

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
TUESDAY, AUGUST 25, 2009**

Chairman Dilts called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 9:39 A.M.

PRESENT

Chairman Stephen Dilts; Commissioner/Treasurer Michael DuPont; Commissioner Harold Hodes; Commissioner Raymond Pocino; Commissioner Clive Cummis; and (participating via teleconference) Commissioner David Evans; Commissioner Troy Singleton; and Commissioner Ulises Diaz.

Executive Director Diane Gutierrez-Scaccetti; Deputy Executive Director John O'Hern; Assistant Chief Engineer-Design Robert Fischer; 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; Law Director George Caceres; Deputy Law Director Linda Cavanaugh; Maintenance Director John Cifelli; Operations Director Sean Hill; Purchasing Director Andrea Ward; Strategic Policy & Planning Director Marilyn Lennon; Technology and Administrative Services Director Brian Gorman; Tolls Director Robert Quirk; Chief of Staff Joe Orlando; Commanders Kevin Burke and Matthew Walker of New Jersey State Police Troops E and D, respectively; and Secretary Rose Stanko.

Also present were: General Counsel Judy Verrone; General Consultant James Beattie; Governors' Authorities Unit Representative Sonia Frontera; NJDOT Policy and Authorities Coordination Representative Kathy Diringer; Financial Advisor Dennis Enright; Special Bond Counsel John Kelly; Almeta Walker, representing Appraiser Associates; additional individuals consisting of other NJTA employees; interested organizations; and the general public. No media was present.

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.

APPROVAL OF MINUTES

The Secretary reported that ten days (excluding Saturdays, Sundays and holidays) have elapsed since Governor Jon S. Corzine received the proceedings of the regular meeting of July 29, 2009; he has not exercised his power to veto any items in those minutes.

Upon motion by Commissioner Pocino, seconded by Commissioner DuPont; the Minutes of the July 29, 2009 meeting were approved.

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RECUSALS

The Secretary 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 items: 191-09 and 205E-09 for Commissioner DuPont; 196-09 and 199-09 for Commissioner Hodes; 198-09, 200-09, 201-09 and 204A-09 through 204C-09 for Commissioner Pocino; and 198-09 and 200-09 for Commissioner Singleton.

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At this juncture, the Chairman announced that a separate Executive Session was not required and opened the floor for comment pertaining to the public items being presented for Board approval.

At this time, speaker Almeta Walker requested verification as to whether there was an item on the agenda regarding an award for appraisal services. She was advised that a request for such services was not on the current agenda and was referred to the Law department for the status on when a recommendation might be made.

There were no further comments from the floor.

The Members of the Authority then moved on the following agenda matters:

PERSONNEL

191-09

Human Resources Director Garrity submitted the **Personnel Agenda**, dated August 25 2009, and requested confirmation of the personnel matters contained therein.

The Executive Director certified the recommendation for consideration.

On motion by Commissioner Pocino, seconded by Commissioner Hodes, 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.

At this time, Executive Director Gutierrez-Scaccetti first acknowledged that although State Police personnel decisions are not under Authority jurisdiction, she was pleased to congratulate New Jersey State Police Troop E Commander Kevin Burke on his recent promotion to Major. Continuing, the Executive Director said that she considered State Police Troops D and E as part of the Authority family and that she is most happy that Major Burke for the Parkway's Troop E and Major Walker for the Turnpike's Troop D will, together, be administering to the Authority's roadways. The Chairman added his congratulations and applause followed.

LAW

Law Director Caceres requested approval of items 192-09 through 194-09; moved as a group, those items are as follows:

192-09

In a memorandum dated August 10, 2009, concerning a recommendation to **Settle Formal Workers' Compensation Matter of Tami Campbell (Dependency Claim - Michael Campbell, (Deceased) v. New Jersey Turnpike Authority**, Account No. 10-870-405070.

This matter involves a dependency claim for psychological injuries to Michael Campbell, a Toll Collector who had worked for the Authority since May 1989. In August 1998 Mr. Campbell advised his supervisor that another Toll Collector was making death threats against him and would make believe that his hand was a gun, pointing at Mr. Campbell's head and squeezing the trigger. The subject fellow Toll Collector also made threats against other employees and the matter was referred to the State Police. Mr. Campbell was asked to testify at a disciplinary hearing against the fellow Toll Collector and, subsequently, at a grand jury hearing where the fellow Toll Collector was indicted for stalking (his supervisor). It is worth noting that the subject supervisor was ultimately granted an accidental disability retirement by PERS for psychological issues arising out of that matter.

With that as background, Mr. Campbell filed formal claims asserting that these incidents started him on a downward spiral during which he began drinking and experiencing serious psychological problems. In fact, Mr. Campbell did receive extensive psychiatric treatment and multiple admissions to the Carrier Clinic for alcoholism and depression. He even underwent shock therapy. Although there is no question that Mr. Campbell did have a prior psychiatric history, his contention was that he had recovered from those prior issues and that the subject work related issues were the underlying cause of his latest problems. After filing the claim based upon his psychological injuries, the petitioner passed away. Mr. Campbell was married at the time of this incident. Although separated from his wife, no divorce proceeding had been filed. He also had one child, who resided with his wife.

The dependent is represented by Hendrickson & Edelstein of Lakewood, NJ. The Authority is defended by Brian Yesalonis of Billek & Yesolonis of Edison, NJ. The matter is venued in Toms River, NJ and is before Judge Bradley Henson.

Although now moot in this case (see below), permanency exams on behalf of the respondent by Dr. Scasta found the petitioner to be 50% psychologically disabled, though Dr. Scasta did not relate the problems to work. Petitioner's expert, Dr. Eisenstein, opined petitioner to be 100% psychologically disabled.

All of the above notwithstanding, this case was conferenced before, and called by, the judge. Judge Henson, even assuming a pre-existing psychological profile, believed that the claim had value. Moreover, the judge recommended settlement in the amount of \$60,000.00 by way of Section 20 to settle both the underlying permanency claim and the dependency claim. The judge

further recommended that the settlement be structured in such a way that it be placed in an interest bearing account for the benefit of the son when he reaches age 18. Given the potential exposure to significantly higher award, which the judge even hinted at, combined with the Section 20 disposition – which renders this final resolution of this matter, the recommended settlement is indicated.

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 \$60,000.00 contingent upon Section 20 disposition and to set up the trust fund account as stipulated by the judge.

193-09

In a memorandum dated August 10, 2009, concerning a recommendation to **Settle Formal Workers' Compensation Matter of Gary Diefenbach v. New Jersey Turnpike Authority**, Account No. 10-870-405070.

