster, Inc.; 2) Greenman-Pedersen, Inc.; 3) Kupper, LLC; and 4) Hill International, Inc. The Review Committee reviewed and evaluated each firm's Technical Proposal. Final scoring resulted in Stone & Webster, Inc. being the highest technically ranked firm. The fee submitted by Stone & Webster, Inc. 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. A3369 be issued to the firm of Stone & Webster, Inc. of Trenton, New Jersey, not to exceed the amount of \$2,545,000.00, allocated as follows: Maintenance Reserve Fund No. 03010001 - \$1,676,000.00 in 2011 and \$84,140.00 in 2012; and 2010 Capital Construction Program No. 31401011 - \$784,860.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.5 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

300-10

In a document dated November 30, 2010 concerning **Recommendation to Issue Order for Professional Services No. P3391**, this Order for Professional Services provides for supervision of the two Parkway bridge repair contracts to be awarded for the 2011 construction season identified above. The work generally involves selective replacement of complete deck panels, parapet replacement, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface, and miscellaneous substructure repairs.

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. Solicitations for Expressions of Interest (EOIs) were sent to 46 engineering firms prequalified and eligible under Profile Codes B156 - Bridge Repair Inspection and B157 - Bridge Deck Repair/Replacement Inspection. Five firms submitted EOIs by the closing date of November 12, 2010.

Subsequent to the scoring of EOIs, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Gannett Fleming, Inc.; 2) Greenman-Pedersen, Inc.; and 3) KS Engineers, P.C. The fee submitted by Gannett Fleming, Inc. 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. P3391 be issued to the firm of Gannett Fleming, Inc. of Mount Laurel, New Jersey, not to exceed the amount of \$1,725,000.00, allocated as follows: \$1,538,000.00 in 2011 and \$187,000.00 in 2012. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.46 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. 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. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved items 294-10 through 300-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Chief Engineer Raczynski requested approval of item numbers 301-10 through 303-10, Utility Orders. Moved as a group those items are as follows:

301-10

In a document dated November 19, 2010 concerning **Recommendation to Execute Supplement No. 2 to Utility Order No. 1195-T**, Utility Order No. 1195-T was originally issued at the October 3, 2008 Commission Meeting, in the amount of \$10,950,000.00, authorizing Adesta, LLC to perform relocation of the existing New Jersey Turnpike Authority's fiber optics cable to accommodate the Interchange 6 to 9 Widening Program (Program) construction. The original utility order was issued to facilitate the early relocation of over 24 miles of existing fiber optic cabling that would be adversely impacted by the construction of the Program between Milepost 48.7 and 72.8. The scope of work was based on HNTB Corporation's preliminary design plans and known conditions at that time. As relocation construction progressed, Program design requirements and unanticipated field conditions necessitated changes to the new fiber optic cable installation and introduced additional work to the original scope. These changes and additional work were reflected in Supplement No. 1. As the original scope was accomplished prior to the design completion of most of the widening contracts, it is anticipated that there will be conflicts between the two components, either along the backbone or the laterals feeding the interchanges, service areas, and maintenance districts along the entire widening corridor. To maintain the overall Program schedule, timely resolution of these conflicts is essential.

Supplement No. 1 was authorized in January 2010 in the amount of \$1,350,000.00 and provided for cost reimbursement to Adesta to perform additional work required due to unanticipated field conditions encountered during construction and extra work directed by the Authority.

Supplement No. 2 will establish a lump sum drawdown item in the amount of \$500,000.00 to provide cost reimbursement to Adesta to perform additional work required and directed by the Authority which was not included in the original utility order or Supplement No. 1. Cost reimbursement to Adesta will be made on a cost-plus basis, as established in the terms of the utility order. The additional work will be performed on an as-required basis and will enable resolution of unanticipated issues/conflicts caused by the interfacing of the proposed widening construction and the recently relocated fiber optic cables.

The cost established for this Supplement was provided by the Authority's consultant and is based on known conditions at this time. The cost estimated was reviewed by the Engineering Department, is considered reasonable and approval is recommended. It is, therefore, recommended that the Executive Director be authorized to execute Supplement No. 2 to Utility Order No. 1195-T, not to exceed the amount of \$500,000.00, increasing the total authorized amount from \$12,300,000.00 to \$12,800,000.00.

302-10

In a document dated November 19, 2010 concerning **Recommendation to Execute Utility Order Nos.1312-T**, existing facilities belonging to Verizon – New Jersey, Inc. (Verizon) will be directly impacted by the construction of the above referenced contract within the Widening Program. The Authority will reimburse Verizon for the relocation of the existing facilities, including the cost of materials, inspection and associated activities.

The Authority will reimburse Verizon for the purchase and installation of cables, poles, appurtenances and removal of existing facilities. The Authority's contractor shall purchase and install conduits, manholes, and risers. This work is in the vicinity of Wyckoff's Mill Road (Milepost 68.40), Brick Yard Road (Milepost 69.27), and Station Road (Milepost 70.48).

The cost of this Utility Order was provided by Verizon - NJ, Inc. and is based on the final improvements and known conditions at this time. The cost proposal was reviewed by the Engineering Department, is considered reasonable and approval is recommended.

It is, therefore, recommended that the Executive Director be authorized to execute Utility Order No. 1312-T, not to exceed the amount of \$1,050,000.00.

In a document dated November 19, 2010 concerning **Recommendation to Execute Utility Order Nos.1320-T**, existing facilities belonging to Verizon – New Jersey, Inc. (Verizon) will be directly impacted by the construction of the above referenced contract within the Widening Program. The Authority will reimburse Verizon for the relocation of the existing facilities, including the cost of materials, inspection and associated activities.

The Authority will reimburse Verizon for the cost of materials, engineering, inspection and associated activities for the relocation of approximately 3,530 feet of existing aerial and underground facilities to 3,600 feet of new underground and aerial facilities. This work will be performed in the vicinity of South Broad Street (Milepost 57.1), Yardville-Allentown Road (Milepost 58.1), Crosswicks Hamilton Square Road (Milepost 57.55), and Merrick Road (Milepost 59.23) in Hamilton Township, Mercer County. The cost of this Utility Order was provided by Verizon - NJ, Inc. and is based on the final improvements and known conditions at this time. The cost proposal was reviewed by the Engineering Department, is considered reasonable and approval is recommended.

It is, therefore, recommended that the Executive Director be authorized to execute Utility Order No. 1320-T, not to exceed the amount of \$725,000.00.

303-10

In a document dated November 18, 2010 concerning **Recommendation to Execute Utility Order No. 1319-P**, a Utility Order is required for the relocation of existing Comcast Cable

facilities directly impacted by the proposed new structure and bridge rehabilitation work at the GSP Bass River Bridge. The utility relocation work involves the relocation of approximately 1200 feet of aerial communication line to new underground facilities. The proposed conduit and underground communication line will be relocated underground and cross the Bass River attached to the existing Route 9 NJDOT Bridge in advance of the proposed bridge construction.

The cost of this Utility Order was provided by Comcast and is based on the final improvements and known conditions at this time. The cost proposal was reviewed by the Engineering Department, is considered reasonable and approval is recommended.

It is, therefore, recommended that the Executive Director be authorized to execute Utility Order No. 1319-P, not to exceed the amount of \$625,000.00.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved these items 301-10 through 303-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Chief Engineer Raczynski requested acknowledgement of item number 304-10, Reports.

Chairman Simpson asked, "How does the Authority know we are on time and on budget?" Raczynski indicated that expenses are tracked regularly and discussed the development of a financial report reflecting the status of the Engineering items.

Chairman Simpson asked what the change order threshold was. Raczynski indicated that there are three types of change orders, 1, 2 and 3. Engineering has to come to the Board for a Type 3 change order because it reflects a change in the scope of the project. For example, an emergency situation may arise from an accident in an area that the contractor is already working in and the Authority may ask the contractor to do the repairs because they are fully equipped to handle the job.

Executive Director Hakim indicated she would be reviewing available reports with Raczynski to provide another report showing these items in more detail.

304-10

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

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

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously accepted the reports and received for file.

