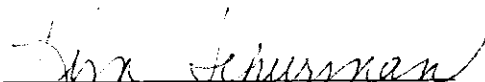


**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, Joseph Mrozek, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such, **Executive Director** certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the **November 22, 2016** Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 22nd day of November, 2016.**

ATTEST:



Kim Schurman
Secretary to the Authority



Joseph Mrozek,
Executive Director

Corporate Seal

Date: November 22, 2016

**Received in the Governor's Office November 22, 2016
(hand delivered)**

Received by: _____



Print Name



Signature

Veto Period Ends: _____

December 7, 2016
(Write in the date the veto period ends)

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

Tuesday, November 22, 2016

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Chairman Richard Hammer called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 9:02 A.M.

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PRESENT

Present were Chairman Richard Hammer, Treasurer Michael DuPont, Commissioner Raymond Pocino, Commissioner Ulises Diaz, and Commissioner John Minella. The meeting commenced at 9:02 a.m.

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ALSO PRESENT

Executive Director Joseph Mrozek; Chief Operating Officer John O'Hern; Chief Engineer Robert Fischer; General Counsel Bruce Harris; Chief Financial Officer Donna Manuelli; Director of Human Resources Mary-Elizabeth Garrity; Director of Internal Audit James Carone; Director of Maintenance Kenneth McGoldrick; Director of Operations Henry Eibel; Director of Procurement and Materials Management Andrea Ward; Deputy Chief Information Officer Jose Dios; Director of Tolls Robert Quirk; New Jersey State Police Major Eric Heitmann, State Police Troop D; and Secretary to the Authority Kim Schurman.

Also present were: Governors' Authorities Unit Representatives Lisa LeBoeuf; additional individuals consisting of other NJTA employees; interested organizations; and the general public; and from the media: New Jersey Advance Media.

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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.

Executive Director Mrozek takes Roll Call:

1. Chairman Hammer
2. Vice Chairman Gravino (Absent)
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Becht (Absent)
7. Commissioner Minella

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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:

- Litigation

The motion was made by Commissioner Diaz and seconded by Commissioner Pocino, 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 9:36 a.m.; Chairman Hammer resumed the public portion of the meeting.

Executive Director Mrozek takes Roll Call:

1. Chairman Hammer
2. Vice Chairman Gravino (participated by telephone)
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Becht (Absent)
7. Commissioner Minella

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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 25, 2016; he did not exercise his power to veto any items in those minutes.

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

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RECUSALS

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

- Commissioner Pocino is recusing from items 376 through 381

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PUBLIC COMMENT

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None

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EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Mrozek reported that this will be the last meeting at the Turnpike Authority's current location of 581 Main Street, Woodbridge. Our next Board Meeting on December 20, 2016 will be held at 1 Turnpike Plaza, Woodbridge, New Jersey.

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COMMISSIONER'S COMMENTS

None

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 373-11-2016. Moved is the item as follows:

373-11-2016

Human Resources Director Garrity submitted the Personnel Agenda, dated November 22, 2016, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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LAW

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General Counsel Bruce Harris requested approval of item numbers 374-11-2016 and 375-11-2016. Moved are the items as follows:

374-11-2016

In a memorandum dated November 3, 2016, Authorization to Settle Litigation in the Matter of Karen Del Re & Paul Schmalz v. NJTA, et. als., R-128092, Amount: \$3,600,000.00 (Including a \$600,000.00 contribution from excess insurance), was approved.

This matter involves a personal injury claim arising from a motor vehicle accident. On the morning of September 30, 2013, plaintiff, Karen Del Re, was operating a motor vehicle approaching the entrance ramp to the Garden State Parkway at exit 117. An Authority employee,

operating an Authority-owned motor vehicle struck Plaintiff's vehicle from behind. As a result of this accident Plaintiff alleges injuries to her neck, lower back, left knee, hands, shoulders, left foot and psychological injuries. Plaintiff underwent numerous surgeries for these injuries. Plaintiff's husband also alleges a claim for his loss of consortium as a result of his wife's injuries.

As a result of recent mediation, outside counsel and the Authority's excess insurance carrier (AIG) recommend settlement in the amount of \$3,600,000.00. Plaintiffs have agreed to this settlement amount. On the date of injury, the Authority maintained a \$3,000,000.00 self-insured retention for liability insurance so AIG would contribute \$600,000 towards the settlement. Outside counsel reviewed this matter and other similar matters that were previously adjudicated and confirms that this settlement value is reasonable given the facts of the case and the predicted future cost of defense. The Law Department concurs.

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

375-11-2016

In a memorandum dated November 2, 2016, **Authorization to Settle Formal Workers' Compensation Matter – John Squillante v. New Jersey Turnpike Authority Account: 10-870-405070, Amount: \$45,000.00 via Section 20,** was approved.

Petitioner John Squillante was a Parkway Division General Maintenance Person, hired in November 1984 and retired under an Early Retirement, effective June 1, 2011. This recommended settlement will resolve a formal Occupation Claim Petition filed in 2012.

The petitioner is represented by Brian Bartlett, Esq., located in Toms River, NJ. The Authority is defended by Special Counsel Nancy J. Johnson, Esq. of Capehart & Scatchard, P.A., located in Mt. Laurel, NJ. The matter is venued in the district office of Toms River, before the Honorable Judge Eugene Mulvaney.

The total settlement award is \$45,000.00 via Section 20.

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 Authority's Benefits Manager. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of **\$45,000.00 via Section 20.**

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

On motion by Treasurer DuPont and seconded by Commissioner Pocino, the Board unanimously approved item numbers 374-11-2016 and 375-11-2016; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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ENGINEERING

Chief Engineer Robert Fischer requested approval of item numbers 376-11-2016 through 378-11-2016 and 380-11-2016 and 381-11-2016. Moved as a group are the items as follows:

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ORDER FOR PROFESSIONAL SERVICES (OPS)

376-11-2016

In a document dated November 4, 2016 **Recommendation to Issue Order for Professional Services No. T3634, RM-128053, New Jersey Turnpike, Jacobs Engineering Group, Inc., Newark Bay – Hudson County Extension Study, Special Project Reserve Fund No.: 04018068, Amount: \$985,000.00**, was approved.

