

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
TUESDAY, SEPTEMBER 9, 2008**

Chairman Kolluri called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 9:35 AM.

PRESENT

Chairman Kris Kolluri; Treasurer Michael DuPont; Commissioner Harold Hodes; Commissioner David Evans; Commissioner Raymond Pocino; and Commissioner Clive Cummis.

Executive Director Diane Gutierrez-Scaccetti; Deputy Executive Director-Operations Kenneth Rotter; Chief Engineer Richard Raczynski; Electronic Toll Collection Director Dennis Switaj; Finance Director Benjamin Hayllar; Human Resources Director Mary-Elizabeth Garrity; Internal Audit Director James Carone; Labor Relations Director John O'Hern; Law Director George Caceres; Maintenance Director John Cifelli; Operations Director Sean Hill; Purchasing Director Andrea Ward; Technology and Administrative Services Director Brian Gorman; Tolls Director Robert Quirk; Communications Director Joseph Orlando; New Jersey State Police Troop E Commander, Major Allen Del Vento; and Secretary Rose Stanko.

Also present were: General Counsel John Kelly; Co-General Counsels Judy Verrone and William Harla; General Consultants Jack Finn and James Beattie; Patricia Snyder, NJDOT Policy and Authorities Coordination; Sonia Frontera, Governor's Authorities Unit; former NJ Turnpike Authority Vice-Chairman J.P. Miele; Frank Forst, Local 194 IFPTE Consultant; Kate Slevin, Tri-State Transportation Campaign; Jerry Keenan, New Jersey Alliance for Action; Grace Sica; Sierra Club; additional various individuals consisting of other NJTA employees; interested organizations; general public; and from the media: The Star Ledger; Asbury Park Press; Associated Press; The Record; Philadelphia Inquirer; New Jersey Network; Bloomberg News; News Twelve; 1010 WINS Radio; New Radio 880; NJ101.5, Radio WKXW-FM; UPN 9 Television; and WNBC News.

NOTICE OF MEETING

This is a rescheduled 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 July 22nd regular meeting; he has not exercised his power to veto any items in those minutes.

Upon motion made by Commissioner DuPont, seconded by Commissioner Pocino, the minutes of the meeting of July 22, 2008 were unanimously approved.

RECUSALS

The Secretary reported that advisements of recusal have been submitted regarding

agenda items 168A-08 through 169-08 and 170E-08 (only as it pertains to M.L. Ruberton Constuction Co.) for Commissioner Pocino. She then asked for any further recusals or abstentions to be placed on record for this meeting. There was no response.

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It was determined that a separate Executive Session was not required. However, before continuing further, the Chairman instructed the Commissioners that the first order of business would be the vote on the personnel agenda.

HUMAN RESOURCES

165-08

Human Resources Director Garrity submitted the **Personnel Agenda**, dated September 2008, and requested confirmation of the personnel matters contained therein, as amended.

The Acting Executive Director certified the recommendations for consideration.

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

At this time, Chairman Kolluri announced that the personnel agenda names former Deputy Executive Director Scaccetti to her new position. He then welcomed, effective today, Ms. Diane Gutierrez-Scaccetti as the new Executive Director, adding that "it's a great day for the New Jersey Turnpike Authority". The Chairman continued by adding his many thanks to the former Acting Executive Director, Kenneth Rotter, for sheparding the Authority since June 30, 2008.

At this time, former NJTA Vice-Chairman Miele addressed the Commission by voicing his endorsement to the selection of Diane Gutierrez-Scaccetti as Executive Director and gave her his congratulations. He said that this is indeed a happy day for the Authority, asserting that Diane is a great leader who is up to taking on a great task. In concluding his remarks he offered his opinion that Diane, the great people of the Authority, the Commissioners and the Governor were bound to do an impressive job together.

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The Chairman then announced that the following General Business item is taken out of the numerical sequence and presented early in these proceedings.