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MAINTENANCE

Assistant Director of Building Maintenance Joseph Lentini requested approval of item number 305-10. Moved is the item as follows:

305-10

In a memorandum dated November 23, 2010, concerning **Recommendation of Formal Acceptance and Final Payment**, for Garden State Parkway, Contract No. P500.191, JDS General Contracting, Inc., Roof Replacement at Smith Street Warehouse, this contract provided for roof replacement at the Smith Street Warehouse located at 262 Smith Street, Woodbridge. The contract was advertised and there were 11 bidders. The contract was awarded on May 20, 2010 to the low bidder, J.D.S. General Contracting, Inc., 304 Monmouth Road, Millstone, NJ in the total amount of \$78,500.00.

During the course of the contract, there was one Change Order for a total increase of \$30,600.00, adjusting the final total amount of this contract to \$109,100.00.

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultants and the Director of Maintenance.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#3F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P500.191 be accepted, and that final payment in the amount of \$2,182.00 be made to the Contractor.

On motion by Commissioner Hodes, seconded by Commissioner Singleton, the Authority unanimously approved item 305-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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PURCHASING

Director of Purchasing Andrea Ward requested approval of item numbers 306A-10 through 306Q-10. Moved as a group those items are as follows:

PUBLIC BID SOLICITATIONS

306A-10

ITEM WITHDRAWN

306B-10

In a document dated December 7, 2010, concerning **Pressure Treated Lumber**, authorization is requested to award a six-month contract for the purchase of pressure treated lumber to be used by the Maintenance Department in the Northern and Southern Areas. Requests for bids were advertised and distributed to twelve vendors. Bidders were required to quote unit prices on estimated quantities of 34 items of various sized pressure treated lumber. In addition, the Bidders could bid on one or both Areas, provided the bidder has a facility in any of the counties comprising that Area. On October 26, 2010, four bid proposals were received. Bid results are as follows:

	<u>Northern Area</u>	<u>Southern Area</u>
Bayway Lumber, Inc., Linden, NJ	<u>\$37,372.50</u>	\$37,372.50 *
Heath Lumber Company, Ewing, NJ	\$40,736.75	No Bid
Tulnoy Lumber, Bronx, NY	\$37,976.75	No Bid
US Lumber, Woodbury Heights, NJ	No Bid	<u>\$40,553.25</u>

Note: Bayway Lumber did not have a required facility in any of the counties that comprise the southern area.

Bids were procured, and authorization is being sought to award the contract 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). These awards are also 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. Accordingly, authorization is requested to award two, six-month contracts to Bayway Lumber, Inc. (\$38,000.00) and US Lumber (\$41,000.00) for a total amount not to exceed \$79,000.00.

306C-10

In a document dated November 24, 2010, concerning **Monroe and Swenson Spreader Parts**, authorization is requested to award a one-year contract for the purchase of Swenson and Monroe spreader parts to be used by the Maintenance Department. Requests for bid were distributed to 24 vendors. Bidders were required to quote unit prices on estimated quantities of 17 items, including but not limited to, various sized motors and gearbox assemblies and provide a discount off the Manufacturer's List Price. Since the previous contract expended all funds by June 30, 2010 and four additional items were included in this bid, the anticipated annual expenditure has been increased from \$67,500.00 to \$105,000.00. On November 18, 2010, three bid proposals were received. Bid results are as follows:

	<u>Total Price</u>	<u>Discount Off Manufacturer's List Price</u>
Seely Equipment and Supply Co., Inc. Farmingdale, NJ	\$67,989.52 *	12%
Montage Enterprises, Inc., Blairstown, NJ	\$69,612.46	38%
Bristol Donald Co., Inc., Newark, NJ	\$81,784.68	<u>5%</u>

* The Inventory Division reviewed the bid proposals and found the one submitted by the lowest bidder, Seely Equipment and Supply Co., Inc., did not quote a price for Item No. 11 contrary to the bid specifications. The Bid Sheet Instructions (Page 11) state: "Vendors must supply a price for every item listed. Bids not having a price in all listed items may be rejected." Therefore, it is recommended that the bid proposal from Seely Equipment and Supply Co., Inc. be rejected.

Bids were procured, and authorization is being sought to award the contract 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). 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 one year contract for the purchase of Swenson and Monroe spreader parts, to Montage Enterprises Inc., in the low bid amount of \$69,612.46. In addition, authorization is requested to establish an expenditure under this contract, in an amount not exceed \$105,000.00, should additional maintenance parts be needed.

306D-10
ITEM WITHDRAWN

306E-10

In a document dated December 1, 2010, concerning **Installation Of Uninterruptible Power Supply Systems On The New Jersey Turnpike**, authorization is requested to award a contract for the installation of uninterruptable power supply systems at thirteen (13) locations on the New Jersey Turnpike as part of the Green Corridor Initiative Program. Requests for bid were distributed to 26 vendors. Bidders were required to attend a mandatory site inspection at four locations. In addition, bidders were required to quote the installation of power supplies at 13 Interchange locations. On November 30, 2010, six proposals were received. Bid results are as follows:

	<u>Total Price</u>
Altec Building Systems Corp., Point Pleasant, NJ	<u>\$312,082.00</u>
J G Salas & Sons, Inc., Union Beach, NJ	\$383,700.00
Preferred Electric LLC, Matawan, NJ	\$384,500.00
All Jersey Systems Electrical Inc., Cliffwood, NJ	\$403,400.00
HBC Company, Inc., Lodi, NJ	\$408,200.00
Federal Electrical Co., North Arlington, NJ	\$772,207.00

Bids were procured, and authorization is being sought to award the contract 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). 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 Altec Building Systems Corp., Point Pleasant, NJ as outlined herein.

STATE CONTRACTS

306F-10

In a document dated December 6, 2010, concerning **Automotive Glass and Windshield Repair**, the Automotive Divisions of the Maintenance Department have requisitioned the award of the above mentioned State Contracts. Under these contracts, six state contract vendors will provide on-site automotive glass and windshield repair to all Authority owned vehicles on both roadways. The Authority would utilize multiple State Contracts, through the contract expiration date of October 31, 2013 as follows:

<u>Vendors</u>	<u>State Contract No.</u>	<u>Anticipated Contract Expenditure</u>
Four Star Auto Glass, Little Ferry, NJ	77928	\$25,000.00
Normans Auto Services, Trenton, NJ	77926	\$30,000.00
North Star Auto, LLC, Newark, NJ	77929	\$5,000.00
Quality Auto Glass, Inc., South Plainfield, NJ	77927	\$5,000.00
R&R Auto Body, LLC, Trenton, NJ	77924	\$5,000.00
South Jersey Glass Company, Vineland, NJ	77925	\$25,000.00

These contracts 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. Accordingly, authorization is requested to award multiple contracts, as outlined herein.

306G-10

In a document dated December 1, 2010, concerning **Desktop Computers, Monitors, Laptops and Printers**, under this contract, Hewlett Packard Company will provide 100 desktop computer workstations conforming to existing Authority specifications and requirements, 14 portable laptop computers, 70 computer monitors, and 56 printers of various capabilities and functions suitable for the user department. These items are to fulfill departmental requests for computer hardware, as well as the annual "Computer Refresh" project for the entire Authority. Under the "Computer Refresh" project, the Authority annually replaces approximately 15 percent of its installed base of computers. The computers being replaced are technologically obsolete and no longer covered by hardware warranties. This systematic replacement policy gives the Authority the opportunity to routinely budget for equipment replacement, and to slowly phase in new equipment and technologies which in turn minimizes downtime for users.

(NJTA Commission Meeting – 12/15/10)

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. Accordingly, authorization is requested to award a contract to Hewlett Packard Company.

