

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
WEDNESDAY JANUARY 28, 2009**

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

PRESENT

Chairman Stephen Dilts (via telephone conferencing); Commissioner/Treasurer Michael DuPont; Commissioner Harold Hodes; and also via telephone conferencing was Commissioner David Evans; Commissioner Raymond Pocino; and Commissioner Troy Singleton.

It was determined that a quorum was in attendance and Chairman Dilts took a moment to congratulate and welcome Troy Singleton as the New Jersey Turnpike Authority's newest commissioner.

ALSO PRESENT

Executive Director Diane Gutierrez-Scaccetti; Deputy Executive Director John O'Hern; 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; Law Director George Caceres; Maintenance Director John Cifelli; Operations Director Sean Hill; Purchasing Director Andrea Ward; Strategic Planning & Policy Director Marilyn Lennon; Technology and Administrative Services Director Brian Gorman; Tolls Director Robert Quirk; Commander Allen Del Vento, New Jersey State Police Troop E; and Secretary Rose Stanko.

Also present were: General Counsel Judy Verrone; Bond Counsel John Kelly; General Consultant James Beattie; Authority Financial Advisor Dennis Enright; Sonia Frontera, Governor's Authorities Unit (via telephone); Frank Forst – Consultant, Local 194 IFPTE; additional individuals consisting of other NJTA employees; interested organizations; and the general public.

NOTICE OF MEETING

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

APPROVAL OF MINUTES

The Secretary reported that ten days (excluding Saturdays, Sundays and holidays) have elapsed since Governor Jon S. Corzine received the proceedings of the December 9th meeting; he has not exercised his power to veto any items in those minutes.

Upon motion made by Commissioner DuPont, seconded by Commissioner Hodes, with the abstention of Commissioner Singleton, the minutes of the meeting of December 9, 2008 were approved.

RECUSALS

The Secretary reported that advisements of recusal have been submitted regarding agenda items: 7-09, 8-09, 9-09, 11-09, 18A, and 18B-09 for Commissioner Pocino; 8-09, 11-09

and 18B-09 for Commissioner Singleton; and 19H-09 and 19M-09 for Commissionr Hodes. 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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At this juncture, it was determined that a separate Executive Session was not required and Chairman Dilts opened the floor for comment pertaining to the public items being presented for Board approval. There was no response.

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

PERSONNEL

1-09

Human Resources Director Garrity submitted the **Personnel Agenda**, dated January 28, 2009, and requested confirmation of the personnel matters contained therein.

The Executive Director certified the recommendation for consideration.

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

LAW

Law Director Caceres requested approval of agenda numbers 2-09 through 6-09; moved as a group, those items are as follows:

2-09

In the memorandum dated January 12, 2009, concerning the **Authorization to Enter into a Jurisdictional Agreement with Atlantic County and an Agreement to Convey Certain Authority Property to Atlantic County**

Parkway Section 10: Parcels 4575 (± .322 Acres) and 4576, (± .210 Acres), Galloway Township, Atlantic County.

By Resolution 2001-187, the Commissioners of the former New Jersey Highway Authority, now the New Jersey Turnpike Authority, (the "Authority") authorized the Executive Director to enter into and execute a cooperative cost sharing agreement with Atlantic County in connection with improvements to the Atlantic City Service Area and replacement bridges over Jimmie Leeds Road.

The Agreement, dated April 16, 2002 (the "2002 Agreement") provided that, among other things, the Authority would construct various improvements in and around the Atlantic City Service Area, including, at the request of Atlantic County, lengthening two (2) proposed bridge structures over Jimmie Leeds Road to allow for the eventual widening of Jimmie Leeds Road, a county road,

which passes under the Parkway. The Agreement further provided that Atlantic County would bear the additional cost of such work.

Now, six (6) years later, the County is prepared to widen Jimmie Leeds Road and has requested that prior to their advertising the construction work for this project, the Authority convey to the County the two (2) parcels set forth above, as contemplated by the 2002 Agreement, which are necessary for the widening of the road. These parcels would be incorporated into the roadbed of the widened Jimmie Leeds Road, a county road, and therefore would be used for public roadway purposes. In addition, the parties propose to enter into a jurisdictional agreement to set forth the relative rights and responsibilities regarding this area.