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173-08

After a Powerpoint presentation by Chairman Kolluri detailing the proposed toll adjustments for the New Jersey Turnpike and the Garden State Parkway, Executive Director Gutierrez-Scaccetti presented the recommendation contained in a memorandum dated September 8, 2008, concerning **Authorization to Conduct Public Hearings in Connection with a Proposed Toll Adjustment for the New Jersey Turnpike and the Garden State Parkway**

The New Jersey Turnpike Authority has provided the highest quality transportation to its patrons for over 50 years. The Turnpike is a critical mode in the movement of goods, connecting the ports of Newark and Elizabeth to major commercial distribution centers from Boston to Washington, D.C. In order to continue to provide the motoring public with a high level of service, we must undertake a number of significant projects to enhance safety and relieve congestion, totaling approximately \$10 billion. See attached chart. Chief among these projects are a bridge repair and replacement program, the widening of the Turnpike between Interchanges 6 and 9, and the widening of the Garden State Parkway from milepost 30 to 80. Another important project is a \$1.25 billion investment in the mass transit tunnel known as the ARC project, which is critical to relieving congestion on the Turnpike. These projects, which have long been planned and promised, are critical to the safety and efficiency of New Jersey's two major arterial roadways.

Accordingly, we submit for your consideration a series of three phased toll adjustments to be effected for each of the New Jersey Turnpike and the Garden State Parkway in 2009, 2012 and 2023 as follows:

1. Proposed Adjustments on the New Jersey Turnpike

On the Turnpike, assuming an average ride of 22.9 miles and an average toll per mile of 5.27 cents, the average passenger vehicle ride equates to a toll of \$1.20. The Authority is proposing that this average ride toll would increase by an average of 60 cents per passenger car in 2009, an additional 90 cents in 2012, and will be increased after 2014 based on a 1% per annum escalator that would result in an additional 30 cents in 2023.

The average ride toll for commercial trucks, which is \$5.05, would increase by an average of \$2.55 in 2009, an additional \$3.80 in 2012, and will be increased after 2014 based on a 1% per annum escalator that would result in an additional \$1.15 in 2023.

In general, tolls would increase by 50% (2009), 50% (2012) and 10% (2023), respectively, on the Turnpike for both passenger vehicles and commercial trucks.

2. Proposed Adjustments on the Garden State Parkway

On the Garden State Parkway, passenger vehicles, which pay an average ride toll of 35 cents, would pay 15 cents more for a nominal 35 cent toll (30 cents for a 70 cent one-way toll) in 2009, an additional 25 cents (50 cents more for a one-way toll) in 2012, and will pay increased tolls after 2014 based on a 1% per annum escalator that would result in an additional 10 cents (20 cents for a one-way toll) in 2023.

The average ride toll for commercial trucks, which is \$1.35, would increase by an average of 55 cents in 2009, an additional 95 cents in 2012, and will be increased after 2014 based on a 1% per annum escalator that would result in an additional 30 cents in 2023.

Ramp tolls, where applicable, would increase by 10 cents in 2009, 5 cents in 2012, and 5 cents in 2023.

In general, tolls would increase by 43% (2009), 50% (2012) and 10% (2023), respectively, on the Garden State Parkway for both passenger vehicles and commercial trucks.

In the case of both the Turnpike and Garden State Parkway, all tolls will be rounded to the nearest nickel to facilitate collection.

In accordance with the Authority's enabling legislation, it is necessary for a public hearing to be conducted prior to any action of the Authority to effectuate these toll increases so that the Board may have the benefit of public comment. Therefore, we request adoption of the attached Resolution which authorizes staff to begin the public hearing process.

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

On motion by Commissioner Cummis, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized as presented; received and filed the memoranda; and adopted the following **Resolution 173-08**:

RESOLUTION AUTHORIZING PUBLIC HEARINGS IN CONNECTION WITH PROPOSED
ADJUSTMENT IN EXISTING TOLLS

WHEREAS, in order to continue to provide the motoring public with a high level of service, the New Jersey Turnpike Authority (the "Authority") must undertake a number of significant capital projects to enhance safety and relieve congestion; and

WHEREAS, the Authority must affirmatively certify that its projected revenues will meet the debt coverage ratios in its existing bond covenants; and

WHEREAS, the Executive Director has advised of the Authority's needs to pursue certain capital projects; and

WHEREAS, the Executive Director has further proposed adjustments to the toll schedules for the New Jersey Turnpike and the Garden State Parkway to meet these needs; and

WHEREAS, pursuant to N.J.S.A. 27:23-5.10, the Authority may increase any existing toll or establish any new toll for the use of any highway project (as defined in N.J.S.A. 27:23-4), upon the holding of a public hearing on such proposed toll at least 45 days prior to the date on which such toll is proposed to become effective; and