Gary Diefenbach, an Automotive Technician hired in November 1986, suffered multiple injuries and filed multiple claims throughout his years of employment with the Turnpike Authority relative to his right elbow, right arm and several other body parts. Relative to the right arm, the first injury occurred on November 10, 1993. Mr. Diefenbach underwent two surgeries to repair a tear of the lateral epicondylar tendon. A third surgery (tendon graft) was performed to reconstruct a ligament to the right elbow. On July 10, 1996 he had a second injury to the right elbow and a fourth surgery was performed. The fourth surgery was a right radial head resection. After settlement of the original claim and two re-openers, the court awarded disability of 55% of the right arm. On August 18, 2005 he re-injured his right elbow working a tire bead breaker and two weeks later injured his right arm while taking a hydraulic filter off a vehicle. On September 27, 2005 he injured the right arm again on a tire machine. At that time the petitioner underwent a bone scan, EMG, and MRI of the right arm. Notwithstanding all of his other injuries, on January 23, 2006 the petitioner was evaluated by his authorized treating physician, Dr. Joseph Thoder of Temple University Hospital, Dept. of Orthopedic Surgery. Dr. Thoder's report read that "In reflecting back on the severity of the elbow injury, the number of surgical procedures that have emanated from that injury, and the activity levels necessary for this job (as an auto mechanic), it is my opinion with a reasonable degree of medical certainty at this junction, that the patient should seek alternative employment with disability retirement from his current job." Mr. Diefenbach retired on February 1, 2006 under an "ordinary disability" pension with PERS.

The petitioner is represented by Smith, Goldstein, Magram, Berenato & Michaud of Burlington, NJ. The Authority is defended by Special Counsel Curt Cox of Kamensky, Cohen & Associates of Pennington, NJ. The matter is venued in the district office of Mount Holly, NJ and is before Judge Joshua Friedman.

Special Counsel placed a value on this case of 67.5% of the statutory right arm plus 12.5% psychiatric residuals stacked on top of that, equating to \$57,118.50 after credit for prior award. Moreover, even with an offset for Ordinary Disability pension, the Authority's exposure would still exceed \$48,000.00 and leave the door open for re-openers. In any event, petitioner's counsel sought a finding of 100% total disability with Second Injury Fund participation in this case and was successful in getting the Fund to agree to a 75%/25% split, with the Fund assuming 75% of the liability. Furthermore the date of totality was agreed to be set as the date the petitioner's retirement became effective. This ensures that the full amount of the award is subject to Fund participation. Under this agreement, four additional open claims for the right arm would be dismissed and, factoring in the pension offset, the Authority's total liability amounts to \$48,122.74. Thereafter the Second Injury Fund would assume all liability.

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 \$48,122.74.

194-09

In a memorandum dated August 10, 2009, concerning a recommendation to **Settle Formal Workers' Compensation Matter of Carleen Jackson v. New Jersey Turnpike Authority**, Account No. 10-870-405070.

Carleen Jackson, a Parkway Toll Collector hired in October 1988, sustained injury to her left knee, left ankle and left hand as she fell to the ground while evading a fast-approaching vehicle. Subsequently, she underwent two left knee surgeries which ultimately led to her ordinary disability retirement under PERS in March 2005.

The petitioner is represented by David Casadonte of Toms River, NJ. The Authority is defended by Special Counsel Wendy Wiebalk of Eric M. Bernstein & Associates of Warren, NJ. The matter is venued in the district office of Toms River, NJ and is before Judge Peter Calderon, Director and Chief of the NJ Division of Workers' Compensation.

Permanency findings by Dr. Jeffrey France on behalf of the respondent, opined a disability rating of 25% of the leg. Also on behalf of the respondent, Dr. Shawn Sieler concluded that the outcome of both of the petitioner's surgeries was poor. Both respondents' physicians placed the petitioner at maximum medical improvement, and Dr. Sieler actually recommended that the petitioner apply for disability retirement benefits. Dr. Riss, on behalf of the petitioner, found the petitioner to be 100% disabled orthopedically.

The award of ordinary disability retirement benefits by PERS to the petitioner for the incapacity arising out of this matter, in and of itself, affirms that the petitioner was unable to return to her job duties as a direct result of her accident. Therefore the issue of total permanency was not aggressively contested. Although, in conferencing the matter with the judge the possibility for Second

Injury Fund participation was raised, the judge ruled that it was not applicable in this case as all of the petitioner's complications arose out of the subject accident. That said, the judge did determine that the Authority would be entitled to the offset from the petitioner's ordinary disability retirement benefits. With no credits, the Authority's liability in this case would be \$283,050.00 (or \$629.00 x 450 weeks). Factoring in the credits: (1) ordinary disability retirement offset (reduced weekly rate of \$309.30 x 450 or \$139,185.00); and (2) voluntary tenders previously paid in the amount of \$34,014.00, renders the net settlement amount due from the Authority to be \$105,171.00.

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 \$105,171.00.

Reviewed by the Human Resources Director; available funds certified by the Finance Comptroller; the Executive Director certified the recommendations for consideration.

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority unanimously approved the three (3) item Law agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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The following matters constitute the Public Session agenda:

ENGINEERING

Assistant Chief Engineer-Design Fischer requested approval of item numbers 195-09 through 204C-09. Moved as a group, those Engineering items are as follows:

195-09

In a memorandum dated August 18, 2009, concerning authorization to **Execute a Multi-Party Memorandum of Agreement with Port Authority of New York and New Jersey; New Jersey Department of Transportation; City of Elizabeth; and Union County** New Jersey Turnpike, Roadway Improvements in the Vicinity of Interchange 13A, Union County, Supplemental Capital Fund No. 08007018.

A Memorandum of Agreement (MOA) has been developed to address the funding for roadway improvements that are necessary along North Avenue in the vicinity of Turnpike Interchange 13A. These improvements are required to accommodate recent and continuing development of commercial facilities and anticipated growth in port and airport activity.

The Authority's financial contribution to the improvements is based on the fact that the roadway network to be improved is defined as a "feeder road" in that the roadways interconnect with and facilitate access to Interchange 13A. In addition, the improvements will better serve commercial vehicles in access to the Port area, customers that are an important element of the Authority's revenue base. The Authority's financial commitment shall not exceed \$45,000,000 over a 10-year period, the amount of which is based on a project cost of \$153,000,000.

It is, therefore, recommended that the Executive Director be authorized to execute this Memorandum of Agreement, authorizing reimbursement to the Port Authority of New York and New Jersey in the amount of \$4,500,000 per year for ten years.

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196-09

In a memorandum dated August 13, 2009, concerning a recommendation to **Enter into On-Call Technical Support Services Agreement with Rutgers University, Center for Advanced Information Processing (CAIP) Laboratory**, Garden State Parkway and New Jersey Turnpike, 2009 Capital Construction Program and Future Bond Issue (Various Projects).

Rutgers University CAIP Laboratory has provided invaluable specialized technical support services on two major bridge rehabilitation projects as requested by the Authority in 2008 and 2009 through a purchase order process. The services were on-call in nature, to address structural issues related to newly placed High Performance Concrete (HPC) bridge deck cracking. The services provided mitigation measures which significantly minimized bridge deck cracking in subsequent pours, and performed field and laboratory testing of HPC production mixes and recommendations to improve the Authority's HPC material and construction specification. The Engineering Department has determined that a continuation of on-call specialized technical support services are required from Rutgers University CAIP Laboratory to support the Authority's 10-year Capital Plan bridge rehabilitation projects and schedules in an efficient and cost effective manner.

An on-call letter agreement is proposed to provide these services. Services will include: refined structural analyses; continued testing and recommendations for improvements to construction specifications for HPC used in bridge deck and barrier parapets; and validation laboratory and field testing of new and advanced concrete and steel materials to support incorporation within future bridge rehabilitation projects to improve long-term performance. Rutgers will also review and support recommendations related to technological advances in bridge inspection and structural health monitoring, and other technical services as may be required.