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

Therefore, it is recommended that the Commissioners approve the transfer of the property to Atlantic County as set forth above for the nominal consideration of \$1.00. It is further recommended that the Commissioners authorize the Executive Director to enter into a jurisdictional agreement with Atlantic County as set forth above and authorize the Executive Director, Director of Law and General Counsel to negotiate and prepare all necessary documents.

3-09

In the memorandum dated January 20, 2009, concerning the **Authorization to Enter into a Contract to Transfer Certain Property to Ocean County**

Parkway Section 9: Parcel 4563X (\pm 1.8 Acres), South Toms River Borough, Ocean County

At the April 16, 2008 meeting the Commissioners of the New Jersey Turnpike Authority declared this parcel surplus. This parcel, irregular in size, and primarily consisting of two local roads (Railroad Avenue extension and Ramp B from Dover Road (County Road 530)) and buffer, was created in the early 1950's when the Department of Transportation, then known as the Highway Department, acquired it for the original construction of the Parkway. In 1987, the Department of Transportation conveyed this land to the New Jersey Highway Authority, now the New Jersey Turnpike Authority(the "Authority").

In the late 1990's, the Authority and Ocean County, as part of the Interchange 80 Improvements Project, widened Dover Road (County Road 530) through this area, realigned Double Trouble Road, and reconstructed the southbound exit ramps from the Parkway. A traffic signal was also installed at the intersection of Dover Road, the Railroad Avenue Extension, and the realigned Double Trouble Road. Ramp B, which is a jughandle that allows westbound Dover Road traffic to turn left onto Double Trouble Road, was also built. Ramp B does not in any way connect to or give

access to the Parkway. At the completion of this project the land on which Ramp B was built (now known as Parcel 4563X), along with the Railroad Avenue Extension constructed in the 1950's, should have been subdivided out of the Parkway's right-of-way and conveyed to Ocean County. It was not. Allowing Ocean County to take ownership of this parcel, relieves the Authority of any maintenance responsibility and alleviates any jurisdictional liabilities.

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

Therefore, it is recommended that the Commissioners approve the transfer of the property to Ocean County as set forth above for the nominal consideration of \$1.00 and authorize the Executive Director, Director of Law and General Counsel to negotiate and prepare all necessary documents to transfer the property pursuant to the terms set forth above.

4-09

In the memorandum dated January 20, 2009, concerning the recommendation to **Approve the Negotiated Settlement Purchase of Property Necessary for the New Jersey Turnpike Authority New County Road Grade Separation Project**, Turnpike Parcel UE620; Part of Block 25, Lot 1; Township of Secaucus, Hudson County, Current Owner: Sal-Pat Realty Co. LLC, Project No. 06510013.

On July 14, 2004, the Authority's Commissioners granted the Executive Director authority to take all steps necessary to prepare for acquisition of property required for the New County Road Grade Separation Project ("Project"). On July 12, 2006, the Authority's Commissioners approved the acquisition of the above property for settlement, however, despite several years of negotiations the parties were unable to agree upon a final voluntary purchase price. As a result, the Authority commenced condemnation proceedings. The Authority obtained an appraisal, and continued in good faith to attempt to negotiate a purchase price for the property, which was comprised of a 0.529 acre fee parcel (Parcel 620) and a 0.055 acre easement parcel (UE620) (the "Taking Area"). The Taking Area resulted in, among other things, the relocation of the property owners' sole access driveway. At the request of the condemnation judge, the parties agreed to re-enter into further settlement negotiations. After further settlement negotiations and in consultation with General Counsel (Wilentz, Goldman & Spitzer, PA), the Authority's Law Department and Engineering Department recommend the payment of \$500,000 for the acquisition of the property necessary for the Project. In furtherance of same, the Court entered a Consent Order and Judgment (subject to Commissioner Approval) in that amount.

The acquisition as proposed above does not involve properties designated as "Preserved Farmland" pursuant to and as regulated by the Agriculture Development and Retention Act, N.J.S.A.

4:1C-11 et seq., and State Agricultural Development Committee Rules N.J.A.C. 2:76-1.1, the Act's implementing regulations. Nor have the above referenced properties been designated or encumbered as Green Acres properties pursuant to N.J.S.A. 13:1D-52 et seq. and N.J.A.C. 7:35-26.1 et seq.