306H-10

In a document dated November 19, 2010, concerning **Mobile Data Terminals (MDT's) and Consoles for 2010 State Police Fleet**, under this contract, Dell Marketing, LP will provide computer components and console bundles to outfit (123) 2010 State Police vehicles for Troops D and E. The computer components will consist of 121 keyboards, 121 monitors, and 127 scanners with printers. The scanners and printers are required to be used in conjunction with the new E-Ticketing system the State Police has in place. The computer consoles are required for proper installation of the above mentioned components, creating in-vehicle workstations. All components are required to conform to Division State Police equipment for full integration of all software applications. Overall, the purchase of this equipment will provide the State Police troopers with access to motor vehicle information, including but not limited to, driver license, vehicle information and driving history. In turn, the Troopers will be able to perform their vehicular stops more efficiently and quickly while on the side of the Authority's roadways. Furthermore, enhanced safety to the Authority's patrons and State Police Troopers will be the ultimate benefit of the underlying purchase.

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. Accordingly, authorization is requested to award a contract to Dell Marketing, LP, as outlined herein.

306I-10

In a document dated December 1, 2010, concerning **Server Hardware for Migration of the Authority's E-Mail System – Exchange Server**, under this contract Hewlett Packard will provide 13 "Proliant" Servers for the migration of the Authority's email system to the latest version, Microsoft Exchange 2010. Exchange 2010 will provide automatic failover capabilities in the event of a system failure, allow easier management of sensitive information, and reduce long term operating costs. Moreover the current Authority's version, Exchange 2003 is no longer supported by Microsoft.

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. Accordingly, authorization is requested to award a contract to Hewlett Packard Company, as outlined herein.

306J-10

In a document dated November 30, 2010, **Licensing for Microsoft Software Products**, the Technology and Administrative Services Department has requisitioned the purchase of software licenses to support the Authority's Microsoft "Windows" computing environment. This consolidated purchase is for all required Microsoft licenses as follows: 245 copies of Microsoft Office 2010 to replace the obsolete Office 2003 in current use; 35 copies of Windows Server 2008 to replace the current obsolete server versions; and 2 copies of structured query database ("SQL") Server 2008 in order to migrate databases from Oracle to the lower cost SQL Server. The Authority currently has an active select software agreement with Microsoft that provides for the purchase of all our licenses at the lowest available price provided to government bodies. These software changes result in lower operational costs and approximately 20 percent licensing savings from the cost of the prior licenses.

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. Accordingly, authorization is requested to award a contract to Dell Marketing, L.P.

306K-10

In a document dated December 2, 2010, concerning **Hewlett Packard System Maintenance**, the Technology and Administrative Services Department, in conjunction with Electronic Toll Collection is requisitioning the purchase of a multi-year maintenance contract for all of the Authority's Hewlett Packard ("HP") operating systems. Systems covered by this maintenance contract will support the electronic toll collection systems, traffic surveillance and control systems, and large-scale general computing platforms. The fact that HP is the manufacturer of the hardware as well as developer of the software, ensures the Authority of the highest level of support, while eliminating issues of accountability should problems arise. The support being procured cannot be supplied internally, and includes remediation of software issues, supplies latest software versions and patches, as well as hardware repair, and when necessary, replacement of components.

The contract agreement for both HP hardware and its operating software will run through June 30, 2014 (42 months) and will realize a 6% or \$140,343.00 savings over a single year term contract.

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. Accordingly, authorization is requested to award a contract to Hewlett Packard Company, in the amount of \$2,370,434.55 for maintenance services through June 30, 2014.

306L-10

In a document dated December 1, 2010, concerning **International Heavy Duty Truck Parts**, in December, 2009 the Authority awarded a three-year contract to Ransome International, LLC (formerly Freedom International Trucks) to provide Heavy Duty Truck Parts for International Trucks. The Authority's snow fleet consists primarily of International trucks. The Maintenance Department has requested that Contract No. 1269A be increased as the authorized amount has been depleted. The original procurement by the Authority was for an annual expenditure not to exceed \$100,000.00. At the time of award, the Maintenance Department did not request its full three-year budget needs of this equipment, planning to request yearly increments as annual budgets became available. Therefore, the Maintenance Department has requested the authorized amount of Contract No. 1269A be modified from \$100,000.00 to \$300,000.00 to continue the supply of referenced items through the expiration of the State Contract on March 17, 2012.

This contract was 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. Accordingly, approval is requested to increase the authorized amount of Contract No. 1269A by \$200,000.00 to continue the referenced services through the expiration of the State Contract on March 17, 2012.

306M-10

In a document dated November 30, 2010, concerning **Sterling Heavy Duty Truck Parts**, in March, 2009 the Authority awarded a three year contract to Hoover Truck Centers, Inc. to provide Sterling OEM heavy duty truck parts for snow fleet truck repair. 37 Sterling parts are stocked in inventory. The Maintenance Department has requested that Contract No. 1286 be increased as the authorized amount has been depleted. The original procurement by the Authority was for an annual expenditure not to exceed \$100,000.00. At the time of award, the Maintenance Department did not request its full three-year budget needs of this equipment, planning to request yearly increments as annual budgets became available. Therefore, the Maintenance Department has requested the authorized amount of Contract No. 1286 be modified from \$100,000.00 to \$300,000.00 to continue the supply of referenced items through the expiration of the State Contract on March 17, 2012.

This contract was 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. Accordingly, approval is requested to increase the authorized amount of Contract No. 1286 by \$200,000.00.

306N-10

In a document dated November 22, 2010, concerning **Road Maintenance Equipment Parts**, in April, 2008 the Authority awarded a contract to A&M Equipment Company to provide Tymco brand OEM sweeper parts as well as repair service for Tymco roadway sweepers. The original procurement by the Authority, was in the amount of \$50,000 through the original term of the contract 12/31/10. Since that time the contract has been extended to June 30, 2011. Currently, the Maintenance Department has requested the authorized amount of Contract No. 913 be increased from \$50,000.00 to \$65,000.00 to continue the supply of referenced items through the extended expiration of the State Contract on June 30, 2011.

This contract was 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. Accordingly, approval is requested to increase the authorized amount of Contract No. 913 by \$15,000.00 to continue the referenced services through the expiration of the State Contract on June 30, 2011.

PROFESSIONAL SERVICES

306O-10

In a document dated December 1, 2010, concerning **Third Party Workers' Compensation Claim Administration Services**, authorization is requested to extend the term and increase the authorized amount of the contract awarded to Inservco Insurance, Harrisburg, PA ("Inservco") partnered with Qualcare, Piscataway, NJ ("Qualcare"). These two firms generally provide third party claims administration and medical bill repricing/provider network access for the Authority's self-funded workers' compensation program.

At its November 30, 2004 meeting, the Authority's Board of Commissioners authorized the award of a contract to Inservco, partnered with Qualcare, to provide third party claims administration services, a preferred provider network, and medical bill re-pricing services (collectively "TPA Services") to support the Authority's self-funded workers' compensation program. The contract with Inservco and Qualcare was for a term of three years and the Authority, at its sole discretion, was permitted to extend the contract for two additional one-year terms. The Authority has exercised its options and extended the contract at the same terms and conditions of the original contract. In light of the expiration of the contract with Inservco partnered with Qualcare, the Authority advertised a Request for Proposals ("RFP") for the TPA Services in January of 2010. Proposals were received and are under review. Because the RFP remains under review to date, the Human Resources Department requests that the contract with Inservco/Qualcare be extended through February 29, 2011 in an amount not to exceed \$27,083.34. This professional services contract was conducted in accordance with N.J.S.A. 27:23-6.1 and N.J.A.C. 19:9-2(b). Accordingly, authorization is requested to extend and increase the authorized amount of the Contract with Inservco Insurance Services, Inc. and Qualcare.

SOLE SOURCE

306P-10

In a document dated December 1, 2010, concerning **Oracle Software License and Service Agreement**, authorization is requested to award a sole source contract to Oracle for the renewal of two Software License and Service Agreements ("Software Agreements"). Under the Software Agreements, Oracle will continue to provide technical support and software upgrades to the Authority's database management systems and electronic toll collection system that use the Oracle Software. The maintenance also includes patches to the software as well as troubleshooting and error recovery assistance.

The Oracle Software is proprietary to Oracle, which is the publisher and holder of all copyrights. Oracle is the only vendor which has access to the source codes needed to debug, upgrade and support the Oracle Software. Thus, no other vendor is capable of providing the services required under the Service Agreement. In addition, this is an exceptional circumstance, as the client support and maintenance services are necessary for the operation of the Authority's database management systems. Thus, the annual Software Agreements will be procured without public advertisement as a sole source exception to the public bidding laws and consistent with Executive Order No. 37.