The agreement term will be for a five-year period, with a maximum fee of \$500,000 per year, and total maximum fee of \$2,500,000. The maximum allowable value of an individual work task assignment is \$250,000. Funding for these assignments will be provided through the project budgets for which services are required utilizing the Authority's Work Request Authorization Form process.

It is, therefore, recommended that the Executive Director be authorized to execute a letter On-Call Technical Support Services Agreement based on the terms and cost as described above.

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197-09

In a memorandum dated August 7, 2009, concerning a recommendation to **Execute Concession Agreement with CabAire LLC and Ratify Termination of Contract Award to IdleAire Technologies Corporation**, New Jersey Turnpike, Truck Electrification Facility, Service Area 13 (Vince Lombardi).

The Authority received \$1,000,000 in grant monies from the federal Environmental Protection Agency through the New Jersey Department of Environmental Protection for the design, construction, operation and maintenance of a truck electrification facility at the Vince Lombardi Service Area. Truck electrification technology permits truck operators to obtain heating, ventilation, air conditioning, electric power, internet and television hookups in the cab of the vehicle, thus allowing the operator to cease idling the engine during federally mandated rest periods. The installation of the facility will conserve an estimated 114,975 gallons of diesel fuel annually, and will consequently result in the reduction of harmful diesel and greenhouse gas emissions in and around the service area.

The Authority undertook a procurement solicitation and received proposals from IdleAire Technologies Corporation and CabAire, LLC. By Agenda Item 40-08, dated February 26, 2008, the Authority awarded the concession to IdleAire Technologies and delegated authority to the Executive Director to negotiate and execute a final concession agreement. Prior to execution of the contract, CabAire filed an administrative protest of the decision, which was denied by Authority decision dated August 5, 2008.

In the intervening time, IdleAire filed for bankruptcy and sold substantially all of its assets to a successor entity, IdleAire, Inc., that was formed by the original private investors in the company. The successor entity, IdleAire, Inc., sought assignment of the contract award, and the original awardee, IdleAire Technologies Corporation, is in the process of dissolving. Over the ensuing period, it was discovered that the successor entity had experienced the turnover of substantially all of its senior management, a series of layoffs had taken place, and the company was inadequately capitalized and ceased expansion plans. Management put in place by the private investors appeared to be positioning the company for sale or merger to a third party, or for liquidation. Though it stated otherwise, by its actions IdleAire, Inc. did not appear to be sufficiently ready, willing and interested in assuming the contract.

For these reasons, it was clearly impracticable to execute a contract with the original awardee, IdleAire Technologies Corporation, and an assignment of the award to IdleAire, Inc. could not be recommended. Staff allowed IdleAire, Inc. a substantial period of time within which to provide information sufficient to demonstrate its qualifications to assume the contract. What little information was provided raised more questions than answers and called into serious question the company's long term viability, and in the opinion of staff would unduly put public funds at risk. Accordingly, this agenda item will formally terminate the contract award to IdleAire Technologies Corporation.

As specified in the original RFP, upon determination of the original awardee's inability to continue, staff commenced negotiations with the second ranked proposer, CabAire, LLC. We are pleased to report favorably upon those negotiations, and seek authorization for the Executive Director to execute a concession agreement with CabAire, substantially in the form submitted for review. Following an investigation, staff is satisfied with CabAire's capacity to proceed with the contract, and its general approach to the contract work. CabAire's technology is not dissimilar to that of the original awardee, and will provide diesel emission reductions at the Vince Lombardi Service Area.

This concession agreement is for a 15-year term, which we have judged is necessary to permit the operator to recoup its initial investment, although the Authority may terminate on 60-days notice if it is dissatisfied with the results. CabAire will operate the system for the benefit of the motoring public 24 hours a day, 365-days a year, and will remit a percentage of its net profits to the Authority.

This project will advance an important environmental conservation policy, reduce greenhouse gas emissions, and provide a high profile platform for an emerging technology. New Jersey Department of Environmental Protection (NJDEP) has confirmed that an award to CabAire LLC, is consistent with the intent of the grant. While CabAire is at an early stage in the deployment of this technology, and it is unclear if it will ultimately be successful, no Authority monies will be expended in support of this project. Moreover, CabAire's parent entity has provided a guaranty, and sufficient performance bonds will be required to protect the Authority's interest. For these reasons, we recommend execution of a contract with CabAire, LLC.

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198-09

In a memorandum dated August 3, 2009, concerning **Ratification of the Award of Contract No. T869.120.401 – IEW Construction Group Inc.** – New Jersey Turnpike, Interchange 6 to 9 Widening Program, Interchange 7A - Local Roadways and Ramp TN over I-195, Grading, Drainage, Paving, Structures, Lighting, Pavement Markings, Traffic Signal and Signing, Milepost 59.7 to 60.9, Township of Robbinsville, Mercer County, 2009 Capital Construction Program No. 31018001 and Future Bond Issue.

The design and right-of-way acquisition processes for this contract were fast-tracked in an effort to expedite the widening program's construction schedule. In order to maintain the overall accelerated construction schedule for the Turnpike's Interchange 6-9 Widening Program, the Executive Director was authorized to award this contract, upon the recommendation of the Chief Engineer, after the July 29, 2009 Commission Meeting.

This contract involves the reconstruction of Edgebrook Road and Robbinsville-Allentown Road bridges over the Turnpike and future ramps, and the construction of a portion of Ramp TN including a bridge over Route I-195. Construction is anticipated to commence in September of 2009.

Ten bid proposals were received on July 14, 2009 for the above publicly advertised contract. The low bid proposal, in the amount of \$28,770,611.05, may be compared to the second low bid proposal in the amount of \$29,585,357.00. The low bidder, IEW Construction Group, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that the award of Contract No. T869.120.401 be ratified to the low bidder, IEW Construction Group, Inc. of Trenton, New Jersey, in the amount of \$28,770,611.05. 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). The General Consultant, HNTB Corporation, concurs with this recommendation.

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199-09

In a memorandum dated August 11, 2009, concerning a recommendation to **Execute Utility Order No. 1226-T – PSE&G Electric** – New Jersey Turnpike, Contract No. T869.120.301, Interchange 6 to Interchange 9 Widening Program, Hamilton Township, Mercer County, 2009 Capital Construction Program No. 31018001.

A Utility Order is required to perform utility relocations of existing PSE&G Electric facilities that will be directly impacted by the construction of Contract No. T869.120.301 of the New Jersey Turnpike Interchange 6 to 9 Widening Program, Design Section No. 3. The Authority will reimburse PSE&G for the relocation of approximately 4,600 feet of existing aerial and underground facilities to 4,500 feet of new underground and aerial facilities, including cost of materials, engineering, inspection and associated activities. This work will be performed in the vicinity of South Broad Street (MP 57.10), Crosswicks-Hamilton Square Road (MP 57.55) and Uncle Pete's Road (MP 58.1 to MP 58.3) in Hamilton Township, Mercer County. A future utility order will be required for PSE&G Electric facilities impacted under Contract No. T869.120.302.