This Order for Professional Services will determine the extent of improvements necessary to the Newark Bay – Hudson County Extension to safely and efficiently accommodate existing and projected traffic volumes. The extension is currently experiencing congestion on a consistent basis and significant increases in commercial vehicle traffic are anticipated. The study will provide the Authority with several designs alternatives to address traffic capacity concerns, recommend a plan for implementing the improvements and establish program costs. The alternatives will address structural limitations associated with the existing infrastructure including the Newark Bay Bridge and the viaduct through Bayonne and Jersey City.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 33 engineering firms were prequalified and eligible under Profile Codes: D491, Transportation Planning: Alternative Analysis and D492, Traffic Engineering: Data Collection and Demand Modelling. Five firms submitted EOIs by the closing date of October 6, 2016.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three technically ranked firms. The firms in the order of ranking are: 1) Jacobs Engineering Group, Inc.; 2) Dewberry Engineers, Inc. and 3) The Louis Berger Group, Inc. 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 Order for Professional Services No. T3634 be issued to the firm of Jacobs Engineering Group, Inc. of Morristown, New Jersey, in an amount not to exceed \$985,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.24 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

377-11-2016

In a document dated November 3, 2016, **Recommendation to Issue Order for Professional Services Nos. T3596 and T3597, New Jersey Turnpike, Greenman-Pedersen, Inc. – OPS No. T3596, Michael Baker International, Inc. – OPS No. T3597, Order for Professional Services No. T3596, RM-127746, Design Services for Contract No. T100.403, Bridge Deck Repairs and Resurfacing, Milepost 83 to 122 and the Newark Bay-Hudson County Extension (NB-HCE) (2018), Maintenance Reserve Fund No. 03010001, \$1,000,000.00 FY 2017, \$ 700,000.00 FY 2018, Amount: \$1,700,000.00, And, Order for Professional Services No. T3597, RM-127747, Design Services for Contract No. T100.404, Bridge Repairs and Resurfacing, Milepost 0 to 122, NB-HCE and the Pearl Harbor Memorial Turnpike Extension (PHMTE) (2018), Maintenance Reserve Fund No. 03010001, Funding allocation: \$1,000,000.00 FY 2017, \$ 500,000.00 FY 2018, Amount: \$1,500,000.00**, was approved.

Through this single procurement process the Authority has selected two consultants to furnish design services and prepare construction contract documents for the annual bridge deck and miscellaneous structural repair contracts for 2018 which will address the northern and southern portions on the New Jersey Turnpike.

The design services associated with OPS No. T3596 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs and Resurfacing on the northern portion of the Turnpike.

The design services associated with OPS No. T3597 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs and Resurfacing on the southern portion of the Turnpike and Miscellaneous Structural Repairs.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than

\$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 48 engineering firms were prequalified and eligible under Profile Codes: A092 – Bridges: Miscellaneous Repairs, A093 – Bridges: Deck Replacement and Rehabilitation and A095 – Bridge, Deck Reconstruction. Four firms submitted EOIs by the closing date of September 21, 2016.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Michael Baker International, Inc., 2) Greenman-Pedersen, Inc. and 3) Arora and Associates, P.C.. These three firms were requested to submit sealed Fee Proposals. Fee Proposals submitted by the three highest ranking firms have been reviewed. Negotiations with the highest technically ranked firm, Michael Baker International, Inc. for OPS No. T3597, their preferred OPS, resulted in a reduction in their fee proposal. Subsequent to the completion of negotiations for OPS No. T3597, negotiations with the second highest technically ranked firm, Greenman-Pedersen, Inc. for OPS No. T3596, resulted in a reduction of their fee proposal. The final revised fee proposals are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3596, Design Services for Contract No. T100.403, be issued to the firm of Greenman-Pedersen, Inc. of Lebanon, NJ, not to exceed the amount of \$1,700,000.00 allocated as follows: \$1,000,000.00 for FY 2017 and \$700,000.00 for FY 2018. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. T3597, Design Services for Contract No. T100.404, be issued to the firm of Michael Baker International, Inc. of Hamilton, NJ, not to exceed the amount of \$1,500,000.00 allocated as follows: \$1,000,000.00 for FY 2017 and \$500,000.00 for FY 2018. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

The issuance of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

378-11-2016

In a memorandum dated October 25, 2016, Recommendation to Issue Order for Professional Services Nos. T3601 and T3602, New Jersey Turnpike, Arora and Associates, P.C. – OPS No. T3601, HAKS Engineers, Architects and Land Surveyors, P.C. – OPS No. T3602, Engineering Services for the 2017 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. T3601, RM-127750, New Jersey Turnpike—Group 2, Milepost 67 to 99, Maintenance Reserve Fund No. 03010005, Funding allocation: \$1,092,000.00 FY 2017, \$ 273,000.00 FY 2018, Amount: \$1,365,000.00, And, Order for Professional Services No. T3602, RM-127751, New Jersey Turnpike—Group 4, Milepost 99 to 122, Maintenance Reserve Fund No. 03010005, Funding allocation: \$1,190,000.00 FY 2017, \$297,000.00, FY 2018, Amount: \$1,487,000.00, was approved.

Through this single procurement process the Authority will select two consultants to furnish engineering services for annual bridge inspections on the New Jersey Turnpike.