Accordingly, authorization is requested to award a contract for the renewal of the Software License and Service Agreements with Oracle Corporation for the period January 1, 2011 through June 30, 2012 in an amount not to exceed \$952,862.91. The Authority extended the length of contract from 12 to 18 months, and thus, received a price reduction from Oracle in the amount of \$53,661.50 from the 2010 contract. The award will be made under the sole source procurement authorization of N.J.A.C. 19:9-2.2(d)1 as promulgated under N.J.A.C. 27:23-6.1. A resolution, as required by N.J.A.C. 19:9-2.2(d)1 is attached hereto. The award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the awardee pursuant to Public Law 2005, Chapter 51 and Executive Order NO. 117 (Corzine 2008), and having no objection to the same.

RESOLUTION FOR SOLE SOURCE PROCUREMENT

Software License and Service Agreement with Oracle Corporation

WHEREAS, the Technology and Administrative Services Department requisitioned a renewal of the Software License and Service Agreement with Oracle Corporation, Redwood Shore, California; and

WHEREAS, under the Software Agreement, the Oracle Corporation will provide technical support and software upgrades, including PeopleSoft requirements, for the Authority's Database Management Systems and storage of toll collection data by the ETC Department; and

WHEREAS, Oracle Software is copyrighted and proprietary in nature, and therefore, of a

unique and confidential nature that will not admit a generic or standard specifications for procurement through competitive solicitation by public advertisement; and

WHEREAS, Oracle Software can only be procured from Oracle Corporation through direct negotiation of the Software Agreement and, for the period January 1, 2011 through June 30, 2012, the cost of the renewal of technical support and software upgrades will not exceed \$952,862.91; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2.2(d)1 promulgated under N.J.S.A. 27:23-6.1 permits sole source procurement when only one source of the required service exists.

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Commissioners hereby authorize and approve the renewal of the Software License and Service Agreement with Oracle Corporation for the period through June 30, 2012, in an amount not to exceed \$952,862.91, as a sole source exception to procurement by public advertisement permitted by N.J.A.C. 19:9-2.2(d)1 promulgated under the Authority's enabling legislation, N.J.S.A. 27:23-6.1.

MISCELLANEOUS

306Q-10

In a document dated December 1, 2010, concerning Newspaper Advertisements, Authorization is requested to establish an open account for the Authority's newspaper publishing needs for 2011. These needs include, but are not limited to, notices of public meetings, auctions for disposal of vehicles, requests for proposals, public bids, contract advertisements, public notices and employment advertising. The open account will be established for the period January 1, 2011 through December 31, 2011. Advertisements will be made on an "as needed basis" in one or more of the daily or weekly newspapers listed below.

The Star Ledger	Home News Tribune	Cranbury Press	Princeton Packet
The Times	Courier Post	County Times	Today's Sunbeam
Trentonian	Bergen Record	Jersey Journal	Wilmington News Journal
North Jersey News	Burlington Times	New Jersey Journal	Philadelphia Inquirer
Asbury Park Press	City News	New York Times	Atlantic City Press

Based on the requirements of the departments, the combined authorized amount will not exceed \$100,000.00. The publishing of legal notices in newspapers, as required by law, is exempt, under State procurement laws, from public advertisement for bid proposals.

Accordingly, authorization is requested to establish an open account for the period January 1, 2011 through December 31, 2011, for newspaper publishing needs in an amount not to exceed \$100,000.00 as outlined herein.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved items 306A-10 through 306Q-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ELECTRONIC TOLL COLLECTION (ETC)

Director of ETC Dennis Switaj requested approval of item numbers 307-10 through 308-10. Moved as a group those items are as follows:

307-10

In a memorandum dated December 7, 2010, concerning a recommendation to **Authorization to Pay Pennsylvania Turnpike Commission the Authority's 2011 Annual Membership Assessment in the E-ZPass Interagency Group**, on December 19, 1991, the Authority's Board of Commissioners granted approval for the New Jersey Turnpike Authority ("Authority") to join with other regional toll agencies for the purpose of procuring an interoperable regional electronic toll collection system. This group, known as the Interagency Group ("IAG"), now includes twenty-four agencies from fourteen states.

Representatives from these agencies meet regularly to address ongoing operational and technological issues. Each year, the Executive Management Committee of the IAG approves a financial plan that includes member assessments. The Pennsylvania Turnpike Commission ("PTC") was designated as Treasurer to oversee the IAG budget. For 2010, the Authority's assessment is \$70,000, same amount as in recent years.

Accordingly, it is recommended that the Authority's Board of Commissioners authorize the payment (upon invoice) of the IAG Annual Membership Assessment in the amount of \$70,000 to the PTC – E-ZPass Interagency Fund.

Funds for these assessments are included in Account No. 890-445900.

308-10

In a memorandum dated December 13, 2010, concerning a recommendation to **Authorization to Exercise the First Two-Year Option of the Authority's contract with ACS State and Local Solutions, Inc.**, the New Jersey Turnpike Authority ("Authority") is the lead agency administering the New Jersey E-ZPass Customer Service Center, which handles back office operations for the Authority, South Jersey Transportation Authority, Delaware River Port Authority and Burlington County Bridge Commission. ACS State & Local Solutions, Inc. ("ACS") is the Authority's contractor for the operation and maintenance of the New Jersey E-ZPass electronic toll collection customer service center ("CSC") and violation processing center ("VPC"). The Authority entered into a Professional Services Agreement ("Agreement") with ACS effective August 1, 2002. The Agreement expires on July 31, 2012. The Agreement, however, provides for two 2-year options. At its sole discretion, the Authority may exercise one or both of two options to continue the services of ACS, or such parts thereof as shall be desired by the

Authority.

In an effort to reduce our contractual expenditures to ACS, the Authority, acting on behalf of all agencies represented in the New Jersey E-ZPass Customer Service Center, commenced discussions with ACS on modifications to the existing Agreement. Specifically, the Authority sought to reduce overall expenditures to ACS while exercising only one two-year extension option (2012-2014). Negotiations were held with ACS regarding the following two (2) issues: (1) adjusting downward the cost of the Agreement for the remainder of the existing term (January 1, 2011 – July 31, 2012); and (2) continuing to further reduce costs from existing contract levels during the first two-year option period.

Based on existing contract terms, staff estimates that contract costs for the period January 1, 2011 through July 31, 2014 – expiration date of the first two-year option period – would be \$268.7M. As a result of our negotiations with ACS, these contract costs could be reduced to \$231.7M, a reduction of \$37M, or 13.77%. This reduction is the result of the following:

- Revision of the violation administrative fee payment structure
- Reduction in the fixed fees
- Waiver of the obligation to pay for certain items designated as "optional charges" up to a maximum of \$750,000 per year subject to COLA

Negotiations with ACS also produced the following adjustments to the Agreement which have value to the Authority, but cannot be fully quantified:

- Reduced markup for subcontractor costs on all change orders from 25% to 10%
- Upgrade the customer database to ACS's new system, VECTOR 4, which includes helpful general ledger components
- Provide the Authority with a license to use the Express E-ZPass lane software for an eighteen (18) month period continuing after termination of the Agreement, which alleviates future transition problems
- Provide the Authority with a license to use the All Electronic Tolling (AET) software for an eighteen (18) month period continuing after termination of the Agreement to the extent that AET software is in the lanes at the time of termination of the Agreement

The alternative to extending the Agreement would be to draft an RFP now to be advertised over the next several months to compete for the E-ZPass services currently provided by ACS. This is not recommended because it is unlikely to achieve the overall cost savings that have been discussed above, and would include significant transition risks during the period of implementation of the 2012 toll increase and the conclusion of the IAG's equipment procurement, as well.