The cost of this Utility Order was provided by PSE&G Electric 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. 1226-T, in the amount of \$1,380,000.

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200-09

In a memorandum dated August 11, 2009, concerning a recommendation to **Award Contract No. P200.005 – Joseph M. Sanzari Inc.** – Garden State Parkway, Interchange 88 to 89 Signing Improvements, 2009 Capital Construction Program No. 31006014.

This contract consists of the furnishing and installation of five overhead span sign support structures on the Garden State Parkway Southbound and Northbound, widening of Mainline southbound and northbound lanes, removal of existing inlets and pipes, installation of new pipes, inlets, storm water recharger chambers, a storm water treatment unit, and removal and installation of a new guide rail on the Mainline roadway. The work to be performed is scheduled to be substantially complete by June 30, 2010.

Eight bid proposals were received on August 4, 2009 for the above publicly advertised contract. The low bid proposal, in the amount of \$1,810,341.00, may be compared to the second low bid proposal in the amount of \$1,888,546.26. The low bidder, Joseph M. Sanzari, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.005 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey, in the amount of \$1,810,341.00. 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). The General Consultant, HNTB Corporation, concurs with this recommendation.

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201-09

In a memorandum dated August 19, 2009, concerning a recommendation to **Award Contract No. T869.120.902 – RCC Fabricators Inc.** – New Jersey Turnpike, Interchange 6 to 9 Widening Program, Fabrication of Overhead Support Structures for Static Signs, 2009 Capital Construction Program No. 310018001 and Future Bond Issue.

This contract will provide for the advanced fabrication of ninety-nine static sign support structures for use throughout the Turnpike Widening Program. Delivery of the signs to a designated storage yard is also included in the contract.

Eight bid proposals were received on August 7, 2009 for the above publicly advertised contract. The apparent low bidder for the T869.120.902 contract, Helmark Steel, Inc. (“Helmark”), entered their bid with the stated condition that they intended to substitute the specified structure fabrication (ASTM A847 or ASTM A714) material with ASTM A53, Gr. B Electrically Resistance Welded Pipe. Helmark stated the reason for this substitution was a lack of availability of the specified

material in the needed tubular diameter and wall thickness. The contract documents allow the fabricator to substitute cylindrical tube fabricated from formed and welded commonly available ASTM A588 or A242 flat structural steel plate. This option was included in the specifications to allow fabricators an alternate to the specified ASTM A847 or ASTM A714 pipe sizes should they be difficult to obtain, as noted by Helmark.

The apparent low bidder's stipulated material, ASTM A53 pipe, is a lower grade material that does not meet the minimum specifications of the required ASTM A847 or A714 materials for yield strength or atmospheric corrosion resistance.

HNTB Corp., the New Jersey Turnpike Authority's General Engineering Consultant, and the Authority's Structures Design staff agree that the apparent low bidder's substituted material does not meet the performance standards required by the contract specified material and should therefore not be considered as an equal quality material. Therefore, it is recommended that Helmark Steel, Inc.'s low bid proposal be rejected. The second low bid proposal, in the amount of \$3,413,842.15, may be compared to the third low bid proposal in the amount of \$3,610,862.84. The second low bidder, RCC Fabricators, Inc., has previously performed work for other regional transportation agencies and is considered competent to complete this contract.

It is, therefore, further recommended that Contract No. T869.120.902 be awarded to the second low bidder, RCC Fabricators, Inc. of Southampton, New Jersey, in the amount of \$3,413,842.15. 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). The General Consultant, HNTB Corporation, concurs with this recommendation.

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202-09

In a memorandum dated August 11, 2009, concerning a recommendation to **Issue Order for Professional Services No. T3254 – Jacobs Engineering Group Inc.** – New Jersey Turnpike, Design and Environmental Permitting for Improvements at Interchange 9, 2009 Capital Construction Program No. 31003035 and Future Bond Issue.

This Order for Professional Services (OPS) is for the final design and environmental permitting required for the construction of interchange improvements considered necessary to accommodate existing and future traffic volumes at Interchange 9 in East Brunswick Township, Middlesex County. Interchange 9 was identified in an earlier study as a prioritized interchange warranting operational, capacity and safety improvements.

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 \$1,000,000.

Solicitations for Expressions of Interest (EOIs) were sent to 24 engineering firms prequalified and eligible in Profile Codes A250 – Fully Controlled Access Highways; A252 – Complex Interchanges; C190 – Preparation of EIS and EA's; and D491 – Transportation Planning: Alternative Analyses. Eight firms submitted EOIs by the closing date of June 24, 2009.

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 are: 1) Jacobs Engineering Group Inc.; 2) Medina Consultants; and 3) Arora and Associates, P.C. The Review Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in Jacobs Engineering Group Inc. being the highest technically ranked firm. The fee submitted by Jacobs Engineering Group Inc. has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. T3254 be issued to the firm of Jacobs Engineering Group Inc. of Morristown, New Jersey in the maximum amount of \$3,090,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.42, based on a 10% allowance for profit and an overhead rate of 120% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8, and Executive Order No. 37 (Corzine).

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203-09

In a memorandum dated August 13, 2009, concerning a recommendation to **Issue Supplement B to TPK Order for Professional Services No. 2049 – The RBA Group** – New Jersey Turnpike, Design and Environmental Permitting for New Toll Plaza Ramps CNW and NWC, Vicinity of Interchange 18W, 2005 Bond Issue Fund No. 20200001.

This Order for Professional Services (OPS) was authorized at the September 2004 Commission Meeting in the amount of \$995,000 to provide for services involving preliminary studies through final design, including environmental permitting, for a new toll plaza on Ramps CNW and NWC between the Turnpike's western spur and the Sports Complex, in the vicinity of Interchange 18W. Supplement A was authorized in the amount of \$1,027,280 to perform unanticipated extra work associated with toll plaza siting studies and the design of approximately 4000' of additional roadway improvements. The extra work included the design and coordination of various electrical and communication components associated with the installation of E-ZPass equipment, utility relocations, fiber optic facilities and the replacement of the backup generator. The extra design effort also

required additional environmental coordination, investigations and permitting including an expanded wetland delineation program, extensive EO 215 documentation revisions, and a NJDEP mandated geoarchaeological assessment.

Supplement B is now necessary to compensate RBA for undertaking additional unanticipated extra work. During the late stages of the project design, the decision was made to modify the text on the overhead sign panels. This modification required larger sign panels necessitating that the applicable sign structures and foundations be redesigned to accommodate the additional loads created by the larger signs. RBA also expended a considerable effort to address soil contamination that was identified by the contractor during construction activities. The resolution of this matter involved the implementation of an extensive soil sampling and testing program by RBA, including considerable testing laboratory expenses which are being reimbursed at cost. RBA was also required to perform additional work involving the design of a CCTV camera tower, the elimination of overhead sign lighting and unanticipated post-design engineering reviews.

RBA has submitted detailed backup documentation relative to the additional work performed. The Engineering Department has reviewed RBA's submittal and has negotiated a fee of \$850,110 which is considered fair and reasonable for the additional services being provided.