WHEREAS, the Authority desires to hold public hearings for the purpose of proposing an increase in existing tolls for the use of its highway projects, specifically, the New Jersey Turnpike and the Garden State Parkway;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Three separate public hearings are hereby authorized to be held in Northern, Central and Southern New Jersey, respectively, at locations, on dates not later than September 30, 2008, and at times to be determined by an authorized officer of the Authority, to propose an adjustment in the existing tolls for the use of the New Jersey Turnpike and the Garden State Parkway.
2. An authorized officer of the Authority is hereby authorized to cause notice of such public hearings to be published at least 10 days prior to such hearings in at least 10 newspapers with a daily circulation in the State of New Jersey.
3. This resolution shall take effect in accordance with the provisions of Section 3(F) of Chapter 454 of the Laws of New Jersey of 1948, as amended (N.J.S.A. 27:23-1 et seq.).

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At this juncture, Chairman Kolluri opened the floor for comment pertaining to the public items being presented for Board approval.

The first speaker was Local 194 IFPTE Consultant Frank Forst who traced his long involvement with the Authority through multiple administrations where the turnpike roadway widening had been considered in the past. He gave examples of why he felt the widening project has been needed for some time and should proceed, and said he is repeating his view that "the

longer you wait, the more it will cost.” He concluded by saying that his Union membership supports the project and urged the Commissioners to pass the resolution on today’s agenda.

The second speaker was Kate Slevin of the Tri-State Transportation Campaign (“TTC”) who, although in agreement with the proposed funding for the Hudson Rail ARC Tunnel, listed the TTC reasoning against widening the roadways. The TTC objections included the position that wider roads simply attract more traffic to congest them again and recommended that the answer lies in better traffic management which could include congestion pricing and mass transit, among other things. In addition, the TTC position is that the proposal being put forth today would hinder future funding to the NJ State Transportation Trust Fund.

Grace Sica, Sierra Club representative, continued comments in opposition to the Parkway and Turnpike widenings by voicing concern for the project’s negative effect on water-quality, wetland areas and habitat degradation in the Pinelands watershed area. She also agreed that wider roads only lead to more vehicles which in turn means more storm-water run-off and more green-house gas pollution.

Another speaker was Jerry Keenan of the NJ Alliance for Action. His remarks were in support of the Parkway and Turnpike roadway widening projects and the proposed ARC Tunnel. He said that the daily growing congestion is both a safety issue pertaining to both volume and frustration and an economic issue pertaining to the movement of freight goods in the region. He then called upon the Authority Commissioners to move forward with effecting the proposals.

Chairman Kolluri thanked all for their comments and responded first by advising that there is no statute under which the New Jersey Turnpike Authority (“NJTA”) can address the issues concerning the Transportation Trust Fund. He explained that the jurisdiction of the New Jersey Turnpike Authority extends only to that which affects the two major arterial roadways that it operates and cited the proposed ARC Tunnel as a congestion mitigation effect on the Turnpike’s northern end. In additional explanation, the Chairman stated that the proposed projects have been “long and well planned” in advance, and the entire intention is to provide congestion relief with improved safety and efficiency on the Garden State Parkway and New Jersey Turnpike.

In further response, with regard to environmental matters, Chairman Kolluri stated that the NJTA has gone above and beyond mitigation requirements by working with the New Jersey Pinelands Commission and the NJ Department of Environmental Protection in responding to environmental concerns.

There being no further public comments from the floor, the Members of the Authority moved on the remaining agenda matters:

LAW

Law Director Caceres requested approval of item numbers 166-08 through 167-08; moved as a group, those items are as follows:

166-08

In the memorandum dated September 5, 2008, concerning the recommendation for **Settlement in the Litigation Matter of Loriann Grimes and Gary Grimes v. New Jersey Turnpike Authority, et. al.**, Superior Court of New Jersey, Monmouth County, Law Division, Docket No.: MON-L-5344-04, Account No. 04008022.