Based on the above noted \$37M savings to the Authority, as well as the timing of said savings, we recommend extending the Agreement with ACS as described above. Therefore, authorization is requested to issue Supplement "S" to ACS Agreement to modify the contract terms and to exercise the option to extend the Agreement from July 31, 2012 to July 31, 2014.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved items 307-10 through 308-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

Executive Director Veronique Hakim requested approval of item number 309-10. Moved is the item as follows:

309-10

In a document dated December 15, 2010, concerning **Authorization to Publish Notice of the 2011 Schedule of Commission Meetings**, authorization is requested to publish public notice of the 2011 New Jersey Turnpike Authority Commission Meetings in accordance with Chapter 231, P.L. 1975, as set forth in the schedule submitted below. All Commission Meetings will be held at the New Jersey Turnpike Authority Administration Offices located at 581 Main Street, Woodbridge, New Jersey; commencing at 9:30 A.M., unless otherwise notified.

PROPOSED 2011 COMMISSION MEETING SCHEDULE

COMMISSION MEETING DATES	
January 25 th	(Tuesday)
February 23 rd	(Wednesday)
March 29 th	(Tuesday)
April 27 th	(Wednesday)
May 24 th	(Tuesday)
June 28 th	(Tuesday)
July 26 th	(Tuesday)
August 30 th	(Tuesday)
September 27 th	(Tuesday)
October 25 th	(Tuesday)
December 14 th	(Wednesday)

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved item 309-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Executive Director Veronique Hakim requested approval of item numbers 310-10 through 311-11.

These minutes reflect a change in item 311-10 wherein the second paragraph of the memorandum indicated an amount of \$66,471,000 for the 2011 Maintenance Reserve Project. The correct amount is indicated on the back-up entitled New Jersey Turnpike Authority Maintenance Reserve Fund which reflects the amount of \$68,465,000.

Moved as a group are the items as follows:

310-10

Information Item Regarding the New Jersey Turnpike Authority 2011 Capital Project and Investment Plan, as required by statute, the Authority has prepared and filed with

the Commissioner, Department of Transportation, a Capital Project and Investment Plan that details proposed transportation projects and proposed work on existing transportation projects that further the goals of attaining coordinated and integrated Statewide and regional transportation system.

This Plan has been prepared in accordance with the directives outlined in the statute and demonstrates the Authority's continued commitment to operating safe, efficient, and well-maintained roadways that serve as an integral part of the regional transportation network and bolster the State's economy through the creation of jobs on large-scale projects included in the Authority's \$7 billion Capital Program.

311-10

Adoption of the 2011 Operating Budget. The proposed 2011 Operating Budget of \$475,500,000 represents a two-percent (2%) decrease from the 2010 Operating Budget. The Authority arrived at this 2011 budget proposal by engaging in a comprehensive budget preparation process, which directed departmental managers to think strategically and identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective budgets and evaluated all positions and line item expenditures. As a result of the departmental reviews, the 2011 Operating Budget proposes to eliminate sixty-six (66) full-time positions by December 31, 2011. The Authority anticipates that the majority of the headcount reductions will be achieved by way of attrition. This reduction will result in the Authority having an authorized headcount of 2,152 full-time positions. The Authority's proposed 2011 Operating Budget reduces operating costs while maintaining the quality of roads and services and adequately funds the Authority's other project and reserve accounts.

Also attached with the Operating Budget are four schedules. The first schedule details departmental operating expenses totaling \$475,500,000. The second schedule is 2011 Maintenance Reserve Project list totaling ~~\$66,471,000~~ \$68,465,000. The third schedule is a listing of the projects in the Authority's Special Project Reserve Fund totaling \$34,917,000. The final schedule is a listing of Supplemental Capital Fund projects and General Reserve Fund payments for 2011. These total \$198,701,000. It should be noted that the General Reserve Fund payments include \$25,600,000 for the Authority's annual contribution to the Transportation Trust Fund, \$50,500,500 for Approved Feeder Road Capital Payments, and \$50,000,000 budgeted for contributions to other transportation projects.

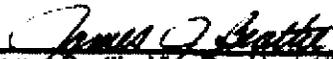
It is recommended that the Authority adopt the attached budgets. The General Consultant, HNTB Corporation, concurs with this recommendation.

**New Jersey Turnpike Authority
Operating Budget**

	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Increase (Decrease)</u>
Executive Office	1,473,500	1,100,000	(373,500)
Law	1,358,400	1,255,100	(104,300)
Human Resources	2,418,100	2,025,000	(393,100)
Finance	8,131,000	5,676,400	(454,600)
Technology & Administrative Services	19,028,200	17,995,400	(1,032,800)
Maintenance	68,497,400	66,153,000	(2,344,400)
Tolls	73,329,500	69,140,000	(4,189,500)
Operations	6,412,300	6,156,800	(255,500)
Patron Services	1,428,400	1,023,100	(405,300)
Automotive Services	2,032,300	1,875,000	(157,300)
Purchasing	1,201,000	1,076,000	(125,000)
Engineering	3,734,000	3,491,800	(242,200)
Internal Audit	1,396,300	1,467,900	71,600
Non-Departmental	20,804,100	21,861,100	857,000
Utilities	18,708,300	18,533,000	(175,300)
Snow	7,800,000	7,800,000	-
	<u>235,753,600</u>	<u>226,428,600</u>	<u>(9,325,200)</u>
State Police	63,042,600	60,000,000	(3,042,600)
Pension & Retirement	27,628,100	30,177,700	2,551,600
Health Benefits	63,351,000	67,054,700	3,703,700
ETC Operating	<u>95,439,700</u>	<u>91,839,000</u>	<u>(3,600,700)</u>
	<u>485,213,200</u>	<u>475,500,000</u>	<u>(9,713,200)</u>
		% Increase over 2010	<u>-2.0%</u>

Approved:

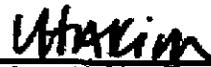

 Veronique Hakim, Executive Director


 James Beattie, Vice President, HNTB Corp.

**New Jersey Turnpike Authority
Maintenance Reserve Fund**

<u>Project Number</u>	<u>Project Name</u>	<u>2011 Budget</u>
03010001	TPK-Bridge Repairs	24,000,000
03010002	TPK-Resurfacing	12,000,000
03020001	GSP-Bridge Repairs	19,950,000
03020005	GSP-Resurfacing	12,000,000
03999999	Contingency	515,000
		<u>68,465,000</u>

Approved:


 Veronique Hakim, Executive Director


 James Beattie, Vice President, HNTB Corp.

**New Jersey Turnpike Authority
Special Project Reserve Fund**

<u>Project Number</u>	<u>Project Name</u>	<u>2011 Budget</u>
0400007	Technology Enhancements	155,300
0400008	Telephone Circuit Upgrade	100,000
0400019	CapEx System Improvements	310,500
0400023	Business Continuity Plan	124,000
0400027	Traffic Manual	57,000
0400028	Guardrail/Guidesrail Replacement Program	2,550,000
0400030	Clear Zone	1,300,000
0400033	Equipment Replacement Under \$50,000	3,429,000
0400034	East Brunswick Network Relocation (TPK, GSP/DOJ)	44,000
0400036	Radio Tower - Repair	95,100
0400043	Right of Way Fencing	300,000
0400053	Repair of Security Gates	225,000
0400056	Lane Closing Application	120,000
0401001	Surplus Property	50,000
0401002	State Police Fleet Replacement Vehicles	4,500,000
0401003	Roofing Upgrades	460,000
0401006	Toll Treadle Replacement	175,000
0401009	Computers & Other Hardware	748,800
0401018	Bridge Inspection	7,183,000
0401019	Environmental Remediation	4,885,000
0401022	Bird Repellent	250,000
0401027	Immediate Facility Repairs & Other Misc. Building Improvements	428,000
04018033	Addition EZ Pass Lanes/Mixed Mode	85,000
04018037	UPS Upgrade on Turnpike	325,000
04020036	Cape May Evacuation Program	15,000
04028038	Touch Screen Terminal Replacement	44,000
04028047	Web Site Enhancement	60,200
04028049	All Electronic Tolling Study	100,000
04028050	Wage Analysis	25,000
04028051	Health Benefit Analysis	25,000
04028052	Mobile Web Site	303,100
NEW	Parkway Audit	575,000
NEW	Linestriping	1,050,000
NEW	Energy Conservation Program	400,000
NEW	Solar Panels	200,000
NEW	Pump Replacement MP 82	200,000
NEW	Cleaning HVAC Ductwork	245,900
NEW	Building Improvements to State Police Kitchens	25,000
NEW	Changeable Message Sign Upgrade Study	200,000
NEW	Roadway Capacity Improvement Studies	300,000
NEW	Traffic Sensor Program	300,000
NEW	Estimate of GSP Travel Statistics	250,000
NEW	Roadside Improvements	500,000
NEW	Security Door at Distribution Center	20,000
NEW	Additional AIX Server Parts to Support TPT Project	51,800
NEW	Infrastructure Support	308,500
NEW	Additional Ingress/Egress at Dist Center	26,000
NEW	Secaucus Tower Replacement	300,000
NEW	SV8500 Upgrade	114,000
NEW	Enterprise GIS Development & Implementation Phase III	150,000
NEW	Bucket Trucks	250,000
04999999	Contingency	1,000,000
		<u>34,917,000</u>

Approved:



Veronique Hakim, Executive Director



James Beatle, Vice President, HNTB Corp.