Based on the foregoing, it is requested that the Authority's Commissioners authorize the Executive Director to take any and all steps to acquire the above property in the amount set forth above, including payment of any interest or costs assessed by the Court or required by law, and to ratify any and all steps taken by the Executive Director in furtherance of same. It is further recommended that the Executive Director be authorized to take any other steps necessary for the acquisition of the property upon review and approval of such action by the Law Department and General Counsel.

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The following matters constitute the Public Session agenda:

5-09

In the memorandum dated January 23, 2009, concerning the recommendation to Enter into Cost Sharing Agreement with the New Jersey Department of Transportation for Replacement of the St. Paul's Viaduct in Jersey City

The New Jersey Turnpike Authority and the New Jersey Department of Transportation ("NJDOT") desire to enter into a Cost Sharing Agreement for the replacement of the existing St. Paul's Avenue Viaduct located in Jersey City with a new Viaduct to be located north of the existing structures (the "Project"). This bridge provides access to Routes 1 & 9, the Pulaski Skyway and Route 139. These roads have been identified as feeder roads to the New Jersey Turnpike. In addition, these feeder roads and the St. Paul's Avenue viaduct provide an alternative route to the Holland tunnel, thereby providing patrons with the opportunity to avoid major traffic and congestion on the Turnpike system.

In consideration of the affirmative benefit to the New Jersey Turnpike Authority, it will invest \$120 million to the cost of this project. A draft Agreement between the New Jersey Turnpike Authority and the NJDOT setting forth the respective rights and duties of the parties has been prepared and submitted for your consideration. Funding for this agreement will be secured in the Authority's 2009 Debt Issuance.

Accordingly, it is recommended that the Commissioners authorize the contribution of \$120 million (\$120,000,000) as the New Jersey Turnpike Authority's share of the construction costs for the

replacement of the St. Paul's Avenue Viaduct in Jersey City and that the Executive Director be authorized to enter into a final Cost Sharing Agreement with the NJDOT, substantially as submitted, after review by the Law Department and General Counsel DeCotiis, FitzPatrick, Cole & Wisler, LLP.

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6-09

In the memorandum dated January 23, 2009, concerning the recommendation to **Renew Various Insurance Policies: Excess Workers' Compensation Insurance – for Entire New Jersey Turnpike Authority; and Major and Minor Bridges, All Non-Bridge Property Including Boiler & Machinery, and Underground Storage Tank Liability Insurance – for Garden State Parkway**, Operating Budget Account No. 010-00-890-441000

There are four insurance policies scheduled to expire on February 1, 2009: 1) Garden State Parkway - Major and Minor Bridge Insurance; 2) Garden State Parkway - Non-Bridge Property Insurance including Boiler and Machinery Coverage; 3) Excess Workers' Compensation Insurance; and 4) Garden State Parkway - Underground Storage Tank Liability. In 2006, a Request for Proposal was released and awarded to various brokers for placement of these coverages. The awards to the brokers were for a three-year period. This is the third year of the award.

Renewal quotations were submitted for each coverage by the Brokers of Record and were reviewed by staff with the following recommendations:

[1] **Garden State Parkway - Major and Minor Bridge Insurance**: The New Jersey Turnpike Authority maintains property insurance covering Garden State Parkway major bridges with a limit of liability of \$168 million per occurrence, with various sub-limits for particular occurrences. The current coverages are provided on a quota-shared basis with the Landmark American Insurance Company (through RSUI) and the Lexington Insurance Company (an AIG Company). The Broker of Record is Risk Strategies Company, Inc. The expiring premium for this coverage is \$905,000, including the Terrorist Risk Insurance Act (TRIA) coverage based on a total value of \$1,846,217,586.

Risk Strategies Company, Inc. was instructed to approach the market in order to secure the most competitive quotation. Securing a competitive quote for this line of coverage provided a challenge to the Authority, considering a sizable increase in the total insurable values, and given a significant loss claim in the past year. Due to these factors, Risk Strategies is continuing to negotiate a renewal premium with underwriters, and represents that a renewal quote can be secured for no more than \$1.2 million. Coverage applies to all major bridges, minor bridges and provides for a 24 month period of indemnity. The premium is based on total insurable value of \$2,786,684,462. The renewal will be subject to limit of liability of \$100,000,000 per occurrence consistent with the General Consulting Engineer's calculation of maximum probable loss (MPL). While some adjustments have been made to limits of liability, the policy includes coverage for all bridge structures and provides an extended period of indemnity for reconstruction and loss of revenue collection.