It is, therefore, recommended that TPK OPS No. 2049B be issued to The RBA Group in the amount of \$850,110, with compensation on the same basis as the original OPS. The addition of this amount increases the total authorized fee from \$2,022,280 to \$2,872,390. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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204A-09 through 204C-09

Numbered respectively, the following are **Contracts for Formal Acceptance and Final**

Payment:

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
<u>Contract T100.022</u>	RML Construction, Inc. New Jersey Turnpike Miscellaneous Structural Repairs Milepost 0 to Milepost 122, Pearl Harbor Memorial Turnpike Extension and the Newark Bay-Hudson County Extension Salem, Gloucester, Camden, Burlington, Mercer, Middlesex, Union, Essex, Hudson and Bergen Counties Maintenance Reserve Fund No. 03010003	\$113,096.79
<u>Contract T100.055</u>	Gardner M. Bishop Inc. New Jersey Turnpike Bridge Deck Repairs and Resurfacing MP 0 to MP 83 and Pearl Harbor Memorial Turnpike Extension Salem, Gloucester, Camden, Burlington, Mercer and Middlesex Counties Maintenance Reserve Fund No. 03010001	\$272,657.97
<u>TPK Contract R-1499</u>	Gardner M. Bishop Inc. New Jersey Turnpike Bridge Deck Repairs and Resurfacing MP 83 to MP 122 and Newark Bay-Hudson County Extension Middlesex, Union, Essex, Hudson and Bergen Counties Maintenance Reserve Fund No. 03010001	\$ 50,000.00

The Authority accepted the certifications of the Engineers, General Consultants and Chief Engineer as to inspection and completion of the foregoing contracts; the certification of the Authority's Law Department as to liens, claims, surety bonds and Final Payment Certificates, in the amounts shown, due to the contractors for completion of the above contracts.

Reviewed by the Law Director; available funds certified by the Finance Comptroller; the Executive Director certified the recommendations for consideration.

On motion by Commissioner DuPont, seconded by Commissioner Evans, the Authority approved the twelve (12) item engineering agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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PURCHASING

Purchasing Director Ward identified the Purchasing agenda as routine; made separate mention of General Business item 206-09; and requested approval. Moved as a group, items 205A-09 through 205F-09 and 206-09 are as follows:

Results of Bidding: Items 205A-09 through 205E-09 are in response to public advertisement for the commodities requisitioned by various departments. Awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008) and having no objection to same. Bids for these items were procured and authorization is sought to award contracts to the lowest responsible bidders, pursuant to N.J.S.A., 27:23-6.1, N.J.A.C. 19:9-2.2 and Executive Order 37.

Recommendations of contract awards to the low bidders meeting Authority specifications are as follows:

205A-09

<u>BIDDERS</u>	<u>BIDS</u>		<u>VENDOR</u>	<u>AMOUNT</u>
<u>INVITED</u>	<u>REC'D</u>	<u>COMMODITY</u>		
9	3	Upgrading Disk for Software Storage	E-Plus Technology Inc. Herndon, VA	\$ 56,850.54

Requisition (R) 58814 (Rebid); Bids Received: August 14, 2009.

Requisitioned by the Technology & Administrative Services Department, this is for purchase of Two Packages of Data Domain Expansion Shelves for additional software storage. Bidders were required to quote the total amount for two expansion data domain kits, accessories and one-year service plan.

Recommend award be made to the lowest responsible bidder, E-Plus Technology Inc. in an amount not to exceed \$56,850.54. The Authority will have the sole discretion of extending the price agreement for two additional one-year terms at the same terms and conditions.

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205B-09

<u>BIDDERS</u>	<u>BIDS</u>		<u>VENDOR</u>	<u>AMOUNT</u>
<u>INVITED</u>	<u>REC'D</u>	<u>COMMODITY</u>		
27	4	Dump Trucks with Accessories	Mid-Atlantic Truck Centre Inc. Linden, NJ	\$6,915,294.00

R 61511; Bids Received: July 30, 2009.

Requisitioned by Maintenance Department, this is for the purchase of Dump Trucks (40,000 GVWR) with Accessories. Bidders were required to quote unit prices on eight items which included, but not limited to, cab chassis, dump body, hydraulic system, tailgate spreader and snow plow for forty-eight (48) trucks. Given the favorable unit price bid by the lowest

responsible bidder, the Maintenance Department has requested the purchase of an additional six units at the same terms and conditions, as permitted in the bid specifications.

Accordingly, it is recommended that an award be made to Mid-Atlantic Truck Center for fifty-four (54) dump trucks with accessories in an amount not to exceed \$6,915,294.00. The Authority will have the sole discretion of extending the price agreement for two additional one-year terms at the same terms and conditions.

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205C-09

BIDDERS BIDS		COMMODITY	VENDOR	AMOUNT
INVITED	REC'D			
11	3	Major Mechanical Repairs for Chevrolet State Police Vehicles	Mall Chevrolet Cherry Hill, NJ Malouf Chevrolet-Cadillac Inc. North Brunswick, NJ	\$60,000.00* (Bass River Barracks & Moorestown Station) \$60,000.00* (Newark Station & Bloomfield Barracks)

Requisition Memorandum (RM) 720, Rebid; Bids Received: July 28, 2009.

Requisitioned by the State Police, this is a one-year Price Agreement for the purchase of Major Mechanical Repairs and Parts for Chevrolet State Police vehicles. Bidders were required to quote discounts off of the Manufacturers' List Prices for miscellaneous parts and miscellaneous major assemblies, as well as the labor rate for an estimated 100 hours for service and diagnostics. Bidders were also permitted to quote on contracts for the following State Police Stations: Moorestown Station; Newark Station; Bloomfield Barracks and Bass River Barracks.

Review of all bid proposals found that the apparent low bidder for Newark Station and Bloomfield Barracks was not an approved Chevrolet franchised dealer able to perform all of the warranty repairs for the vehicles under this contract. Therefore, the bid did not comply with Authority specifications and required rejection.

Recommend award be made to the lowest responsible bidders; Mall Chevrolet, for Bass River Barracks and Moorestown Station; and Malouf Chevrolet - Cadillac Inc., for Newark Station and Bloomfield Barracks. The anticipated annual expenditure *will not exceed \$30,000 for each area, subject to funding availability at the time of service. The Authority will have the sole discretion of extending the price agreement for two additional one-year terms at the same terms and conditions.

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205D-09

BIDDERS BIDS		COMMODITY	VENDOR	AMOUNT
INVITED	REC'D			
11	3	Traffic Paint	The Sherwin Williams Co. Manchester GA	\$185,000.00

RM 752; Bids Received: August 14, 2009.

Requisitioned by Turnpike Maintenance Department, this is a one-year Price Agreement for non-toxic Traffic Paint. Bidders were required to quote unit prices for six Items of traffic paints. The award is based on the lowest total price.

Recommend award be made to the lowest responsible bidder, The Sherwin-Williams Company. The anticipated annual expenditure is an amount not to exceed \$185,000, subject to funding availability at the time of order. The Authority will have the sole discretion of extending the price agreement for two additional one-year terms at the same terms and conditions.

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205E-09

Results of Bidding for Snow Plowing and Salting Services on New Jersey Turnpike and Garden State Parkway, RM 753

Bidders Invited: 21; Bids Received on July 30, 2009: 11.