On March 19, 2004, New Jersey Turnpike employee and defendant William McGraw was traveling southbound on the New Jersey Turnpike in Moorestown. Defendant McGraw was operating a Turnpike Authority automatic dump truck with a front snowplow attached. He had made an inspection of the truck and it was in good working order. His assignment was to push any remaining snow and slush onto the left shoulder from the Southern Division to Interchange No. 6. Defendant McGraw was plowing the shoulder and part of the left lane with the plow down and the body up. All emergency equipment – rear safety lights and flashing hazard lights – was on. The defendant testified that he was traveling very slowly. Immediately prior to entering the Rancocas Bridge Structure No. 40.96, which contains steel expansion joints to allow for weather-related expansion and contraction of the bridge, the plow blade struck something, possibly an expansion joint, and caused the front of the truck to swerve into the center lane. Plaintiff Loriann Grimes, who was traveling in the center lane behind the defendant, then struck the mid section of the defendant's vehicle.

The plaintiff was flown to Cooper University Hospital from the scene where she remained for two weeks. The plaintiff suffered significant injuries sustained in the accident which resulted in extensive surgical repair. On March 20, 2004 she had surgery to her right wrist and left forearm. She had a fracture to the right wrist and the left forearm requiring plates and screws to be inserted in both locations. She also fractured her left knee requiring her entire left leg to be placed in an immobilizer.

On March 26, 2004, Dr. Michael Castro performed reconstructive surgery on her right ankle. The ankle had been completely crushed, necessitating an external fixture and the insertion of four screws place into the bone, two in the lower ankle and two in the mid-calf, to stabilize the bone. Plaintiff Grimes had also sustained a severe concussion and lacerations to the left palm. Immobilizers were placed on both arms. In October of 2005, the plaintiff underwent a reconstruction of right thumb tendon and the removal of plate and screws from right wrist.

Dr. Kevin Egan examined the plaintiff on our behalf. The doctor found that the plaintiff had suffered the following injuries: concussion; fracture of the right distal radius; left lunar and right pilon fractures; non-displaced left tibial plateau, left hand laceration and urinary retention.

Plaintiff has been declared disabled by Social Security and her economic expert, M. Marcus, Phd., has determined her total economic loss at \$1,596,729.

The plaintiff's original settlement demand was \$8,000,000 which was reduced to \$4,000,000. Upon additional settlement negotiations, and with the intervention of the Honorable John Keefe, a settlement amount of \$2,800,000 was finalized. The Law Department and Special Counsel recommend approval of this settlement. The New Jersey Turnpike Authority will be responsible for the first \$2,000,000 and the balance of \$800,000 will be paid by the excess carrier, AIG.

Accordingly, it is recommended that the New Jersey Turnpike Authority's Commissioners authorize a settlement in full of the matter of Lorann Grimes and Gary Grimes v. New Jersey Turnpike Authority, et. al. in the amount of \$2,800,000. Authorization is also requested to permit the Executive Director to execute, upon prior review and approval of the Law Department, any and all documents consistent with the foregoing to resolve this litigation.

167-08

In the memorandum dated August 26, 2008, concerning the recommendation to **Authorize the Executive Director To Take All Steps Necessary for the Acquisition of Certain Properties Required for the Turnpike Interchange 12 Improvement Project**, Turnpike Section 5G: Parcel No. 1021; Block 11.03; Lots 32, 56, 59 and 61, Also known as 37 Salt Meadow Road, Borough of Carteret, Middlesex County, Project No. 06510015.

On May 31, 2005, the Authority's Commissioners granted the Executive Director authority to take all steps necessary to prepare for acquisition of certain properties required for the Turnpike Interchange No. 12 Improvement Project ("Project"). One of the properties listed there was certain real estate known as Block 11.03, Lots 32, 56, 59 and 61 in the Borough of Carteret ("Property") owned by United Partners, Inc. ("United Partners"). The Property consists of a 6.738 acre vacant and rectangular shaped lot improved with a three sided billboard. In furtherance of this acquisition, appraisals were obtained and the property owners were contacted by the Authority with offers to purchase the property. When these negotiations were unsuccessful, the Authority initiated Eminent Domain proceedings, at which time the appraised value was deposited with the court and a Declaration of Taking was filed as required by statute. During the course of these proceedings, the parties resumed settlement negotiations. At the suggestion of the Authority's Board of Commissioners, the parties brought the matter to mediation where settlement negotiations continued. The mediator, a former Superior Court Judge, listened to the best arguments of the parties and set a range for settlement in the area of Six Million Dollars (\$6,000,000).