The engineering services associated with OPS No. T3601 will include inspection of 192 bridges and 70 sign structures located between Interchange 6 and Interchange 13 of the New Jersey Turnpike and OPS No. T3602 will include inspection of 174 bridges and 88 sign structures between Interchange 14 and the northern terminus of the New Jersey Turnpike. Both OPS' include FHWA Structure Inventory and Appraisal (SI&A) form updates, FHWA Element Level Inspection data collection and preparation of bridge inspection reports and sign structure inspection reports.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 31 engineering firms were prequalified and eligible under Profile Code: D280C - Bridges - NBIS Program, Complex. Seven firms submitted EOIs by the closing date of September 19, 2016.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Arora and Associates, P.C., 2) HAKS Engineers, Architects and Land Surveyors, P.C. and 3) KS Engineers, P.C. These three firms were requested to submit sealed Fee Proposals. Fee Proposals submitted by the three highest ranking firms have been reviewed. A review of the fee proposal of the highest technically ranked firm, Arora and Associates, P.C. for OPS No. T3601 was performed and the fee proposal was deemed acceptable. Subsequently, negotiations with the second highest technically ranked firm, HAKS Engineers, Architects and Land Surveyors, P.C., for OPS No. T3602 resulted in a reduction in their fee proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3601, New Jersey Turnpike—Group 2, Milepost 67 to 99, be issued to the firm of Arora and Associates, P.C. of Lawrenceville, NJ, not to exceed the amount of \$1,365,000.00 allocated as follows:

\$1,092,000.00 for FY 2017 and \$273,000.00 for FY 2018. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. T3602, New Jersey Turnpike—Group 4, Milepost 99 to 122, be issued to the firm of HAKS Engineers, Architects and Land Surveyors, P.C. of Iselin, NJ, not to exceed the amount of \$1,487,000.00 allocated as follows: \$1,190,000.00 for FY 2017 and \$297,000.00 for FY 2018. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.65 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

The issuance of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

379-11-2016

(Item not used)

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ACKNOWLEDGE REPORTS OF

ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

380-11-2016

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously approved item nos. 376-11-2016 through 378-11-2016 (379-11-2016 not used); and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 380-11-2016 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	RECUSED	YES	ABSENT	YES

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MAINTENANCE

Director of Maintenance, Kenneth McGoldrick requested approval of item number 381-11-2016. Moved is the item as follows:

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

381-11-2016

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

- Construction Contract Progress Report
- Change Order Summary

On motion by Treasurer DuPont and seconded by Commissioner Diaz , the Board unanimously approved item no. 381-11-2016; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 381-11-2016 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	RECUSED	YES	ABSENT	YES

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PROCUREMENT ("PMM")

Director of Procurement and Materials Management Andrea Ward requested approval of item numbers 382-11-2016 through 394-11-2016. Moved as a group those items are as follows:

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PUBLIC BIDS SOLICITATIONS

382-11-2016

In a memorandum dated November 14, 2016, **Vehicle Wash Systems to InterClean Equipment, Inc., RM-125113 (Maintenance), Budget Code: Various, Amount: \$1,074,500.00 (One-Year Contract)**, was approved.

Under this contract, InterClean Equipment, Inc. will furnish, install and test automatic, drive-through vehicle wash systems at five (5) Maintenance District facilities on both Roadways as part of the Facilities Improvement Program. This contract also includes system warranties and training of Authority personnel. The bid was fully advertised and the seven (7) vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On October 19, 2016, one compliant bid was received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Extended Price</u>
InterClean Equipment, Inc., Ypsilanti, MI	\$214,900.00	\$1,074,500.00

Departmental Estimate: \$1,050,000.00

Non-Compliance:

Additional bids were submitted by Hydro-Chem Systems Inc. ("Hydro-Chem") of Grand Rapids, MI (\$888,490.00) and Westmatic Clear Green ("Westmatic") of Buffalo, NY (\$987,210.00). All bids were thoroughly analyzed by a review team consisting of Maintenance, outside consultant (Gannett Fleming) and Procurement Department staff. The team determined that the bids submitted by Hydro-Chem and Westmatic were materially deficient requiring rejection of both bids. For example, Hydro-Chem did not submit its Certification and Experience Questionnaire as required in the RFB. Hydro-Chem also mentioned "additional planning expenses", which should be the responsibility of the vendor and not the Authority's in contravention of the bid specifications. In addition, the "Exception Form" submitted by Hydro-Chem offered only one (1) 75 HP pump as opposed to the two (2) specified in the RFB. This deficiency would significantly decrease cleaning effectiveness. Hydro-Chem also proposed its standard payment terms contrary to those specified in the bid documents. Hydro-Chem's payment terms would afford the company a financial advantage over other bidders.

Westmatic's less efficient system required the driver/vehicle to stop twice during the wash process as opposed to a constant speed of 50-60 feet per minute as specified in the RFB. This bidder proposed two 30 HP pumps as opposed to the two 75 HP pumps specified, which also would decrease cleaning effectiveness. Other exceptions were submitted including the use of high pressure booms, roof mops and transfer pumps, with none of the required documentation provided to permit a proper evaluation by the review team. Westmatic also submitted an insufficient Certification and Qualification Questionnaire, as it did not include a contact person at each location as required.

Thus, it is recommended that the bids submitted by both Hydro-Chem and Westmatic be rejected.

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

Accordingly, authorization is requested to award a contract to InterClean Equipment, Inc.

for a total amount not to exceed \$1,074,500.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

383-11-2016

In a document dated November 7, 2016, **Water Reclamation/Treatment Systems to Carbtrol Corporation, RM-125109 (Maintenance), Budget Code: Various, Amount: \$740,000.00 (One-Year Contract)**, was approved.

Under this contract, Carbtrol Corporation will furnish, install and test an above-ground water reclamation/treatment system as part of the Facilities Improvement Program at five (5) Maintenance District facilities on both Roadways. These systems will be used to collect, treat and re-use water in the Authority's vehicle wash systems. This contract also includes system and parts warranties as well as training of Authority personnel. The bid was fully advertised and the seven (7) vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On October 19, 2016, one (1) bid was received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Bid</u> <u>Price</u>
Carbtrol Corp., Bridgeport, CT	\$148,000.00	\$ 740,000.00

Departmental Estimate: \$ 650,000.00

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

Accordingly, authorization is requested to award a contract to Carbtrol Corporation for a total amount not to exceed \$740,000.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two 1-year extensions upon satisfactory performance by the vendor.

384-11-2016

In a document dated November 7, 2016, **Gledhill Snow Plow Parts to Chemung Supply Corp., RM-127036 (Inventory), Budget Code: Various, Amount: \$52,579.33 (One-Year Contract)**, was approved.