[2] Garden State Parkway - Non-Bridge Property, Including Boiler and Machinery: The New Jersey Turnpike Authority maintains property insurance covering all other (non-bridge) property for the Garden State Parkway. Coverage is provided for all risk of direct physical loss on damage to real property, personal property, business interruption, including extensions of coverage, as described under the policy. The policy of liability is \$150 million. Coverage is afforded by Affiliated FM Insurance Company with Business Governmental Insurance Agency (BGIA) as Broker of Record. The expiring premium was \$290,053.07, including the Terrorist Risk Insurance Act (TRIA).

At the direction of staff, BGIA has secured the most competitive proposal from the Affiliated FM Insurance Company. The annual premium, excluding terrorism is \$254,598 plus engineering fees of \$11,500, and certified terrorism premium of \$25,460 for a total premium of \$291,558 based on a total insurable value of \$221,584,365. This represents a 10% reduction in rates of the expiring price.

[3] Excess Workers Compensation and Employer's Liability Insurance: The New Jersey Turnpike Authority carries Excess Workers Compensation and Employer's Liability Insurance with a self-insured retention ("SIR") of \$750,000 for each accident.

In preparation for the new renewal, the Broker of Record, Risk Strategies, Inc. solicited quotations for coverage as expiring from three (3) carriers. The most competitive quotation was received from Arch Insurance Company. Arch has proposed a renewal quotation in the amount of \$701,088, which represents a decrease of \$182,296, or 20% over the expiring premium. The minimum premium is based on a rate of \$.0317 per \$100 of payroll, subject to audit.

[4] Garden State Parkway - Underground Storage Tank Liability Insurance: The New Jersey Turnpike Authority maintains underground storage tank liability covering storage tanks at various Garden State Parkway facilities. The expiring coverage is afforded by the Zurich American Insurance Company with a primary limit of \$1 million each claim, subject to a policy aggregate of \$10 million. The deductible of \$25,000 is applicable to each claim. Excess coverage is afforded by LSI Corporation (a member of the Liberty Mutual Group) with limits of liability of \$4 million each incident with a policy aggregate of \$5 million excess of the Zurich American Policy. The Broker of Record is Willis of New Jersey, Inc. The expiring premium for the Zurich American policy is \$62,476 based on the number and types of tanks insured; the excess LSI expiring premium was \$52,524 including the Terrorist Risk Insurance Act (TRIA); which makes the total combined expiring annual premium of \$115,000.

The Zurich American has quoted a renewal premium of \$57,087 with terms and conditions as expiring and based upon an updated tank schedule prepared by our Engineering Department. The renewal premium quoted by LSI for the excess coverage is \$47,163 for a combined primary and excess premium of \$104,250.

Therefore, it is recommended that the Authority renew the above coverages for a period of one year, effective February 1, 2009, with carriers, premiums and brokers of record as outlined above.

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the five (5) item Law agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Chief Engineer Raczynski deferred item 18B-09 and, noting the recorded reusals, explained the significance of items 8-09 and 11-09 listing cost efficient and safety reasons why the award of these bridge repair contracts should not be delayed.

General Counsel Verrone was called upon regarding this matter. She advised that, first, without the commissioners' participation the Authority would not have a quorum and would be unable to take action on the items. Although there is one member absent, the time table for the return of Commissioner Cummis is unknown. Second, there is no alternative forum within which to act because the award of contracts on Authority roadways is, by statute, exclusively within the province of the Board. And third, there is a pressing public need for the Authority to act now. Specifically, while it is not yet at an emergency level there is a pressing and urgent need to approve contracts to repair certain Authority bridges. Delaying the matter further could potentially result in an emergency, more costly repairs as a result of further deterioration, or lane closures and traffic congestion. Moreover, a further delay would require the Authority to re-procure the work after bids have already been opened. Those bids expire after 60 days. Once the bids have been publicly disclosed, a re-procurement may result in a higher overall price the second time around. Therefore, General Counsel opined that under the foregoing circumstances, Commissioners Pocino and Singleton possess a credible basis to participate in the vote to award the contracts, recommended in items 8-09 and 11-09, on the basis of the Rule of Necessity.