After review and consideration by the Authority's Law Department, General Counsel and Real Estate Consultant, the parties have agreed upon a purchase priced for the property interests required ("Purchase Price") subject to Commissioner approval. Upon the recommendation of General Counsel and Real Estate Consultants, the Law Department recommends the payment in

total of Five Million Nine Hundred Seventy Five Thousand Dollars (\$5,975,000) for the entire property interest.

Based upon the foregoing, it is recommended that the Authority's Commissioners authorize the Executive Director to take any and all steps necessary to acquire the property described herein for the amount negotiated with the property owner.

Available funds certified by the Finance Director; the Acting Executive Director certified the recommendations for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Pocino, the Authority unanimously approved the two (2) item law agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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The following matters were identified in the Public Session agenda:

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ENGINEERING

168A-08 and 168B-08

Chief Engineer Raczynski presented the following recommendations of **Contracts for**

Formal Acceptance and Final Payment:

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
<u>Contract No. T100.011</u>	Gardner M. Bishop Inc. Bridge Deck Repairs and Resurfacing Turnpike Milepost 0 to Milepost 83 and the Pearl Harbor Memorial Turnpike Extension Salem, Gloucester, Camden, Burlington, Mercer and Middlesex Counties Maintenance Reserve Fund No. 03010001	\$28,520.00
<u>Contract No. P200.065</u>	A. E. Stone Inc. Resurfacing and Miscellaneous Drainage Improvements Parkway Interchange Nos. 9, 10 and 11 Cape May County Maintenance Reserve Fund No. 03020005	\$17,667.50

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority approved the two (2) item engineering agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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MAINTENANCE

169-08

Maintenance Director Cifelli presented the following recommendation of **Contract for**

Formal Acceptance and Final Payment:

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
<u>Contract No. P200.014</u>	J. Fletcher Creamer & Son, Inc. Guide Rail Replacement and Repair Parkway Milepost 0.0 to Milepost 172.4 Cape May, Atlantic, Ocean, Monmouth, Middlesex, Union, Essex, Passaic and Bergen Counties Maintenance Operating Budget Fund No. 010-520-02-466010	\$209,210.44

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

On motion by Commissioner DuPont, seconded by Commissioner Evans, the Authority approved the one (1) item maintenance agenda; and authorized, as presented, the recommendation contained therein; and received and filed the memorandum.

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PURCHASING

Purchasing Director Ward identified the purchasing agenda as routine goods and services procured according to public laws, and requested approval.

Moved as a group, items 170A-08 through 170H-08 are as follows:

170A-08 through 170E-08

Results of Bidding 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 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. Furthermore, awards designated as Small Business Enterprise (SBE) Set-Aside Contracts, as defined by the New Jersey Commerce and Economic Growth Commission and the Department of the Treasury, are in accordance with N.J.S.A. 52:32-17 et seq. and N.J.A.C. 17:14-1.1.

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

<u>BIDDERS</u>	<u>BIDS</u>	<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
8	1	Moisture-Adhering Glass Beads	Garden State Highway Products Vineland, NJ	\$100,000.00

SBE Set-Aside Contract; Bids Received: August 13, 2008; Requisition Memorandum (RM) 598. This is a 2008 Agreement for approximately 270,000 pounds of Type I moisture-adhering glass beads required for the white line stripe painting process on the Authority's roadways.

Original contract term may be extended for two additional one-year terms each under the same terms and conditions, at the sole discretion of the Authority.

Anticipated Annual Expenditure: \$100,000. Recommend award be made to responsible sole bidder, Garden State Highway Products, Inc. in an amount not to exceed \$100,000, subject to funding availability at the time of ordering.

12	3	Goodroads Snowplow Parts	The Bristol Donald Co. Inc. Newark, NJ	\$164,000.00
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Bids Received: August 19, 2008; RM 600.

This is a Price Agreement for 22 Items of Goodroads MFG Snow Plow Parts or approved equivalent in various quantities for a period of one-year. The award is based on the overall lowest quotation for the 22 specified items.

Original contract term may be extended for two additional one-year terms each under the same terms and conditions, in the sole discretion of the Authority.

Anticipated Annual Expenditure: \$164,000. Two of the three bids received were incomplete and rejected. Recommend award be made to lowest responsible bidder, the Bristol Donald Co. Inc., in an amount not to exceed \$164,000, subject to funding availability at the time of ordering.