New Jersey Turnpike Authority
Supplemental Capital Fund

Project Number	Project Name	2011 Budget
08007000	Snow	10,000,000
08007003	Immediate Repair Contracts	1,348,800
08007004	Radio System Replacement	457,800
08007005	Fiber to Service Area/Fiber Rings	148,000
08007008	Camera Surveillance System	172,300
08007018	Roofing Replacements	1,207,700
08007020	DWDM Upgrade	418,000
08007021	Major Fleet Augmentation	8,400,000
08007022	Salt Storage Facilities	1,200,000
08007023	Vehicle Washing Systems	2,850,000
08007024	Sign Replacement	85,000
08007025	Microwave Replacement	2,800,000
08007026	Traffic Mgmt Center Systems	760,000
08007029	Wi Max	3,900,000
08007030	VTDM Integration	1,330,000
08007032	Partway & Turnpike Plaza Server Upgrade & Replacement	1,000,000
08019012	Rt 120 to Rt 3 East Ramp	3,350,000
08017004	Real Time Information	143,700
08017028	Trustee Guest Plate Refroid	90,000
08020001	GSP-UC 10 Improvements	7,863,000
08020001R	GSP-UC 10 Improvements - Reimbursable	(7,863,100)
08020012	Oriscott Bridge Security	150,000
08027012	Lukoff Recovery	(1,100,000)
08027013	GSAC Recovery	(500,000)
08027014	CUGNET North/Rt 37	148,000
08027014R	CUGNET North/Rt 37 - Reimb	(148,000)
08027015	Route 20 DWDM Connection	300,000
08027015R	Route 20 DWDM Connection - Reimb	(300,000)
08027016	DWDM Clifton to TOC Elmwood Pk	66,300
08027016R	DWDM Clifton to TOC Elmwood - Reimb	(66,300)
NEW	Toll Collection Security System	1,825,000
NEW	Complete People Soft Financials	2,750,000
NEW	Replace Underground Electrical	1,000,000
NEW	ATP's	2,000,000
NEW	Distribution Network Upgrade	5,000,000
NEW	Upgrade Women's Facilities	2,000,000
NEW	Construction of Pre-Fab Storage Buildings	400,000
NEW	Maintenance Warehouse	452,000
NEW	Redesign TE Ramp UC #13	400,000
08009999	Contingency	5,000,000
	Supplemental Capital Funding	<u>60,100,000</u>
	Transportation Trust Fund Payments	25,800,000
	Approved Feeder Road Capital Payments	50,900,000
	Feeder Road O&M Payments	8,001,000
	North Avenue Corridor Project Payments	4,800,000
	Available Feeder Road Payments	<u>60,000,000</u>
	Contributions to other transportation projects	<u>158,601,000</u>
	Total funding from General Reserve Fund	<u>184,781,800</u>

Approved:


Veronique Hakim, Executive Director


James J. Beattie, Vice President, HRIS Corp.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved item 310-10 through 311-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Deputy Executive Director John O'Hern requested approval of item number 312-10.

Moved is the item as follows:

312-10

In a memorandum dated December 2, 2010, concerning **Getty Lukoil Contract to Sunoco as of 11-23-2010**, Lukoil, Inc., ("Lukoil") currently operates the nine (9) fuel facilities on the Garden State Parkway. Recently, Lukoil approached the Authority and requested permission to assign the remaining period of its Operating Agreement to Sunoco, Inc. ("Sunoco"). The Operating Agreement is in effect until December 31, 2015.

Sunoco operates the fuel facilities on the New Jersey Turnpike ("Turnpike"). Sunoco has been a quality business partner with the Authority and staff is confident that Sunoco will use the same successful practices it employs at the Turnpike facilities at the Parkway facilities. It is therefore respectfully requested that the Executive Director be delegated the authority to execute all documents necessary to effectuate the assignment of the Operating Agreement from Lukoil to Sunoco.

It must be noted that that the Authority and Sunoco may seek to modify the terms of the Operating Agreement in a manner that will be beneficial to both parties. If the Authority and Sunoco do pursue modification of the Agreement, the Authority will request approval from the Board of Commissioners to make any modifications.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved item 312-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Comptroller Donna Manuelli requested approval of item numbers 313-10 through 316-10.

Moved as a group are the items as follows:

313-10

In a memorandum dated December 6, 2010, concerning action to **Extend letter of credit agreement with Bank of Nova Scotia for two years 02-11-2013**, at its December 9, 2008 meeting, the Authority's Board of Commissioners (the "Board") approved the adoption of the Series 2008 Turnpike Revenue Bond Resolution and a direct pay letter of credit issued by the Bank of Nova Scotia in the face amount of \$88,880,822 to guarantee the payment of the bonds issued under the Resolution. The Board further delegated authority to the Executive Director to continue to negotiate and finalize the terms of the Resolution, with the advice and guidance of Bond Counsel. The documents authorized by the Resolution include the Reimbursement

Agreement with the Bank of Nova Scotia under which the letters of credit were issued.

The Reimbursement Agreement with Bank of Nova Scotia provided for the issuance of a direct pay letter of credit, which provides liquidity support for the Authority's 2009C and 2009D variable rate bonds. Under the direct pay letters of credit, the Authority's Trustee makes a monthly drawdown of funds to pay interest to the bondholders, and the Bank of Nova Scotia is reimbursed by the Authority. The Trustee could also draw on the letters of credit if needed to make principal payments to the bondholders. The Reimbursement Agreement can last for the life of the bonds, which is January 1, 2024. The letters of credit have an initial expiration date of February 11, 2011, which was two years from the date of issuance. The Reimbursement Agreement further provides that the Authority can, with at least 120 days notice before the expiration date, request an extension of the letter of credit. Consequently, the Authority requested an extension of the letter of credit expiration date. The Bank of Nova Scotia offered a two-year extension at a rate of one percent (1%) per year, which is the current rate paid by the Authority. No other fees will be associated with the transaction except for legal fees which are estimated to be approximately \$2,500.

The Authority has had a satisfactory relationship with the Bank of Nova Scotia relative to the current letter of credit. In addition, our financial advisor has reviewed the Bank of Nova Scotia's proposal and has deemed it to be competitive in current financial market. Extending the existing letter of credit expiration date will also save the Authority the upfront fees and legal costs associated with obtaining a replacement letter of credit. Based on these factors, approval is respectfully requested to extend the expiration date of the Bank of Nova Scotia letters of credit until February 11, 2013, at a fee of 1% per year (approximately \$889,000), plus legal costs estimated at \$2,500. The fee is payable quarterly and is charged to account 010-890-440900. Authorization for the Executive Director to execute an amendment to the Reimbursement Agreement and any and all other documents as may be necessary or advisable in connection with the extension of the expiration date of the existing letter of credit is also requested.

314-10

In a memorandum dated December 1, 2010, concerning **Revenue Certification for 2010 and 2011 – Required Under Section 713 of the Turnpike Revenue Bond Resolution Adopted August 20, 1991, As Amended and Supplemented**, under the provisions of Section 713 of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution,

certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made there from for such year, shall be filed with the Trustees on or before December 20.