Under this contract, Chemung Supply Corp. will provide Gledhill snow plow parts to be

stored in inventory for use on the Authority's Gledhill snow plows. Bidders were required to quote unit and total prices for 21 line items of parts which included but were not limited to: bumper curbs, mushroom shoes, reversing cylinders and A-frames. In addition, bidders were required to quote a discount off Gledhill Manufacturer's List Price for miscellaneous items. The bid was fully advertised and the five (5) vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On October 6, 2016, two (2) bids were received as follows:

<u>Vendor</u>	<u>Total Bid Price</u>
Chemung Supply Corp., Elmira, NY	\$ 52,579.33
Tony Sanchez, Ltd., Ledgewood, NJ	\$ 93,528.39

Department Estimate: \$105,000.00

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

Accordingly, authorization is requested to award a contract to Chemung Supply Corp. for a total amount not to exceed \$52,579.33, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two 1-year extensions upon satisfactory performance by the vendor.

385-11-2016

In a memorandum dated November 10, 2016, **Overhead Door Repairs and Replacement to Set-Rite Corporation, RM-125603 (Re-Bid), Budget Code: Various, Amount: \$151,080.00 (One-Year Contract)**, was approved.

Under this contract, Set-Rite Corporation will provide the necessary labor, equipment and materials to perform repairs and replacements of the 65 manual and 258 automatic overhead type garage doors currently in use on both Roadways. The bid was divided into four (4) geographical areas: A) Turnpike South; B) Turnpike North; C) Parkway South and D) Parkway North. Bidders were able to bid on one or multiple areas. For comparative purposes awards were based on the estimated annual expenses for labor (160 hours) and mileage (320 miles) per area. Bidders were also required to provide a discount off the Manufacturer's List Price for parts used in repairs (which could not exceed 10% above vendor cost). The bid was fully advertised and the ten (10) vendors listed in the Authority's database for this service were notified of the procurement. On October 26, 2016, one (1) sole bid was received as follows:

<u>Vendor</u>	<u>Area A</u> TPK South	<u>Area B</u> TPK North	<u>Area C</u> GSP South	<u>Area D</u> GSP North	<u>Total Award</u>
Set-Rite Corporation, Bristol, PA	\$37,770.00	\$37,770.00	\$37,770.00	\$37,770.00	\$151,080.00

Departmental Estimate: \$150,000.00

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

Accordingly, authorization is requested to award a contract to Set-Rite Corporation for a total amount not to exceed \$151,080.00, subject to availability of funding at the time of service. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

386-11-2016

In a memorandum dated November 7, 2016, **Coarse Paper Products- Small Business Enterprise Set-Aside Contract to Spruce Industries, Inc., RM-127434 (Inventory), Budget Code: Various, Amount: \$143,947.46 (One-Year Contract)**, was approved.

Under this contract, Spruce Industries, Inc. will provide coarse paper and related products to be held in inventory for use at Authority facilities. These items include but are not limited to paper towels, paper cups, toilet tissue and dispensers for the janitorial section. Bidders were required to bid unit and total prices for 19 line items included in the bid. This procurement was designated as a Small Business Enterprise ("SBE") Set-Aside contract. The bid was fully advertised and the five (5) vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On October 25, 2016, bids were received as follows (unit prices are available from the PMM Department):

<u>Vendor</u>	<u>Total Bid Price</u>
Spruce Industries, Inc., Rahway, NJ	\$143,947.46
Summit Paper Company, South Plainfield, NJ	\$176,805.63

Department Estimate: \$170,000.00

Non-Compliance:

An additional bid was received from Scoles Floorshine Industries of Farmingdale, NJ. This bidder, however, failed to bid on 12 of the 19 line items in the Request for Bid (RFB). Section II, Paragraph C (Basis of Award), Line 1 of the RFB clearly states "Bidders must supply a price for every item listed. Bids not having a price for all listed items may be rejected." Thus, it is recommended that the bid submitted by Scoles Floorshine be rejected.

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

Accordingly, authorization is requested to award a contract to Spruce Industries, Inc. for a total amount not to exceed \$143,947.46, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two 1-year extensions upon satisfactory performance by the vendor.

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STATE CONTRACTS AND FEDERAL CONTRACTS

387-11-2016

In a document dated November 10, 2016, **Toll Plaza Security Enhancements to Tyco Integrated Security, LLC, RM-126395 (Internal Audit/ITS), Budget Code: Various, U.S. General Services Administration (GSA) Schedule 84, GSA Contract No. GS-07F-225CA expiring 9/03/20, Amount: \$1,539,088.65,** was approved.

Under this contract, Tyco Integrated Security, Inc. ("Tyco") will complete Phase 2 of a project to upgrade and enhance the Authority's C-Cure Security Software system ("System") at various Turnpike Interchanges. The System is an access control and security management software platform. These security upgrades and improvements will standardize the security hardware and software at these locations.

Phase 1 of the security project established the foundational architecture of the system, which addressed potential security risks at certain toll Interchanges on the New Jersey Turnpike. The Internal Audit and Integrated Technology Services Departments have now requisitioned a contract for installation and maintenance of the System at an additional seven (7) toll Interchanges.

This procurement, under GSA/Federal IT Schedule 84, Contract No. GS-07F-225CA, is in accordance with *N.J.A.C. 17:12-1A5*, promulgated pursuant to *N.J.S.A.52:34-6.1*, and with *N.J.S.A.52:34-6.3* which permits New Jersey state entities such as the Authority, without

advertising, to purchase goods and services directly from vendors who hold GSA contracts. Only certain GSA contracts are available to the Authority, including the Federal 84 Schedule (Total Solutions for Law Enforcement, Security, Facilities Management, Fire, Rescue, Clothing, Marine Craft and Emergency/Disaster Response). To ensure the Authority receives the most competitive prices, the Procurement and Materials Management Department solicited quotations from vendors who hold GSA Schedule 84 Contracts for the required hardware and services. On September 26, 2016 six (6) vendors received a request for quotation which detailed the scope of services. Site inspections for all locations were conducted in October 2016 and representatives from two firms attended. On October 19, 2016 one (1) quote was received from Tyco.