The vote was taken on these two items, together, and is presented below in numerical order. The Chief Engineer presented all other recommendations separately. Engineering items 7-09 through 18B-09 are as follows:

7-09

In the memorandum dated January 5, 2009, concerning the recommendation to **Issue a Type 3 Change Order for Settlement of Claim – Beaver Concrete Construction Company Inc.** – for GSP Contract No. 84-1290, Southern Bridge Repairs, Parkway MP 28.0 to 126.3, Maintenance Reserve Fund No. 03020001.

GSP Contract No. 84-1290 was awarded to Beaver Concrete Construction Company, Inc. (BCCCI) at the January 31, 2006 Commission Meeting in the amount of \$5,304,707.00. The contract provided for annual bridge deck and miscellaneous structural repairs for the southern sector of the Parkway between Milepost 28.0 and 126.3. In general, the work involved replacement of

deteriorated sections of concrete bridge decks, joints, bridge surfacing, and miscellaneous structural repairs on 38 mainline and local road structures over the Garden State Parkway.

During the course of construction there were a number of significant issues that occurred in connection with the execution and performance of this contract. Lack of contract management and the contractor's ability to adjust to field conditions associated with bridge deck repair work on Authority structures became major items of concern. Authority representatives convened several high level special meetings with BCCCI management to address these issues in an effort to assist BCCCI with the completion of this contract in a timely and safe manner. After several instances, it was ultimately determined that it would be in the best interest of the Authority and its patrons to terminate the contract.

By letter dated March 13, 2007, the Turnpike Authority exercised its right under Standard Specification 107.09 to issue an Order of Termination for Convenience to the referenced contract. In accordance with the contract documents, BCCCI filed a Claim on May 11, 2007, which was supplemented by an October 23, 2007 submittal. The two submittals comprise BCCCI's total Claim consisting of 15 Exhibits and their supplements. The total amount of the Claim as submitted by BCCCI was \$5,099,567.28.

After a detailed review of the contractor's submittal, the Authority commenced negotiations with BCCCI on February 13, 2008. Through regularly scheduled meetings that occurred on a weekly basis, significant progress was made on a number of Exhibits related to bid and out-of-scope contract Item quantities, extra work, engineering costs, temporary installations and retainage. Negotiations also continued on Exhibits for; unabsorbed overhead due to loss of productivity, extended overhead and related delay costs, overhead distribution on deleted work, interest on delayed payments and loss of anticipated profits.

Those negotiations continued into the Fall of 2008 and resulted in a mutually agreeable settlement in the amount of \$1,615,430.18. In conjunction with the proposed settlement, the contractor has agreed to release the Authority from any and all claims, for any reason, related to the performance of GSP Contract No. 84-1290. Further, as part of the Claim settlement, the Contractor will be required to submit a new prequalification package if they desire to be prequalified with the Turnpike Authority to bid future construction contracts. It was expressly stated that the Authority would not approve classifications related to bridge deck repair work due to the issues encountered on this contract, however, would consider prequalification for concrete maintenance for which their performance was satisfactory.

The Authority's Law Department has reviewed and approved the proposed claim settlement.

It is, therefore, recommended that a Type 3 Change Order be issued to Beaver Concrete Construction Company, Inc. representing final settlement of all claims under GSP Contract No. 84-1290 and that the Chief Engineer or his delegate be authorized to superintend and administer the execution of such Type 3 Change Order and all necessary attendant documentation.

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized issue of a Type 3 Change Order, for settlement of claim, to Beaver Concrete Construction Company Inc., as presented; and received and filed the memorandum.

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8-09

In the memorandum dated January 5, 2009, concerning the recommendation to **Award Contract No. P100.078 – Kyle Conti Construction LLC** – Bridge Deck Repairs and Resurfacing, Parkway Milepost 0 to Milepost 126, Maintenance Reserve Fund No. 03020001.

This is the second of two bridge deck repairs contracts for 2009, concentrated in the southern sector of the Parkway. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, and replacement of existing asphalt wearing surface and related incidental items.