Requisitioned by the Maintenance Department, these Service Agreements for snow plowing and salting services are for the three-year period beginning November 1, 2009 through April 30, 2012. The bid quotations are based on the hourly rates for the number of trucks, and awards are based on total prices.

Original contract term may be extended for two additional one-year terms at the sole discretion of the Authority. The succeeding years of the contract will be adjusted yearly based

on the Consumer Price Index ("CPI"), as designated in the average CPI for combined New York/Northern New Jersey and Philadelphia/Southern New Jersey areas. However, the maximum increase permitted for any year shall be 5%.

Review of all bid proposals found one of them as non-compliant and required rejection.

Recommend awards for snow plowing and salting services be made to the lowest responsible bidders; the anticipated contract expenditures are subject to funding availability at the time of service. Those awards are as follows:

TURNPIKE AREA CONTRACTS:

<u>Contractor</u>	<u>Contract</u>	<u>Amount Not to Exceed</u>
Silvi of Englishtown Inc. Fairless Hills, PA	Contract SPC-03-09 (Interchange 9 to Interchange 12)	\$60,000

PARKWAY AREA CONTRACTS:

<u>Contractor</u>	<u>Contract</u>	<u>Amount Not to Exceed</u>
Stavola Contracting Co., Inc. Tinton Falls, NJ	Contract LC-07-09 (Interchange 105 Commuter Lots)	\$ 9,800
Haskell Site Work, LLC West Creek, NJ	Contract LS-03-09 (Interchange 77)	\$32,400
A. Macchione Brothers, Inc. Hackensack, NJ	Contract SPN-4E-09 (Mileposts 144 to 150)	\$19,200
A. Montone Construction, Inc. Holmdel, NJ	Contract SPC-4E-09 (Mileposts 116 to 129, Outer Roadway)	\$38,400

However, no bids (for loaders and back-up vehicles) were received for the following

Areas:

- LN-02-09: (Pascack Valley Tolls)
- LN-03-09: (Bergen Toll Plaza)
- LN-04-09: (Saddlebrook Toll Plaza)
- LN-05-09: (Interchange 165 Toll Plaza)
- LN-06-09: (Brookdale Service Area)
- LN-07-09: (Brookdale Toll Plaza)
- LN-9E-09: (Clifton Commuter Lot)
- LN-10-09: (Bloomfield Toll Plaza)
- LN-11-09: (Union Toll Plaza)
- LN-11E-09: (Union Ramps)
- LN-12-09: (East Orange Toll Plaza)
- LN-13-09: (Vauxhall Service Area)

Therefore, it is recommended that these Areas be re-bid immediately to allow time to

establish contracts prior to the 2009/2010 snow season.

In addition, Area LC-6-09 was mistakenly advertised, as a contract for this area is already in place and has not yet expired. As a result, the bid process for LC-06-09 will be terminated and bidders have been notified.

Further, at the July 22, 2008 Commission Meeting, authorization was granted to establish two Snow Removal Contract Accounts, one for each roadway, for all snow removal services. The establishment of these accounts remains in place and will facilitate prompt payment to the snow removal contractors. Payments for these contract services will be made from the respective Turnpike or Parkway Division's Snow Removal Contract Account.

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205F-09

In a memorandum dated August 11, 2009, concerning the recommendation to **Award a Sole Source Contract – CapitalSoft Inc.** – CapEx Manager Annual Software Maintenance, PR No. 62469, Budget Code: 427010 00 010 833.

At the September 9, 2008 Commission Meeting (Agenda Item 170F-08), authorization was granted to award a “sole source” contract to CapitalSoft Inc. for the CapEx Manager Software (“CapEx Software”). This Software is used by the Authority’s Engineering Department in the web-based electronic bidding for its construction contracts. The electronic bidding process includes access to new business opportunities, the ability to view and purchase project plans and specifications online, and the opportunity to prepare and submit bids electronically.

CapEx Software is proprietary to CapitalSoft Inc., which is the publisher and holder of all copyrights. CapitalSoft, Inc. is the only vendor which has access to the source code needed to debug, maintain and solve CapEx Software problems. Thus, no other vendor is capable of providing the services required under the annual maintenance agreement. In addition, this is an exceptional circumstance, as the client support and maintenance services are necessary for operating the Authority’s electronic bidding software system. Thus, it is recommended that this annual maintenance agreement be procured without public advertisement as a sole source exception to the public bidding laws and consistent with Executive Order No. 37. The cost for the client support plus maintenance services for the CapEx Software for the period August 1, 2009 through July 31, 2010 will be in an amount not to exceed \$100,000.

Accordingly, authorization is requested to award a sole source contract to CapitalSoft Inc. of Richardson, TX for the annual support and maintenance to the CapEx Manager Software in an amount not to exceed \$100,000. 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.S.A. 27:23-6.1. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the vendor pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and having no objection to same. A resolution, as required by N.J.A.C. 19:9-2.2(d)1, follows as

Resolution 205F-09:

RESOLUTION FOR SOLE SOURCE PROCUREMENT
ANNUAL SUPPORT AND MAINTENANCE TO
CAPEX MANAGER SOFTWARE

WHEREAS, in 2005, in an effort to simplify doing business with the Authority and to make the bidding process easier for the Engineering Department and construction contractors, the Authority procured the software to facilitate web-based electronic bidding process, entitled CapEx Manager (the “Software”) and;

WHEREAS, since that time the Technology and Administrative Services Department has requisitioned the annual client support and maintenance services to continue utilizing the Software; this current requisition being for the period August 1, 2009 through July 31, 2010; and

WHEREAS, CapitalSoft, Inc. is the publisher, holder of all copyrights and exclusive distributor of the Software and therefore, the Software is of a unique and confidential nature that will not admit a generic or standard specification for procurement through competitive solicitation by public advertisement; and

WHEREAS, the Software can only be procured from CapitalSoft, Inc. at a cost not to exceed \$100,000; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2(d)1 promulgated under N.J.S.A. 27:23-6.1 permits sole source procurement when only one source for the required product exists.

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Commissioners hereby authorize and approve the award of a contract to CapitalSoft, Inc. for the annual software maintenance to CapEx Manager in an amount not to exceed \$100,000, 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.

Reviewed by the Law Director, available funds certified by the Finance Comptroller where applicable, the Executive Director certified the recommendations for consideration.

On motion by Commissioner Pocino, seconded by Commissioner Hodes, the Authority approved the six (6) item Purchasing agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

206-09

In a memorandum dated August 19, 2009, concerning authorization to **Renew the following Insurance Policies: Excess Umbrella Liability Insurance – Self-Insured General Liability / Automobile Liability Insurance Program; Public Officials and Employment Practices Liability Insurance; and Turnpike Major Bridge and Property Insurance,**

Operating Account No. 1000890441000.

The New Jersey Turnpike Authority ("Authority") maintains several different insurance programs for protection against liability claims and for the protection of its physical assets. The following policies will expire on September 1, 2009: (1) Umbrella Liability Insurance-Self-Insured General Liability/Automobile Liability Insurance Program ("Umbrella Insurance"); (2) Public Officials and Employment Practices Liability Insurance ("Public Officials Insurance"); and (3) Major Bridge and Property Insurance for the New Jersey Turnpike roadway ("Property Insurance"). (Similar insurance for the Garden State Parkway will be renewed shortly). In preparation for the renewal of these policies, a Request for Proposals ("RFP") was advertised in the Star Ledger and the Home News and Tribune and was posted on the State's and the Authority's websites. The RFP was distributed to sixteen (16) firms on May 28, 2009.