Accordingly, authorization is requested to award the referenced contract to Tyco Integrated Security, Inc. for the above-referenced services for an amount not to exceed \$1,539,088.65, subject to funding availability at the time of service.

388-11-2016

In a document dated November 14, 2016, **Cube Engines for Video Display Wall to Imtech Corporation dba Activu Corp., RM-127965 (ITS), Budget Code: Various, U.S. General Services Administration (GSA) Schedule 70, GSA Contract No. GS-35F-0632N expiring 5/21/18, Amount: \$679,781.39,** was approved.

Under this contract, Imtech Corporation dba Activu Corp. ("Activu Corp.") will provide the Authority with the required hardware and installation services to replace all 48 non-LED cube engines in the existing video wall on the Statewide Traffic Management Center ("STMC") Operations Floor with LED Units. Currently, there are several failed cubes in the video wall. Migrating to LED technology is cost efficient as it will provide a much longer lifespan for each new cube. The existing functional non-LED cubes on the Operators floor will be used as replacement parts for the video wall in the "situation room," also located in the STMC.

This procurement, under the General Services Administration ("GSA")/Federal IT Schedule 70, Contract No. GS-35F-0632N, is in accordance with N.J.A.C. 17:12-1A.5, promulgated pursuant to N.J.S.A. 52:34-6.1, and with N.J.S.A. 52:34-6.3, which permits New Jersey state entities such as the Authority, without advertising, to purchase goods and services directly from vendors which hold GSA contracts under the Federal Supply Schedules.

Accordingly, authorization is requested to award a contract to Activu Corp. under GSA Contract No. GS-35F-0632N for hardware and installation of 48 LED cube engines for an amount not to exceed \$679,781.39.

389-11-2016

In a document dated November 9, 2016, **Building Supplies to Home Depot, Inc., RM-127886 (Inventory/Maintenance), State Contract No. 83930 expiring 7/31/17, Budget Code:**

Various, Amount: \$85,000.00 (8-month contract), was approved.

Under this contract, Home Depot, Inc. will supply building supplies, small appliances, lumber and hardware. The majority of these parts will be used for unexpected building repairs by the Maintenance Department and will also supply inventory on a limited basis. These items are available under New Jersey State Contract No. 83930, expiring 7/31/2017. The dollar amount requested based on the past years' usage is \$85,000.00.

This procurement, under State Contract No. 83930, is in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract under State Contract No. 83930 for the purchase of building supplies to Home Depot, Inc. for an amount not to exceed \$85,000.00, subject to funding availability at the time of ordering.

390-11-2016

In a document dated November 7, 2016, **Temporary Staffing Services Modification, to Acro Service Corporation, RM-127912 (Finance), State Contract No. 83534 expiring 3/31/17, Budget Code: Various, Current Authorized Amount: \$ 125,000.00, Requested Amount: \$60,000.00, New Authorized Amount: \$185,000.00**, was approved.

At the December 15, 2015 Board of Commissioners Meeting, the Authority awarded a contract to Acro Services Corporation (NJTA Contract No. 2278) to provide temporary staffing services for several of the administrative departments under State Contract No. 83534 (Agenda Item No. 532-12-2015). The services include supplying qualified personnel, as needed, to perform various accounting, auditing and other specialized administrative responsibilities. The referenced State Contract has been extended through 3/31/2017 and additional funds are required to procure these services through the remaining term of the contract.

The original procurement, under State Contract No. 83534, was in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 2278 with Acro Services Corporation by \$60,000.00 for a new total authorized amount of \$185,000.00 through June 25, 2017, subject to funding availability at the time of services.

391-11-2016

In a document dated November 2, 2016, Ford OEM Auto Parts, Modification, to Route 23 Auto Mall, LLC, RM-128142 (Inventory), Contract No.1698A, State Contract No. 79167 expiring 6/25/17, Budget Code: Various, Current Authorized Amount: \$504,414.07, Requested Amount: \$ 60,000.00, New Authorized Amount: \$564,414.07, was approved.

At the June 26, 2012 Board of Commissioners Meeting, the Authority awarded a contract to Route 23 Auto Mall, LLC (NJTA Contract No. 1698A) to supply Ford OEM auto parts under State Contract No. 79167 (Agenda Item No. 243-06-2012). This contract provides auto parts for Authority vehicles, including New Jersey State Police (Troop D) vehicles, consisting of light and heavy duty trucks as well as passenger vehicles. The majority of these parts are stocked in inventory but are also used for as-needed vehicle repairs by the Maintenance Department. The referenced New Jersey State Contract has been extended to June 25, 2017 and additional funds are needed to purchase necessary auto parts through the remaining term of the Contract.

The original procurement, under State Contract No. 79167, was in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 *et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 1698A with Route 23 Auto Mall, LLC. by \$60,000.00 for a new total authorized amount of \$564,414.07 through June 25, 2017, subject to funding availability at the time of order.

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SOLE SOURCE

392-11-2016

In a document dated November 7, 2016, Annual Licenses for AASHTOWare Software to American Association of State Highway and Transportation Officials ("AASHTO"), R-127421 (ITS), Budget Code: 010 00 830 427010, Amount: \$56,000.00 (1-year contract), was approved.

Authorization is requested to award a sole source contract to the American Association of State Highway and Transportation Officials ("AASHTO") to provide annual licensing related to AASHTOWare Bridge Rating Software (formerly called Virtis) and AASHTOWare Project Expedite. Both software applications are required by the Engineering Department. Bridge Rating Software is used to perform load rating tests that indicate a bridge's capacity to sustain live loads. This testing in turn allows the user to analyze bridge models for the multiple rating methods, including the Load and Resistance Factor method mandated by the Federal Highway Administration. The Authority currently has over 800 bridges rated using AASHTOWare Bridge Rating software. AASHTOWare Project Expedite is used in conjunction with the Bid Express

Website for purposes of Internet e-bidding of public construction contracts. The Expedite Software assembles the electronic bid package, checks for bid validity and verifies the electronic proposal/bid bonds.