16	7	Aluminum Lighting Poles and Bases	Signal Control Products Inc. Branchburg, NJ	\$ 35,540.00
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Bids Received: August 7, 2008; R-47243.

This is a purchase of 20 aluminum lighting poles with bases to be used by the Turnpike Maintenance Department.

Original contract term may be extended for two additional one-year terms each under the same terms and conditions, in the sole discretion of the Authority.

Departmental Estimate: \$30,360.00. Recommend award be made to the lowest responsible bidder, Signal Control Products Inc., in the amount not to exceed \$35,540.00. Budget Code: 01 010 580 432010.

6	3	Two-Post Cassette In-Ground Truck Lift System	SAR Automotive Equipment Specialist Inc. Barrington, NJ	\$156,592.00
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Bids Received: August 6, 2008; R-49034

This Purchase Order is for a Two-Post Cassette In-Ground Lift System including installation and removal of an existing lift at the New Jersey Turnpike Maintenance District 3 Facility in Crosswicks, NJ.

Original contract term may be extended for two additional one-year terms each under the same terms and conditions, in the sole discretion of the Authority.

Departmental Estimate: \$150,000. Recommend award be made to the lowest responsible bidder, SAR Automotive Equipment Specialist, Inc. in an amount not to exceed \$156,592.

4	3	Guardrail System Parts	M.L. Ruberton Construction Co. Inc. Folsom, NJ	\$221,930.00
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Gregory Industries Canton, OH	\$315,072.50
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Bids Received: August 14, 2008; R-49926, 49927, 49928, 49929, 49931 and 49932.

This purchase is for various types and quantities of galvanized steel guardrail materials for the Slotted Rail Terminal (System I); Standard Guardrail System (System II); Crash Attenuator Terminal (System III); and Extruder 2000 (System IV) to be stocked in inventory for use by the Turnpike Maintenance Department.

Original contract terms may be extended for two additional one-year terms each under the same prices, terms and conditions, at the sole discretion of the Authority.

Departmental Estimate: \$470,000. Recommend award be made to lowest responsible bidders, M.L. Ruberton Construction Co., Inc. for Systems I, III and IV, in an amount not to exceed \$221,930; and Gregory Industries for System II, in an amount not to exceed \$315,072.50. The total amount for all four Systems will not exceed \$537,002.50. Requisitioned by the Inventory Section. Budget Code: 010-220020.

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170F-08

In the memorandum dated August 7, 2008, concerning a recommendation to **Award a Sole Source Contract – CapitalSoft Inc.** – Annual Software Maintenance for CapEx Manager Software, PR 49576, Budget Code: 427010 00 010 833.

At the June 2005 Commission Meeting, 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. Subsequently, at the July 2007 Commission Meeting, authorization was granted to modify and upgrade the CapEx Software and provide annual client support and maintenance for the CapEx Software. The TAS Department has requested the annual support and maintenance agreement for the year 2008-2009.

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, 2008 through July 31, 2009 will be in the amount not to exceed \$100,000.

Accordingly, authorization is requested to award a sole source contract to CapitalSoft Inc., 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 awardee(s) 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 170F-08**:

RESOLUTION FOR SOLE SOURCE PROCUREMENT
Annual Support And Maintenance To
Capex Manager Software

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

WHEREAS, the Technology and Administrative Services Department has requisitioned the annual client support and maintenance services to continue utilizing the Software for the period August 1, 2008 through July 31, 2009; 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.

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170G-08

In the memorandum dated August 1, 2008, concerning a recommendation to **Increase Contract No. 850 – Jesco Inc.** – John Deere OEM Replacement Parts for Construction and Forestry Equipment.

In January 2008 authorization was granted to award a contract to Jesco Inc. for a wide selection of brand named John Deere OEM replacement parts, for the period February 1, 2008 through January 31, 2009, in an amount not to exceed \$28,000. The amount was later increased to \$35,000. This contract was procured as a sole source exception to the public bid laws in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2(d)1 and Executive Order No. 37.

This Contract was initially established by the Inventory Division for the Maintenance Department's heavy equipment needs based on prior contract awards. However, in light of the increased use of the parts to repair older equipment, the authorized amount allotted for the first year was expended. Thus, the Inventory Division has requested that Contract No. 850 be increased to meet the needs for the remaining term.