Twelve (12) firms received market assignments for one or more of the programs as requested. On August 3, 2009, seven proposals were received as follows: Umbrella Insurance: 1 proposal; Property Insurance: 2 proposals; and Public Officials Insurance: 4 proposals. Subsequently, one proposal submitted for the Public Officials policy was withdrawn. The professional services procurement process was conducted in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.1(b) and Executive Order No. 37. The Executive Director appointed an Evaluation Committee (the "Committee") to review the proposals in accordance with the criteria set forth in the RFP.

[1] Umbrella Insurance:

Markets were assigned to eleven (11) firms. The only proposal received was from the incumbent broker, Risk Strategies Company, New York, NY ("RSC").

RSC proposed renewing the lead umbrella policy with National Union Fire Insurance Co. of Pittsburgh, PA, the Authority's current insurer, for an annual premium of \$795,000 plus \$7,155 PLIGA surcharge. The proposed premium plus PLIGA surcharge for the lead umbrella policy totals \$802,155 which represents a savings of \$95,235 from the expiring total premium and PLIGA surcharge of \$897,390. The policy form is as expiring. Upon approval, RSC would be permitted to place the balance of the \$75 million limit of liability. The Committee recommends awarding the Umbrella Insurance to Risk Strategies Company, Inc. Upon approval of this recommendation, Risk Strategies Company, Inc. will secure quotations from the insurance industry to complete the three remaining layers of coverage, as set forth in the RFP, for total premium and PLIGA charges in an amount not to exceed \$352,000.

[2] Major Bridge and Property Insurance

Markets were assigned to eleven (11) firms. Two (2) proposals were received from Aon Risk Services, Parsippany, NJ ("Aon") and the incumbent broker, The NIA Group, LLC, Mt. Laurel, NJ.

Aon proposed placing only \$100 million of the required \$198.7 million limits in a lead program with RSUI and Commonwealth (\$50 million in coverage from each insurer). The premium quotation for the \$100 million lead program is \$2,850,000 (including TRIA and an estimate for Boiler & Machinery), together with a \$750 policy administration fee, and is based on certain contingencies including the need for additional markets to complete capacity in the approximate amount of \$98.7 million.

The NIA Group, LLC proposed renewal of the policy with AIG (Lexington Insurance Company) and ACE (Westchester Insurance Company) on a Quota Share (50% participation each) with limits of \$198.7 million per occurrence. The total property premium proposed is \$2,696,005 together with a boiler inspection fee of \$2,960 and any required NJ State Taxes or Fees. Thus, the total premium proposed by The NIA Group for the entire \$198.7 million is lower than the premium proposed by Aon for only the first \$100 million in limits.

Based upon the substantially lower premium proposed by The NIA Group, LLC, the unknown additional premium for placement of the balance of coverage, and the contingencies set forth by Aon in their response, the Committee recommends renewing the Property Insurance program with The NIA Group, LLC at the premium as set forth above. The proposed premium and boiler inspection fee totaling \$2,698,965 represents an increase of \$454,237 over the expiring total premium and boiler inspection fee of \$2,244,728, likely attributable to an expected increase in the Authority's real property values.

[3] Public Officials and Employment Practices Liability Insurance

Markets were assigned to ten (10) firms. Four (4) proposals were received; one proposer was deemed ineligible by the New Jersey Department of Treasury for a contract award at this time due to non-compliance with PL 2005, Chapter 51 and Executive Order No. 117 (political contributions laws). The Committee reviewed proposals submitted by Aon, Marsh USA, Inc., Morristown, NJ (“Marsh”) and RSC.

Aon proposed placement of the coverage with a lead insurer (Houston Casualty Company) with limits of \$5 million, with the remaining \$25 million limits to be placed in other available markets, for an estimated total premium of \$459,834 plus estimated taxes/fees of \$23,492, including broker commission. Marsh’s proposal is for only a \$20 million limit of liability rather than the total \$30 million limit of liability as expiring, and therefore did not meet the requirement to provide coverage as expiring.

RSC proposed renewing coverage with the Authority’s current insurers, National Union Fire Insurance Company of Pittsburgh, PA (\$20 million aggregate limit/defense costs in addition) and National Specialty Insurance Company (Ironshore) (\$10 million excess of \$20,000) for a total premium of \$380,280 plus \$3,423 PLIGA surcharge.

The Committee recommends renewal of the Public Officials Insurance with Risk Strategies Company. The proposed total premium plus PLIGA surcharge totals \$383,703 which represents a savings of \$134,958 from the expiring total premium plus PLIGA surcharge of \$518,661.

It is therefore requested that the Executive Director be authorized to award the renewals of the insurance policies as outlined herein. It is further requested that the Executive Director be authorized to take all such actions and to execute all such documents to effectuate the authority set forth above.

Reviewed by the Law Director, available funds certified by the Finance Comptroller, the Executive Director certified the recommendation for consideration.

On motion by Commissioner Pocino, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized renewal of the three insurance programs, as presented; and received and filed the memoranda.

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207-09

Executive Director Gutierrez-Scaccetti presented a memorandum dated August 13, 2009, concerning the Authorization to **Adopt New Jersey Turnpike Authority Third Series 2009 Turnpike Revenue Bond Resolution.**

Over the past several months, staff has reviewed the Authority’s debt portfolio with the goal of stabilizing debt service and achieving debt service savings in an otherwise unstable financial market. As a result of this analysis, several actions have been recommended that achieve these goals and are presented below:

1. Refinance \$175 million of Series 2003D bonds. Insured by the failed Excel Capital, these auction rate securities were the subject of several failed auctions. In accordance with an opportunity available through federal regulations, the Authority began a process of bidding on its own securities and currently owns approximately \$165 million of the \$175 million outstanding. This has saved a significant amount of debt service. The remaining \$10 million are still owned by private investors. The Authority cannot own the bonds past December 31, 2009. Thus, authorization is sought to refinance \$175 million with fixed rate bonds. Even with this action, the Authority will remain in a better position than when the auction rate securities remained on the market.

In order to affect this transaction, the Authority terminated all swaps associated with the Series 2003D bonds. The cost of these terminations was approximately \$5.9 million, an amount which will be offset by the long-term debt savings through refinancing the debt.