AASHTO is a nonprofit association that represents the member highway and transportation entities in the 50 states, the District of Columbia, and Puerto Rico. The AASHTOWare Bridge Rating and Project Expedite Software programs are proprietary to AASHTO, which is the publisher and holder of all copyrights. In addition, the software licenses and the associated technical support services are registered, trademarked and copyrighted by AASHTO. This is the only vendor which has access to the source codes needed to debug, upgrade and support the software. No other vendor is capable of providing the required modifications. Furthermore, this is an exceptional circumstance because the Authority relies solely on the AASHTOWare Bridge Rating Software to perform the critical FHA mandated bridge ratings on the Authority's Roadways.

Thus, it is recommended that the annual license renewals for the AASHTOWare Bridge Rating Software and Project Expedite Software be procured through AASHTO without public advertisement 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* and consistent with Executive Order No. 37 (Corzine 2006). A resolution, as required by *N.J.A.C. 19:9-2.2(d)1*, is attached hereto.

Accordingly, authorization is requested to award sole source contracts to AASHTO for the renewal of the AASHTOWare Bridge Rating Software licenses in the amount of \$37,500.00 as well as Project Expedite licenses in the amount of \$18,500.00, for a combined total amount not to exceed \$56,000.00.

RESOLUTION FOR SOLE SOURCE PROCUREMENT

Annual Licenses for AASHTO Software

WHEREAS, the ITS Department requisitioned award of a sole source contract to the American Association of State Highway & Transportation Officials ("AASHTO") for the renewal of the annual license fees for the AASHTOWare Bridge Rating Software and the AASHTOWare Project Expedite (collectively the "Software"); and

WHEREAS, the Integrated Technology Services Department has requisitioned the annual license renewal, maintenance and support services needed to continue utilizing the Software for the period July 1, 2016 through June 30, 2017; and

WHEREAS, AASHTO 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 annual license renewal and maintenance of the Software can only be procured from AASHTO, at a cost not to exceed \$56,000.00; and

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

NOW THEREFORE, BE IT RESOLVED that the New Jersey Turnpike Authority's Commissioners hereby authorize and approve the award of contracts for the annual license renewals of AASHTOWare Bridge Rating Software in an amount not to exceed \$37,500.00 and AASHTOWare Project Expedite in an amount not to exceed \$18,500.00, as sole source exceptions to procurement by public advertisement permitted by N.J.A.C. 19:9-2.2(d)1 promulgated under the New Jersey Turnpike Authority's enabling legislation, N.J.S.A. 27:23-6.1.

393-11-2016

In a document dated November 14, 2016, **CapEx Manager Maintenance and License Renewal to CapitalSoft, Inc., RM-127974, Budget Code: Various, Amount: \$ 100,000.00**, was approved.

Authorization is requested to award a sole source contract to CapitalSoft, Inc. for the annual license renewal, maintenance and support of CapEx Manager software ("Capex" or the "Software"). This Software is a program management tool used by the Engineering Department for the efficient management of construction contracts and OPS agreements and for tracking the Authority's Capital Program. The Authority has authorized this annual award of a sole source contract to CapitalSoft, Inc. for the Software since 2007. The fees have remained unchanged at an annual cost of \$100,000. The term for this contract will be January 1, 2017 through December 31, 2017.

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, improve, 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 circumstance is exceptional because the Authority relies on Capex software to manage all construction projects and OPS agreements and for tracking the Authority's Capital Program, and is therefore critical to Authority operations.

Thus, it is recommended that the license renewal, maintenance and support for CapEx software be procured without public advertisement 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 and consistent with Executive Order No. 37 (Corzine 2006). A resolution, as required by N.J.A.C. 19:9-2.2(d)1, is attached hereto.

Accordingly, authorization is requested to award a sole source contract to CapitalSoft, Inc. for annual license renewal, maintenance and support services for CapEx software for the

period January 1, 2017 through December 31, 2017 for an amount not to exceed \$100,000.00.

RESOLUTION FOR SOLE SOURCE PROCUREMENT

CapEx Manager Software Annual License Renewal, Maintenance and Support

WHEREAS, in an effort to more efficiently manage the Authority's Capital Program, the Engineering Department utilizes CapEx Manager software (the "Software"); and

WHEREAS, the Integrated Technology Services Department has requisitioned the annual license renewal, maintenance and support services needed to continue utilizing the Software for the period January 1, 2017 through December 31, 2017; 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 annual renewal of the software and maintenance can only be procured from CapitalSoft, Inc. at a cost not to exceed \$100,000.00; and

WHEREAS, N.J.A.C. 19:9-2.2(d)1 of the New Jersey Turnpike Authority's regulations, promulgated under N.J.S.A. 27:23-6.1, permits sole source procurement when only one source of the required goods or service 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 license renewal, maintenance and support of CapEx Manager software in an amount not to exceed \$100,000.00, 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.

394-11-2016

In a document dated November 10, 2016, **Automatic Vehicle Classification Evaluation and Implementation Support to 3M Company, R-127848, Budget Code: 080 00 830 156555 08007113, Amount: \$72,995.00**, was approved.

Authorization is requested to award a "sole source" contract to 3M Company ("3M") to support the Authority's effort to replace the Automatic Vehicle Classification ("AVC") system in the Open Road Tolling ("ORT") entry lane at Turnpike NWC ramp. This site is currently not a public access ramp and will be primarily used as a testing system to evaluate the performance of the new express lane software. The existing ORT lane system is part of the Xerox contract (which utilized 3M's AVC system and 3M consultants as subcontractors) that expires on 2/1/2017, at which time the Authority will begin to manage the system independently, and therefore needs to be replaced. 3M will supply the replacement AVC loop detectors and related software (the "Software"; collectively the "AVC System") as well as provide training and on-site support to assist

Authority personnel in the installation, configuration and commissioning of the new AVC System.