Accordingly, authorization is requested to increase Contract No. 850 with Jesco, Inc., South Plainfield, NJ, by \$25,000 for John Deere OEM replacement parts for roadway maintenance equipment for the period through January 31, 2009. This would bring the authorized amount to \$60,000. All monies are subject to funding availability at the time of ordering.

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170H-08

In the memorandum dated September 4, 2008, concerning a recommendation to **Amend Public Bid Contract No. 784 – JGB Industries d/b/a Baker Equipment Company and Public Bid Contract No. 785 – Altec Industries Inc.** – Dielectric Testing and Repair Services for Aerial Trucks & Digger-Derrick Trucks.

At the November 9, 2007 Commission Meeting, authorization was granted to award two-year contracts to JGB Industries d/b/a Baker Equipment Company (for Section A and B) and Altec Industries Inc. (for Section C) for dielectric testing, inspection services, preventive maintenance and repair services and parts for Aerial Trucks and Digger-Derrick Trucks for the Maintenance Department.

The specifications provided that the two-year contract values for the Services were: Section A, \$20,000; Section B, \$30,000; and Section C, \$80,000 respectively. The basis of award, however, was determined on the total price for performing the services on an estimated/sample number of units per Section. The November 2007 Agenda Item incorrectly stated the amounts to be awarded to the low bidders as basis of award values rather than the specified contract values. The contract values for each Section must be corrected to coincide with the specifications as follows: Section A from \$26,860 to \$20,000; section B from \$48,370 to

\$30,000 and Section C from \$21,096 to \$80,000. Bids were procured in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2 and Executive Order 37.

Accordingly, authorization is requested to amend Contract No. 784 with JGB Industries d/b/a Baker Equipment Company and Contract No. 785 with Altec Industries Inc. to reflect the correct amounts to be awarded per Section as outlined herein.

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

On motion by Commissioner Evans, seconded by Commissioner DuPont, the Authority approved the eight (8) item purchasing agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

Executive Director Gutierrez-Scaccetti identified the recommendation in item 171-08 and requested approval.

171-08

In the memorandum dated August 15, 2008, concerning the recommendation for **Authorization to Renew the following Insurance Policies: Excess Umbrella Liability Insurance – Self-Insured General/Automobile Liability Insurance**, Account No. 10890-441010-10890; **Major Bridge and Property Insurance – New Jersey Turnpike**, Account No. 10890-441030-10890; and **Public Officials and Employment Practices Liability Insurance**, Account No. 10890-441040-10890.

The New Jersey Turnpike Authority maintains various insurance policies to protect its assets, and to maintain compliance with the Authority's Bond Resolution. In the summer of 2006, the above-referenced insurance policies were renewed through a competitive Request for Proposal process, in compliance with all applicable statutes, resolutions, and executive orders. The awards were for a period of three years. This is the third year of the award period.

The broker of record for each insurance policy is required to solicit no less than three competitive quotations to present for the renewal period of September 1, 2008 through September 1, 2009. All coverages are as expiring. The following are the results of their efforts:

- Excess Umbrella Liability Insurance – Self-Insured General/Automobile Liability
Broker of Record: Risk Strategies Co. Inc. Carriers are as follows:

<u>LAYER</u>	<u>CARRIER</u>	<u>PREMIUM</u>
\$25 million excess \$2 million/\$3 million SIR	National Union (AIG)	\$ 885,000
\$25 million excess \$25 million	Arch Specialty	\$ 222,930
\$25 million excess \$50 million	XL Insurance America	\$ 104,000

\$25 million excess	National Union	\$ 55,750
\$75 million		
	Total Premium	\$1,267,680
Property Liability Insurance Guarantee Association (PLIGA) Surcharge (1.6%) (not applicable to Arch)		\$ 14,627
	<u>TOTAL COST:</u>	<u>\$1,282,307</u>

This represents a savings of \$55,468 over the expiring cost of \$1,337,775.

- Major Bridge and Property Insurance - New Jersey Turnpike.
Broker of Record: NIA Group Associates. Carriers – quota-shared basis: Westchester Surplus Lines Company and Lexington Insurance Company.
TOTAL PREMIUM: \$2,242,728

This represents a savings of \$90,660 over the expiring cost of \$2,333,388.