2. For funding to buy back the Series 2003D bonds, the Authority issued a Bond Anticipation Note ("BAN") in early February 2009 in the amount of \$275 million. \$175 million was used for the Series 2003D bonds and \$100 million was available to bridge construction costs until the Authority's first new money financing could be transacted, which occurred in April 2009. Again, the BAN must be repaid by year's end. Given that the Authority will have \$165 million in proceeds available based on the transaction outlined in the previous item, a net \$110 million will need to be financed to pay the balance of the BAN.
3. A savings opportunity has been identified in the Series 2000A variable rate demand bonds. By refinancing approximately \$35 million of these bonds to a fixed rate, the Authority can achieve a net present value savings of approximately \$3.5 million over the remaining life of the bonds.
4. In December 2004, the Authority issued approximately \$150 million in new debt in order to fund the initial phase of the widening of the Garden State Parkway between Exits 63 and 80. The way in which these bonds were issued requires that they be refinanced no later than January 1, 2010 (known as put bonds).
5. In 1991, the Authority issued \$371 million of variable rate demand bonds, and entered into an interest rate exchange agreement (SWAP") with the AIG (currently known as the AIU). This was one of the first of this type of derivative products available in the market. The intent of the SWAP was to exchange interest rate payments, hedging the fluctuations in the variable rate on the underlying bonds. The transaction was successful for many years; however, with the collapse of the bond insurance market, the interest rate that the AIG was obligated to pay the Authority under the interest rate exchange agreement was significantly reduced, causing an imbalance between the interest rate the Authority paid to bondholders and that received in return from the AIG. In essence, the hedge benefit of the transaction was dissolved, and the Authority is paying approximately \$1 million per month more than anticipated. The terms of the SWAP document are inflexible, leaving Authority with very few options to adjust the SWAP with the AIG.

The Authority, with the assistance of NW Financial, the Authority's financial advisor, is studying a variety of proposals that are intended to eliminate the SWAP with AIG, and reduce the additional interest payments made by the Authority. Authorization to undertake the proposal that is in the best long-term financial interest of the Authority is requested. Any action taken will be with the advice of the Authority's financial advisor and bond counsel. The final resolution will be presented to the Board for ratification.

The aggregate value of these transactions is approximately \$900 million, inclusive of reserve fund requirements and costs of issuance; however, it is not anticipated that they will occur simultaneously, and they will be transacted with more than one investment banking firm. Inasmuch as they are all time-sensitive, and because of the continued volatility of the market, authorization is being requested for each transaction, in order to give the Authority time to take advantage of favorable market fluctuations on a case by case basis.

On motion by Commissioner Pocino, seconded by Commissioner Hodes, the Authority unanimously approved the recommendations as outlined herein; received and filed the memoranda; and unanimously adopted the following **Resolution 207-09**:

(To correct a scrivener's error, the words "WG&S Draft of 8/13/09" have been removed from the Resolution as adopted)

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208-09

Finance Comptroller Donna Manuelli presented the financial results of the New Jersey Turnpike Authority for the Seven Months Ended July 31, 2009.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority's **Financial Summary** was unanimously accepted and received for file.

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209-09

Operations Director Hill presented his memorandum dated August 4, 2009, concerning the recommendation to **Adopt New Jersey Turnpike Authority Supplemental Sign Policy.**

The Supplemental Sign Policy is intended to provide guidelines to outline the relevant standards and criteria for the installation of supplemental guide signs for traffic generators or attractions and for specific service logo signs on the New Jersey Turnpike and Garden State Parkway.

The selection of pertinent information at any interchange is critical to the safe and efficient use of the New Jersey Turnpike Authority's roadways. The combination of the necessary regulatory, warning and guide signs with supplemental guide signs can lead to signing problems such as confusion, misinformation, and sign pollution. Accordingly, discretion is reserved by the Turnpike Authority in the selection and installation of all signs.

The guidelines set forth in this policy will assist in the clarification of which traffic generating entities qualify for a supplemental guide sign(s). This policy and the criteria set forth herein will consider local needs, customs and legal requirements relevant to the traffic generator requesting the installation of a sign.

The Operations Department has developed this policy and recommends that the Commissioners adopt the policy as submitted for review, titled "New Jersey Turnpike Authority Supplemental Sign Policy."

Reviewed by the Law Director; the Executive Director certified the recommendation for consideration.

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized as presented; and received and filed the memoranda.

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210-09

Resume of All Fatal Accidents – Garden State Parkway and New Jersey Turnpike. Submitted by Operations Director Hill, they contain a descriptive summary for the Period 1/1/09 to 8/17/09, together with 2008 – 2009 Yearly Comparisons for the seven months through July 2009.

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

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211-09

New Jersey State Police Troops D and E - Reports of Activities for the seven months through July, 2009, including 2008 – 2009 Yearly Comparisons, were submitted by Major Burke, New Jersey State Police Troop E Commander.

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

At this time, Major Burke thanked all for their congratulations and expressed appreciation for the level of cooperation experienced with the Authority. He added that the result of such cooperation makes the duty lives of the Troopers better, and that effect does not go unnoticed.

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Addendum Item

212-09

Executive Director Gutierrez-Scaccetti presented a recommendation to **Delegate Authority to the Executive Director to Execute a Multi-Year Agreement with TRANSCOM.**

The New Jersey Turnpike Authority (NJTA) partners with the Transportation Operations Coordinating Committee (TRANSCOM) to help ensure the mobility and safety of the traveling public through the New Jersey, Eastern New York and Connecticut region using interagency communication and the enhanced utilization of the member agencies existing traffic and transportation management systems.

The annual contribution for the Authority's membership is currently allocated at 7.84% of the TRANSCOM budget and execution of the Multi-Year agreement would continue this partnership for the period 2009 through 2013. In order for the Authority to continue its participation, it is requested that the Executive Director be authorized to enter into the necessary agreement which will be more fully outlined at the September Commission Meeting and submitted to the Commissioners for ratification.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized to delegate authority to the Executive Director to execute the agreement with TRANSCOM, as presented.

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Upon conclusion of the agenda, Chairman Dilts opened the floor to public comment on and other matters. There was no response.

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The motion to adjourn was made by Commissioner Hodes, seconded by Commissioner DuPont and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:56 A.M., to meet on Tuesday, September 29, 2009, at 9:30 A.M.

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The Secretary acknowledges receipt of the following documents for file:

COMMUNICATIONS:

Two Letters: dated August 21, and August 20, 2009, one from New Jersey Governor Corzine and one from NJ State Treasurer Rousseau (respectively) – each approving the adoption by the New Jersey Turnpike Authority of its New Jersey Turnpike Authority Third Series 2009 Turnpike Revenue Bond Resolution (Resolution 207-09): in accordance with authorization contained in the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of 1948 of the State of New Jersey, as amended and supplemented.

ADDITIONAL REPORTS:

REPORT OF PURCHASES – under Executive Directors Delegated Authority (EDDA) Resolution 40-95, for the one-month period: July 1 through July 31, 2009.

REPORT OF UTILITY ORDERS – (zero) under EDDA 117-05; Dated August 25, 2009.

REPORT SUMMARY OF CONTRACT CHANGE ORDERS; only for Type 1 and Type 2 – Period July 10, 2009 through August 6, 2009, Dated August 25, 2009.

REPORT OF CONSTRUCTION PROGRESS – Period Ending August 7, 2009; Dated August 25, 2009.

Rose Stanko
Secretary

APPROVED:

Stephen Dilts, Chairman and NJ Department of Transportation Commissioner

Michael R. DuPont, Treasurer

Harold L. Hodes, Commissioner

David G. Evans, Commissioner

Raymond M. Pocino, Commissioner

Clive S. Cummis, Commissioner

Troy Singleton, Commissioner

Ulises E. Diaz, Commissioner