As the proprietary owner of this Software, 3M is the only vendor which has access to the source codes needed to debug, upgrade and support the existing 3M AVC System as used in conjunction with the loop array system embedded in the high speed toll lanes. Thus, no other vendor is capable of providing the services required under this Agreement without removing and replacing the current loop array. In addition, the need for the AVC System represents an exceptional circumstance as the Authority's toll audit operations as it relates to ORT cannot function without this software.

Thus, it is recommended that this award be made without public advertisement 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* and consistent with Executive Order No. 37 (Corzine 2006). A resolution, as required by *N.J.A.C. 19:9-2.2(d)1*, is attached hereto.

Accordingly, authorization is requested to award a sole source contract to 3M to provide the Software as well as the support for the installation and implementation of the AVC System at Turnpike NWC Ramp, for an amount not to exceed \$72,995.00.

RESOLUTION FOR SOLE SOURCE PROCUREMENT

Automatic Vehicle Classification Evaluation and Implementation Support

WHEREAS, the New Jersey Turnpike Authority's Integrated Technology Services Department has requested the award of a sole source contract to 3M Company ("3M") to provide installation and implementation support for the automatic vehicle classification (AVC) system; and

WHEREAS, 3M wrote the software program that is in use on the Authority's AVC system; and

WHEREAS, 3M is the proprietary owner of this software and is the sole provider for all maintenance, support and upgrades to the Authority's AVC system; and

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

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Board of Commissioners hereby authorizes and approves the award of a contract to 3M Company to provide the necessary custom software, as well as the installation and implementation support for the AVC system, in an amount not to exceed \$72,995.00, 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*.

On motion by Commissioner Pocino and seconded by Treasurer DuPont, the Board unanimously approved item no's 382-11-2016 through 394-11-2016; and authorized or ratified, as

presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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GENERAL BUSINESS

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OPERATIONS

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Director of Operations Henry Eibel requested approval of item number 395-11-2016. Moved is the item as follows:

395-11-2016

Director of Operations Henry Eibel requested acceptance of the Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2016 through 10/31/2016; both with 2015-2016 Yearly Comparisons through October, 2016.

On motion by Commissioner Pocino and seconded by Commissioner Diaz, the Board unanimously approved item number 395-11-2016; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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STATE POLICE

396-11-2016

Major Eric Heitmann requested acceptance of the New Jersey State Police Troop D Activity Reports, For October 2016, with 2015 – 2016 Yearly Comparisons.

On motion by Treasurer DuPont and seconded by Commissioner Pocino, the Authority unanimously accepted the reports contained in item number 396-11-2016 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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FINANCE

Chief Financial Officer ("CFO") Donna Manuelli requested approval of item number 397-11-2016. Moved is the item as follows:

397-11-2016

Chief Financial Officer Donna Manuelli presented the **Financial Summary for the ten (10) months ended October 31, 2016.**

On motion by Treasurer DuPont and seconded by Commissioner Pocino , the Board unanimously approved item number 397-11-2016; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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FINANCE

Chief Financial Officer ("CFO") Donna Manuelli requested approval of item number 398-11-2016 through 400-11-2016. Moved are the items as follows:

398-11-2016

In a memorandum dated November 10, 2016, **Authorization to Adopt the 2017 Annual Budget,** was approved.

Attached for your consideration is the 2017 Annual Budget, which includes the Authority's Revenue Budget, Operating Expense Budget, Debt Service Fund Budget, Charges Fund Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, Supplemental Capital Budget, and General Reserve Budget.

In 2017, the Authority will continue its commitment to provide to its motorists safe and well-maintained roadways, including the added lane miles from the widenings of the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The 2017 Annual Budget provides sufficient funding to meet these Authority goals. The roadway widening programs continue, and the Garden State Parkway widening from Mileposts 43 to 48 was recently completed. The Authority continues to increase its Maintenance Department staff to meet the demands of the added roadway capacity, while reducing headcount in other areas. Regarding safety, the 2017 Annual Budget provides for potential additional State Troopers on the roadways.

The Authority arrived at the 2017 Annual Budget by engaging in a comprehensive budget preparation process, which began several months ago and directed departmental managers to think strategically as well as identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2017 Annual Budget accomplishes the following:

(1) Provides sufficient funding for operating expenses to operate and maintain the increased capacity added by the Turnpike and Parkway widening projects. The 2017 Annual Budget also provides funding to maintain the Authority's commitment to safety, while controlling operating expenses in all other functional areas;

(2) Provides for debt service payments of nearly \$850 million, the majority of which are interest payments on the new money bonds issued to fund the \$7 Billion Capital Improvement Program;

(3) Provides more than \$263 million of spending on Maintenance Reserve, Special Project Reserve, and Supplemental Capital projects;

(4) Maintains a minimum unencumbered General Reserve Fund balance in excess of \$100 million; and

(5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and all other financial obligations without the need for a toll increase.

The proposed 2017 Revenue Budget of \$1,749,181,000 includes a projected traffic decrease of 1.0% on the Turnpike and an increase of 1.0 % on the Parkway. Traffic was projected to decrease on the Turnpike due to the expected re-opening of the Pulaski Skyway for a full year in 2017 as motorists who previously used that toll-free facility would return to it upon its re-opening. These projections were originally prepared in early 2014 and will be updated by year end to reflect the new re-opening date of fall 2017 and current traffic results. It is expected that 2017 toll revenue forecasts will be increased above current forecasts. E-ZPass fees are expected to increase by \$1,444,000, or 2.5%, due to increases in administrative fees from enhanced collection efforts and to a lesser extent, increases in monthly membership fees from a continued increase in the number of New Jersey E-ZPass account holders. The Federal Build America Bond Subsidy will be \$76,030,000, which is 6.9%, or \$5,630,000, lower than when the bonds were issued based upon the announced continuation of the automatic federal deficit reduction spending cuts in federal fiscal year 2017.