Eight proposals were received on December 18, 2008 for the above publicly advertised contract. The low bid proposal, in the amount of \$3,788,450, may be compared to the second low bid proposal in the amount of \$4,235,583. The low bidder, Kyle Conti Construction, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.078 be awarded to the low bidder, Kyle Conti Construction, LLC of Hillsborough, New Jersey, in the amount of \$3,788,450, allocated as follows: \$3,500,000 in 2009, \$288,450 in 2010. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine).

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

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority approved the recommendation; authorized award of Contract No. P100.078 to Kyle Conti Construction LLC, as presented; and received and filed the memoranda.

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9-09

In the memorandum dated January 5, 2009, concerning the recommendation to **Award Contract No. T100.080 – South State, Inc.** – Bridge Deck Repairs and Resurfacing, Turnpike Milepost 0 to Milepost 83 and the Pearl Harbor Memorial Turnpike Extension (PHMTE), Maintenance Reserve Fund No. 03010001.

This is the second of two bridge deck repair contracts for 2009, concentrated in the southern sector of the Turnpike between Interchanges 1 and 9 and the Pearl Harbor Memorial

Turnpike Extension. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, and replacement of existing asphalt wearing surface and related incidental items.

Six proposals were received on December 12, 2008 for the above publicly advertised contract. The low bid proposal, in the amount of \$3,935,840, may be compared to the second low bid proposal in the amount of \$4,208,378. The low bidder, South State, Inc., has completed similar work for the New Jersey Department of Transportation and various Counties in New Jersey and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T100.080 be awarded to the low bidder, South State, Inc. of Bridgeton, New Jersey, in the amount of \$3,935,840, allocated as follows: \$3,700,000 in 2009, \$235,840 in 2010. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine).. The General Consultant, HNTB Corporation, concurs with this recommendation.

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized award of Contract No. T100.080 to South State Inc., as presented; and received and filed the memoranda.

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10-09

In the memorandum dated January 8, 2009, concerning the recommendation to **Issue Order for Professional Services No. P3193 – Gannett Fleming Inc.** – Supervision of Construction Services for Contract No. P100.078, Southern Bridge Deck Repairs and Resurfacing, Parkway MP 0 to MP 126, Maintenance Reserve Fund No. 03020001; and **Order for Professional Services No. T3198 – Jacobs Engineering Group Inc.** – Supervision of Construction Services for Contract No. T100.080, Bridge Deck Repairs and Resurfacing, Turnpike Milepost 0 to Milepost 83 and the PHMTE, Maintenance Reserve Fund No. 03010001.

Through this single procurement process for Orders for Professional Services (OPS), the Authority will select two consultants to provide supervision of construction services. Contract No. P100.078 is the second of two bridge deck repairs contracts for 2009, concentrated in the southern sector of the Parkway. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, and replacement of existing asphalt wearing surface and related incidental items. Contract No. T100.080 is the second of two bridge deck repair contracts for 2009, concentrated in the southern sector of the Turnpike between Interchanges 1 and 9 and the Pearl Harbor Memorial Turnpike Extension. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, and replacement of existing asphalt wearing surface and related incidental items.

These assignments are classified as "Simple Projects" based on the scope of work being clearly defined and not likely to change during the course of the projects, and the cost not exceeding \$1,000,000. Solicitations for Expressions of Interest (EOIs) were sent to 51 engineering firms prequalified and eligible under Profile Code B157 – Bridges Deck Repair/Replacement Inspection. Eight firms submitted EOIs by the closing date of November 25, 2008. In accordance with the solicitation, these OPS' will be awarded to the top two technically ranked firms with assignment preference given to the highest technically ranked firm.

Subsequent to the scoring of EOIs, Fee Proposals were requested from the top three firms. The firms are: 1) Jacobs Engineering Group, Inc.; 2) Gannett Fleming, Inc.; and 3) PB Americas, Inc. The fee submitted by Jacobs Engineering Group, Inc. was reviewed and considered to be fair and reasonable for the services to be provided. The fee submitted by Gannett Fleming, Inc. was reviewed and negotiated to an amount considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. P3193 be issued to the firm of Gannett Fleming, Inc. of Mount Laurel, New Jersey, in the maximum amount of \$709,500, allocated as follows: \$600,000 in 2009 and \$109,500 in 2010. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.25, to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is also recommended that OPS No. T3198 be issued to the firm of Jacobs Engineering Group, Inc. of Morristown, New Jersey, in the maximum amount of \$699,000, allocated as follows: \$580,000 in 2009 and \$119,000 in 2010. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.25, to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firms were selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine).