- Public Officials and Employment Practices Liability Insurance
Broker of Record: Risk Strategies Co. Inc. Carriers are as follows:

<u>CARRIER</u>	<u>LIMITS OF LIABILITY</u>	<u>PREMIUM</u>
National Union Insurance Co. (Incumbent) an AIG Co.	\$20 million	\$ 372,000
	PLIGA Surcharge	\$ 5,208
National Specialty Ins. Co. (Incumbent)	\$10 million	\$ 139,500
	PLIGA Surcharge	\$ 1,953
	<u>TOTAL COST:</u>	<u>\$ 518,661</u>

This represents a savings of \$40,139 over the expiring premium of \$558,800.

Approval is therefore requested to renew the above-referenced insurance policies with the brokers of record, carriers and premiums as set forth above.

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

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized renewal of the three insurance programs, in the total amount of \$4,043,696, as presented; and received and filed the memoranda.

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172-08

Finance Director Hayllar presented the financial results of the New Jersey Turnpike Authority for the seven months ended July 31, 2008. On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority's **Financial Summary** was unanimously accepted and received for file.

Chairman Kolluri asked if the Authority finances were expected to be approximately \$100 million "short" for 2009, to which the Finance Director replied yes.

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173-08

THIS ITEM WAS PRESENTED AT THE BEGINNING OF THESE PROCEEDINGS.

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Operations Director Hill requested approval of item numbers 174-08 and 175-08; moved as a group, those items are as follows:

174-08

In the memorandum dated August 11, 2008, concerning a recommendation to **Authorize Contributions to Ambulance Squads and Fire Departments**, January 1, 2008 through June 30, 2008, Operating Budget Account No. 10-710-442060.

It has been the policy of the New Jersey Turnpike Authority to make contributions to volunteer ambulance squads and fire departments that are on-call or provide services on the Turnpike.

Ambulance squads have been paid a standby contribution and per call contribution. Fire Departments have been paid a standby contribution and a contribution based on the number of apparatus responding per call.

Submitted schedules list all ambulance squads and fire departments, which provided service to the Authority for the period from January 1, 2008 through June 30, 2008, and the recommended contributions. For this period, 43 ambulance squads responded to 542 calls and 39 fire departments responded to 212 calls using 260 pieces of equipment. Authorization is requested to make contributions, as detailed, totaling \$120,720.

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175-08

Résumé's of All Fatal Accidents – Garden State Parkway and New Jersey Turnpike.

Submitted by Operations Director Hill, they contain a descriptive account for the Period 1/1/08 to 9/3/08 and each report also includes 2007 – 2008 Yearly Comparisons for the six months through June and seven months through July 2008.

Reviewed by the Law Director as applicable; available funds certified by the Finance Director as applicable; the Acting Executive Director certified the recommendation for consideration.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation, as presented; accepted the Résumé's; and the memoranda were received for file.

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176-08

New Jersey State Police Troops D and E - Reports of Activities for the six months through June and seven months through July, 2008; including 2007 – 2008 Yearly Comparisons; were submitted by Major Del Vento, Troop E Commander.

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

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At this juncture, Chairman Kolluri opened the floor to public comment on other matters.

There was no response.

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The motion to adjourn was made by Commissioner Hodes, seconded by Commissioner Pocino and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:17 A.M., to meet on Tuesday, September 30, 2008, at 9:30 A.M.

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The Secretary acknowledges receipt of the following documents for file:

COMMUNICATIONS

Letter – from New Jersey Governor Jon Corzine, dated September 9, 2008, in accordance with N.J.S.A. 27:23-1 et seq – approving that portion of Minutes of the September 9, 2008 Board Meeting of the New Jersey Turnpike Authority authorizing public hearings to be held in connection with a proposed toll adjustment for the New Jersey Turnpike and the Garden State Parkway.

ADDITIONAL REPORTS:

Purchases – under Resolution 40-95, Executive Directors Delegated Authority (EDDA), for the Period: July 1, 2008 – July 31, 2008.

Utility Orders – under EDDA 117-05, (none); Dated for August 26, 2008.

Contract Change Order Summary, Type 1 and Type 2 – Period July 7, 2008 through August 8, 2008, Dated for August 26, 2008.

Construction Progress – Period Ending August 8, 2008; Dated for August 26, 2008.

Rose Stanko
Secretary

APPROVED:

Kris Kolluri, 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