The proposed 2017 Operating Expense Budget of \$528,762,000 represents a \$9,338,500 million, or 1.8%, increase as compared to the 2016 Operating Expense Budget. Similar to 2016, the 2017 the Operating Expense Budget will increase by less than 2%. Key cost factors in the 2017 Operating Expense Budget are as follows:

- increased credit card fees of \$1.0 million based on increased toll revenue

volumes processed through E-ZPass;

- increased State Police costs of \$1.1 million due to an anticipated additional 15 troopers assigned to the roadways;
- increased pension costs of \$2.1 million based upon the Authority's estimated billing from New Jersey PERS;
- increased maintenance costs of \$3.6 million for necessary work on both the roadways and facilities;
- increased health benefit costs of \$2.7 million based upon estimated usage and medical and prescription inflation rates.

Although it must absorb these significant and necessary cost increases, the Authority is able to propose a 2017 Operating Expense Budget with an increase of only \$9.3 million. This modest increase was achieved because the Authority will experience savings from the new E-ZPass Customer Service Center contract, which becomes effective on February 1, 2017. In addition, the Authority anticipates that it will begin to achieve savings in early 2017 from a change of who maintains toll lane equipment from an outside vendor to Authority staff.

The 2017 Annual Budget also includes the 2017 Debt Service Fund Budget of \$846,462,000, which includes principal and interest payments payable through revenues on the Authority's currently outstanding bonds. The 2017 Debt Service Fund Budget is increasing by more than \$52 million, or 6.8%, as compared to the 2016 budget. The anticipated new money borrowings in 2017 of up to \$1.025 billion are included in the 2017 Debt Service Fund Budget at an assumed interest rate of 5.0%. The 2017 Charges Fund Budget of \$155,000 includes contractual fees on the Series 2000B-G auction rate bonds and remains unchanged from the 2016 budget.

Also included is the 2017 Maintenance Reserve Fund Budget totaling \$132,500,000 which includes spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. The 2017 Maintenance Reserve Fund Budget includes all 2016 carry-over projects as well as new work to be completed in 2017. The budget is increasing by 42% compared to 2016, due to a 75% increase in the lane miles to be paved and bridges to be re-decked. The increase is necessary to keep the assets in a state of good repair according to maintenance cycles recommended by the Authority's General Consulting Engineer.

The 2017 Special Project Reserve Fund Budget totaling \$48,438,500 includes all 2016 carry-over projects. The budget also provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for extra ordinary/emergency roadway, and lighting and HVAC system repairs.

The 2017 Supplemental Capital Budget totaling \$81,905,000 is included. This budget includes all 2016 carry-over projects. The budget also includes funding to begin several necessary multi-year projects including the replacement of the Turnpike hybrid changeable

message signs and the toll collection equipment on both roadways.

Finally, the 2017 General Reserve Budget totals \$286,595,000 and includes the Authority's contractual payments due in calendar 2017 under the Transportation Trust Fund Agreement and State Transportation Projects Funding Agreement (2016-2021), extraordinary severe weather costs, and reserves for self-insured liability claims and other postemployment benefit costs.

As part of the 2017 Annual Budget, the Authority is updating its non-bargaining salary scale, which was adopted as part of the 2016 Annual Budget, to reflect current authorized position titles. Also included in the 2017 Annual Budget is the Authority's chart of senior staff.

The Authority's proposed 2017 Annual Budget provides the necessary Operating Expense Budget to maintain the widened roadways and existing facilities, cover additional technology enhancements, and fund ongoing safety initiatives including an increased State Police presence, while reducing costs in all other functional areas. The 2017 Annual Budget also adequately funds the Authority's other project and reserve accounts without the need for a toll increase. The proposed 2017 Annual Budget allows the Authority to meet all General Bond Resolution financial covenants and is consistent with the Authority's Financial Management Principles and Guidelines. It is therefore recommended that the Authority adopt the attached 2017 Annual Budget. The Authority's Consulting Engineer, HNTB Corporation, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.

399-11-2016

In a memorandum dated November 1, 2016, **New Jersey Turnpike Revenue Bond Resolution Certification 713 (c)**, was approved.

Under the provisions of Section 713 (c) 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 (b) 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.

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The undersigned has completed the review of the financial condition of the Authority for the years 2016 and 2017. 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 2016 and 2017.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2016 and 2017, 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 2016 and 2017, 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 Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2016's revenue requirements. Specifically, the schedule provides actual revenue through October 31, 2016 and projected revenue for the balance of the year (November-December, 2016).

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, 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 2017'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 2016 and 2017 will be sufficient to comply with Section 713 (b) of the Resolution.

400-11-2016

In a memorandum dated October 28, 2016, **Authorization to Pay Annual Assessment for the Governor's Authorities Unit for Fiscal Year 2017**, was approved.

The New Jersey Turnpike Authority has received its assessment from the Office of Governor for an annual fee of \$59,293.70 for the Governor's Authorities Unit. The Governor's Authorities Unit was established in Fiscal Year 1987 as the designee for advisory services as statutory executor of policy implementation for the State's authorities. The Governor's Authorities Unit budget, in turn, is funded through annual assessments of all the State's authorities. The annual assessment reflects the costs incurred by the Governor's Authorities Unit in fulfilling its oversight responsibility.

Therefore, it is requested that approval be granted to make payment in the amount of \$59,293.70 to the State of New Jersey, which amount represents the New Jersey Turnpike Authority's annual assessment for the fiscal year July 1, 2016 to June 30, 2017. Funds for this assessment are budgeted in Operating Budget Account 010-890-445030.

On motion by Treasurer DuPont and seconded by Commissioner Minella, the Board unanimously approved item numbers 398-11-2016 through 400-11-2016; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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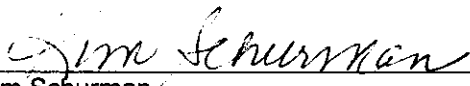
ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	BECHT	MINELLA
YES	YES	YES	YES	YES	ABSENT	YES

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The motion to adjourn was made by Treasurer DuPont and seconded by Commissioner Pocino, and, after the voice vote, the motion was duly adopted. The Authority adjourned at 9:47 a.m., to meet on Tuesday, December 20, 2016, at 9:00 a.m., at its new headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.

ATTEST:



Kim Schurman,
Secretary to the Authority



Joseph Mrozek,
Executive Director

Date: November 22, 2016