If it fails to meet the requirements of Section 713 of the Resolution, the Authority shall have its Traffic Engineers conduct a study for the purpose of recommending a schedule of tolls which will provide the necessary revenues to meet the requirements.

The undersigned has completed the review of the financial condition of the Authority for the years 2010 and 2011. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2010 and 2011.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2010 and 2011, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2010 and 2011, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2010's revenue requirements. Specifically, the schedule provides actual revenue through October 31, 2010 and projected revenue for the balance of the year (November-December, 2010).

Schedules D and G

These schedules set forth figures to support the certification under Section 713(c) of the "Resolution" demonstrating that in each calendar year "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of

- (i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any to the Charges Fund for such period

or

- (ii) 1.20 Times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedules E and F

These schedules set forth calculations relative to 2011's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2010 and 2011 will be sufficient to comply with subsection (b) of Section 713 of the Resolution.

Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2010 and 2011, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Turnpike Authority as follows:

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2010 and 2011, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.
2. That a copy of this resolution certified by the Comptroller of the Authority, together with a certificate of said Comptroller setting forth a reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2010 and 2011 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution

Schedule B

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2010

Operating Fund		\$ 485,213,200
Debt Service Requirements (1)		369,502,100
Charges Fund		4,170,000
Maintenance Reserve		58,500,000
Special Project Reserve		<u>32,115,000</u>
		949,500,300
Deduct Revenue:		
Actual Revenue Provision -		
January - October 2010 Revenue	\$ 911,155,800	
Estimated Revenue Provision		
November/December 2010		
(Estimate per Schedule C)	<u>182,007,200</u>	<u>1,093,163,000</u>
Revenue Less Requirements (2)		<u>\$ 143,662,700</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	6,672,300
1991 D Debt Service Requirement	22,964,900
1992 B Debt Service Requirement	5,400,000
2000 A Debt Service Requirement	110,847,100
2000 B-G Debt Service Requirement	17,248,000
2003 A Debt Service Requirement	39,223,600
2003 B Debt Service Requirement	25,916,800
2003 C Debt Service Requirement	17,243,000
2004 C Debt Service Requirement	14,880,100
2005 A Debt Service Requirement	20,893,100
2005 B Debt Service Requirement	1,563,300
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,526,900
2009 A Debt Service Requirement	2,973,000
2009 B Debt Service Requirement	1,646,000
2009 C Debt Service Requirement	1,440,600
2009 D Debt Service Requirement	1,440,600
2009 E Debt Service Requirement (3)	-
2009 F Debt Service Requirement (4)	35,680,000
2009 G Debt Service Requirement	1,738,500
2009 H Debt Service Requirement	15,193,400
2009 I Debt Service Requirement	9,641,900
2010 A Debt Service Requirement (5)	<u>1,575,000</u>
Total Debt Service	<u>369,502,100</u>

(2) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

(3) Series 2009E interest is paid from capitalized interest and not from revenues until 1/1/12.

(4) Series 2009F were issued as Build America Bonds. A portion of Series 2009F interest is paid from capitalized interest (65%) while the remaining amount (35%) shown above is paid through revenue until 1/1/12. The Authority receives a federal interest subsidy in an amount equal to 35% of the total interest payable on the bonds.

(5) Series 2010 are expected to be issued as Build America Bonds. A portion of Series 2010 interest is expected to be paid from capitalized interest (65%) while the remaining amount (35%) shown above will be paid through revenue until 1/1/12. The Authority will receive a federal interest subsidy in an amount equal to 35% of the total interest payable on the bonds.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
 Certificate required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2010

Month	Toll Revenue	Concession Revenue	Income from Investments	ETC	Build America Bonds Subsidy	Arts Center Revenue	Miscellaneous	Total Revenue
November	\$ 80,359,900	\$ 2,316,000	\$ 660,000	\$ 2,488,500	\$ 2,973,300	\$ 37,300	\$ 914,700	\$ 89,749,700
December	78,578,200	2,362,900	3,332,000	2,488,400	4,548,500	37,300	910,200	92,257,500
	\$ 158,938,100	\$ 4,678,900	\$ 3,992,000	\$ 4,976,900	\$ 7,521,800	\$ 74,600	\$ 1,824,900	\$ 182,007,200

NOTE: *Miscellaneous Revenues* include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements.

Schedule D

NEW JERSEY TURNPIKE AUTHORITY
 Certificate required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2010

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues		\$ 1,093,163,000
Operating Expenses		485,213,200
Net Revenues		<u>607,949,800</u>
(i) Debt Service Requirements	369,502,100	
(i) Charges Fund	4,170,000	
(i) Maintenance Reserve	58,500,000	
(i) Special Project Reserve	<u>32,115,000</u>	<u>464,287,100</u>
Excess Revenues		<u>\$ 143,662,700</u>
Net Revenues and Transfers		\$ 607,949,800
(ii) "... 1.20 times Aggregate Debt Service" 1.20 x 369,502,100		<u>443,402,520</u>
Excess Revenues and Transfers		<u>\$ 164,547,280</u>
Debt Service Coverage		<u>1.65</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedule E

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2011

Operating Fund	\$ 475,500,000
Debt Service Requirements (1)	407,933,100
Charges Fund	4,170,000
Maintenance Reserve	68,465,000
Special Project Reserve	<u>34,917,000</u>
	990,985,100
Deduct Revenue:	
Estimated Revenue Provision January/December 2011 (Estimate per Schedule F)	1,165,120,000
Revenue Less requirements (2)	<u>\$ 174,134,900</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	6,672,300
1991 D Debt Service Requirement	22,964,900
1992 B Debt Service Requirement	5,400,000
2000 A Debt Service Requirement	5,057,300
2000 B-G Debt Service Requirement	17,248,000
2003 A Debt Service Requirement	39,223,600
2003 B Debt Service Requirement	136,961,800
2003 C Debt Service Requirement	17,243,000
2004 C Debt Service Requirement	14,880,100
2005 A Debt Service Requirement	20,893,100
2005 B Debt Service Requirement	1,563,300
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,578,100
2009 A Debt Service Requirement	2,974,800
2009 B Debt Service Requirement	1,647,000
2009 C Debt Service Requirement	1,441,100
2009 D Debt Service Requirement	1,441,100
2009 E Debt Service Requirement (3)	-
2009 F Debt Service Requirement (4)	35,680,000
2009 G Debt Service Requirement	1,738,500
2009 H Debt Service Requirement	15,193,400
2009 I Debt Service Requirement	8,900,300
2010 A Debt Service Requirement (5)	35,437,400
Total Debt Service	<u>407,933,100</u>

(2) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

(3) Series 2009E interest is paid from capitalized interest and not from revenues until 1/1/12.

(4) Series 2009F were issued as Build America Bonds. A portion of Series 2009F interest is paid from capitalized interest (65%) while the remaining amount (35%) shown above is paid through revenue until 1/1/12. The Authority receives a federal interest subsidy in an amount equal to 35% of the total interest payable on the bonds.

(5) Series 2010 are expected to be issued as Build America Bonds. A portion of Series 2010 interest is expected to be paid from capitalized interest (65%) while the remaining amount (35%) shown above will be paid through revenue until 1/1/12. The Authority will receive a federal interest subsidy in an amount equal to 35% of the total interest payable on the bonds.