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized issue of OPS No. P3193 to Gannett Fleming Inc. and OPS No. T3198 to Jacobs Engineering Group Inc., as presented; and received and filed the memoranda.

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11-09

In the memorandum dated January 12, 2009, concerning the recommendation to **Award Contract No. P100.090 – Kyle Conti Construction LLC** – GSP Miscellaneous Structural Repairs, Parkway Milepost 0 to Milepost 172, Maintenance Reserve Fund No. 03020008.

This contract will provide for substructure concrete spall repairs, reconstruction of bearing areas, bearing replacements, and substructure waterproofing on bridges on the Parkway.

Ten (10) proposals were received on January 9, 2009 for the above publicly advertised contract. The low bid proposal, in the amount of \$2,166,000, may be compared to the second low bid proposal in the amount of \$2,196,610. The low bidder, Kyle Conti Construction, LLC, has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.090 be awarded to the low bidder, Kyle Conti Construction, LLC of Hillsborough, New Jersey, in the amount of \$2,166,000, allocated as follows: \$2,000,000 in 2009, \$166,000 in 2010. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine).

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

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority approved the recommendation; authorized award Contract No. P100.090 to Kyle Conti Construction LLC, as presented; and received and filed the memoranda.

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12-09

In the memorandum dated January 9, 2009, concerning the recommendation to **Issue Order for Professional Services No. P3126 – STV Incorporated** – Supervision of Construction Services, Garden State Parkway Interchange 63 to Interchange 80 Widening, for Contract Nos.: P200.044 – Milepost 75.0 to 80.8, Lacey and Berkeley Townships, Beachwood and South Toms River Boroughs; P200.045 – Milepost 70.0 to 75.0, Lacey and Ocean Townships; and P200.046 – Milepost 63.0 to 70.0 and Barnegat Toll Plaza Improvements, Stafford, Ocean and Barnegat Townships, 2005 Bond Issue Fund No. 20260001.

This Order for Professional Services (OPS) will provide supervision of construction for the referenced contracts to widen the Garden State Parkway from Milepost 63 to Milepost 80. Work to be performed under the Construction Contracts will include roadway construction, drainage improvements, bridge construction, culvert extensions and sign structure fabrication and erection on both the northbound and southbound Garden State Parkway mainline. The widening between Milepost 63 and 70 will also include realignment of the Parkway mainline at the Barnegat Toll Plaza, including Express E-ZPass operations and a new Toll Plaza Administration Building.

This assignment is classified as a "Complex Project" because the fee exceeds \$1,000,000. Twenty-one engineering consulting firms prequalified and eligible in Profile Codes B-151, Construction Management; B-152, Project Management (Scheduling); B-153, Roadway Construction Inspection; B-155, Bridge Construction Inspection and B-159, Building Construction and Renovation Inspection were invited to submit Expressions of Interest (EOIs). Three EOIs were received by the closing date of February 13, 2007.

All three firms were requested to submit Technical and sealed Fee Proposals. The firms are: 1) STV Incorporated; 2) Greenman-Pedersen, Inc.; and 3) Hill International. The Review Committee reviewed and evaluated each firm's Technical Proposal and held interviews with oral presentations. The final scoring resulted in STV Incorporated being the highest technically ranked firm. The fee submitted has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. P3126 be issued to the firm of STV Incorporated of Trenton, New Jersey in the maximum amount of \$11,945,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.2, 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 awardees, 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 firms were selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine).

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized issue of OPS No. P3126 to STV Incorporated, as presented; and received and filed the memorandum.

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13-09

In the memorandum dated January 5, 2009, concerning the recommendation to **Issue Order for Professional Services No. P3187 – TranSystems Corporation** – Design Services for Contract No. P100.108, Northern Bridge Repairs and Resurfacing, Parkway Milepost 126 to Milepost 172, Maintenance Reserve Fund No. 03020001; and **Order for Professional Services No. P3188 – Dewberry-Goodkind Inc.** – Design Services for Contract No. P100.079, Southern Bridge Repairs and Resurfacing, Parkway Milepost 0 to Milepost 126, Maintenance Reserve Fund No. 03020001.