Schedule F

NEW JERSEY TURNPIKE AUTHORITY
Estimated Revenue Provision
January 2011 through December 2011

Month	Toll Revenue	Concession Revenue	Income from Investments	ETC	Build America Bonds Subsidy	Arts Center Revenue	Miscellaneous	Total Revenue
January	\$ 72,447,000	\$ 2,613,000	\$ 1,410,400	\$ 3,137,800	\$ 5,926,400	\$ 385,400	\$ 682,000	\$ 86,602,000
February	\$ 69,827,000	\$ 2,252,000	\$ 1,455,400	\$ 3,004,500	\$ 5,926,400	\$ 385,400	\$ 682,000	\$ 83,532,700
March	\$ 80,757,000	\$ 2,110,000	\$ 1,455,400	\$ 3,087,100	\$ 5,926,400	\$ 385,400	\$ 682,000	\$ 94,403,300
April	\$ 81,766,000	\$ 2,398,000	\$ 1,455,300	\$ 3,026,100	\$ 5,926,400	\$ 298,400	\$ 682,000	\$ 95,552,200
May	\$ 85,911,000	\$ 2,773,000	\$ 1,455,400	\$ 3,038,200	\$ 5,926,400	\$ 298,400	\$ 682,000	\$ 100,084,400
June	\$ 87,684,000	\$ 3,059,000	\$ 1,455,400	\$ 3,000,500	\$ 5,926,500	\$ 298,400	\$ 682,000	\$ 102,105,800
July	\$ 92,551,000	\$ 3,999,000	\$ 1,455,400	\$ 3,385,600	\$ 5,926,400	\$ 298,400	\$ 682,000	\$ 108,297,800
August	\$ 93,331,000	\$ 3,687,000	\$ 1,455,300	\$ 3,353,800	\$ 5,926,400	\$ 298,400	\$ 682,000	\$ 108,733,900
September	\$ 84,339,000	\$ 3,549,000	\$ 1,455,400	\$ 3,472,500	\$ 5,926,400	\$ 298,400	\$ 682,000	\$ 99,722,700
October	\$ 85,213,000	\$ 2,576,000	\$ 1,455,400	\$ 3,273,800	\$ 5,926,400	\$ 37,300	\$ 682,000	\$ 99,163,900
November	\$ 80,575,000	\$ 2,446,000	\$ 1,455,400	\$ 3,199,000	\$ 5,926,400	\$ 37,300	\$ 682,000	\$ 94,321,100
December	\$ 78,840,000	\$ 2,538,000	\$ 1,455,300	\$ 3,121,100	\$ 5,926,500	\$ 37,300	\$ 682,000	\$ 92,600,200
	\$ 993,241,000	\$ 34,000,000	\$ 17,419,500	\$ 38,100,000	\$ 71,117,000	\$ 3,058,500	\$ 8,184,000	\$ 1,165,120,000

NOTE: *Miscellaneous Revenues* include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements.

Schedule G

NEW JERSEY TURNPIKE AUTHORITY
Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2011

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues		\$ 1,165,120,000
Operating Expenses		475,500,000
Net Revenues		<u>689,620,000</u>
(i) Debt Service Requirements	407,933,100	
(i) Charges Fund	4,170,000	
(i) Maintenance Reserve	68,465,000	
(i) Special Project Reserve	<u>34,917,000</u>	<u>515,485,100</u>
Excess Revenues		<u>\$ 174,134,900</u>
Net Revenues		\$ 689,620,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x 407,933,100		<u>489,519,720</u>
Excess Revenues		<u>\$ 200,100,280</u>
Debt Service Coverage		<u>1.69</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

315-10

Finance Comptroller Manuelli presented the **Financial Summary** of the New Jersey Turnpike Authority for the ten months ended October 31, 2010.

316-10

In a memorandum dated November 10, 2010, concerning **Recommendation to Authorize Annual Assessment for the Governor's Authorities Unit for Fiscal Year 2011**, the New Jersey Turnpike Authority has received as assessment from the Office of Governor for an annual fee of \$48,641.04 for the Governor's Authorities Unit. The Governor's Authorities Unit provides advisory services to the State's authorities as statutory executor of policy implementation. The Authorities Unit is funded through annual assessment of all authorities.

Therefore it is requested that approval be granted to make payment in the amount of \$48,641.04 to the State of New Jersey, which amount represents an annual assessment for the fiscal year July 1, 2010 to June 30, 2011. Funds for this assessment are budgeted in Operating Budget Account 010-890-445030.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved items 313-10 through 316-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

ooo0ooo

Assistant Director of Operations Henry Eibel requested approval of item number 317-10. Moved is the item as follows:

317-10

Resume of All Fatal Accidents – Garden State Parkway and New Jersey Turnpike. Submitted by Assistant Director of Operations Henry Eibel, they contain a descriptive summary for Garden State Parkway and New Jersey Turnpike: Period 1/1/10 through 12/01/10; both with 2009 – 2010 Yearly Comparisons through November, 2010.

Eibel reported that fatal accidents are up on the Parkway but down on the Turnpike. It should be noted that although fatal accidents are up on the Parkway the historical trend is still pointing downward.

In regards to accidents the rise in fixed object type accidents this year on the Parkway is minimal; however, we have seen an increase in their severity. We expect these types of accidents to drop in the future as we continue the clearing and shoulder restoration Capital projects. Additionally, we will be taking a special look at ways to reduce the severity of off the

road type accidents. This includes a study on successfully deployed devices and methods that we can utilize on our roadways.

In regard to the Turnpike, in addition to the winter weather accidents we have seen an increase in “following too closely” type of accidents. These types of accidents typically occur when traffic flow is interrupted causing the lead vehicle to brake with the trailing vehicle to close to react. These types of accidents are best countered by pre-warning and we have dispatched portable VMS to certain hot spots and very soon we'll activate an automatic queue detection system in the widening area that will detect congestion areas and pre-warn our patrons as they approach these areas.

On motion by Commissioner Pocino, seconded by Commissioner Diaz, the Authority unanimously accepted the reports and received for file.

ooo0ooo

Major Walker requested approval of item number 318-10. Moved is the item as follows:

318-10

New Jersey State Police Troops D and E - Reports of Activities, submitted for the ten months through October, 2010, including 2009 – 2010 Yearly Comparisons, were presented by Major Walker, New Jersey State Police Troop D Commander.

On motion by Commissioner Singleton, seconded by Commissioner DuPont, the Authority unanimously accepted the reports and received for file.

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OTHER BUSINESS

Voluntary Programs

Executive Director Hakim discussed the employee donation drive that was conducted throughout the season. Hakim heard back from the commanders in Iraq who received our employee's donations of non-perishable items and they were very appreciative. A special thank you goes out to Dennis Zilinski who organized these efforts.

Another volunteer initiative was the Thanksgiving food drive wherein we donated over 1,000 pounds of food to needy families.

The over flowing bins in the hallways for Toys-for-Tots was also another very successful program in which Authority employees participated in.

Training Safety Campaign

Executive Director Veronique Hakim acknowledged the efforts of all those involved in the Traffic Safety Campaign. Billboards have been put up in office areas, at toll plazas and distributed in service areas. The entire campaign was done by our employees in various departments which have made this a cost effective program, it was designed, distributed and produced by the Authority.

Recognition by Commissioners to: Gloria Alba, Jody Bottone, Keith Crowell, Mary Daly, Denise deSante, Henry Eibel, Harris Galary, Sgt. First Class Eric Heitmann, Karl Jobes, Marsha Lyons, Ed Marsh, Thomas McAndrew, John Michalkowski, Beverly Perez, Tom Reilly, Richard Smith, David Trumpp, Kevin Watson and Robert Weissman was made.

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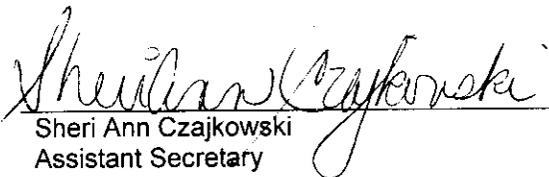
FINAL COMMENTS

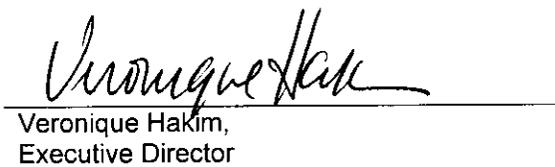
Chairman Simpson acknowledged the employees and public comments made at today's meeting and indicated that the Board was not on deaf ears. Have a safe and happy holiday.

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The motion to adjourn was made by Chairman Simpson, Commissioner Singleton and seconded by Commissioner Diaz and, after the voice vote, the motion was duly adopted. The Authority adjourned at 12:20 P.M., to meet on Tuesday, January 25, 2011, at 9:30 A.M.

ATTEST:


Sheri Ann Czajkowski
Assistant Secretary


Veronique Hakim,
Executive Director

Corporate Seal

Date: December 22, 2010