Through this single procurement process for Orders for Professional Services (OPS), the Authority will select two consultants to furnish design services including inspection and condition evaluation, and preparation of construction contract documents for two annual bridge deck and

miscellaneous structural repair contracts for 2010 that will address the northern and southern sectors of the Garden State Parkway.

These assignments are classified as "Simple Projects" based on the scope of work being clearly defined and not likely to change during the course of the projects, and the cost not exceeding \$1,000,000. Solicitations for Expressions of Interest (EOIs) were sent to 46 engineering firms prequalified and eligible under Profile Codes A092: Bridges – Miscellaneous Repairs and A093: Bridges – Deck Replacements and Rehabilitation. Eight firms submitted EOIs by the closing date of November 12, 2008. In accordance with the solicitation, these OPS' will be awarded to the top two technically ranked firms with assignment preference to the highest technically ranked firm.

Subsequent to the scoring of EOIs, Fee Proposals were requested from the top three firms. The firms are: 1) TranSystems Corporation; 2) Dewberry-Goodkind, Inc.; and 3) Arora & Associates, P.C. The fees submitted by TranSystems Corporation and Dewberry-Goodkind, Inc. have been reviewed, negotiated and are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. P3187 be issued to the firm of TranSystems Corporation of Paramus, New Jersey, in the maximum amount of \$800,000, allocated as follows: \$650,000 in 2009 and \$150,000 in 2010. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.6, based on a 10% allowance for profit and an overhead rate of 136.4% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses.

It is also recommended that OPS No. P3188 be issued to the firm of Dewberry-Goodkind, Inc. of Bloomfield, New Jersey, in the maximum amount of \$700,000, allocated as follows: \$550,000 in 2009 and \$150,000 in 2010. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.44, based on a 10% allowance for profit and an overhead rate of 122.1% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses.

These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firms were selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine).

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized issue of OPS No. P3187 to TranSystems Corporation and OPS No. P3188 to Dewberry-Goodkind Inc., as presented; and received and filed the memorandum.

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14-09

In the memorandum dated January 8, 2009, concerning the recommendation to **Issue Order for Professional Services No. A3194 – Medina Consultants** – Design Services, Contract No. A600.102A, Variable Message Sign Replacements, Various Locations, 2008A Note Construction Fund No. 30000003.

This Order for Professional Services (OPS) will provide for design services for variable message sign installations at 33 locations on the Turnpike and Parkway roadways. The construction contract is scheduled for award in November, 2009.

This assignment is classified as a “Complex Project” because the fee exceeds \$1,000,000. Thirty engineering consulting firms prequalified and eligible in Profile Code A250: Fully Controlled Access Highways and A500: Traffic Control Systems, were invited to submit Expressions of Interest (EOIs). Seven EOIs were received by the closing date of November 6, 2008.

Subsequent to the scoring of EOIs by the Review Committee, three firms were requested to submit Technical and sealed Fee Proposals. The firms are: 1) Boswell Engineering; 2) HNTB Corporation; and 3) Medina Consultants. The Review Committee reviewed and evaluated each firm’s Technical Proposal and final scoring resulted in Medina Corporation being the highest technically ranked firm. The fee submitted has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. A3194 be issued to the firm of Medina Consultants of Hackettstown, New Jersey in the maximum amount of \$1,531,830. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.6, based on a 10% allowance for profit and an overhead rate of 136% or, the firm’s overhead rate as determined by Federal Acquisition Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine).

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized issue of OPS No. A3194 to Medina Consultants, as presented; and received and filed the memorandum.

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15-09

In the memorandum dated January 14, 2009, concerning the recommendation to **Issue Supplement B to TPK Order for Professional Services No. 2066 – Weidlinger Associates Inc. (WAI)** – Engineering Services for Major Bridge Security Improvements – Phase I, 2008A Note Construction Fund No. 30000025.

This Order for Professional Services (OPS) was originally issued in August 2004, in the amount of \$412,000, to provide professional engineering services to assess the threat, risk and vulnerability of the Authority's 16 major bridges to potential acts of vandalism or terrorist attacks. Supplement A, in the amount of \$166,000, provided for the necessary services to conduct the site specific security assessment and development of a plan for remedial security measures for two Authority owned roadway segments identified as "Critical Infrastructure" by the New Jersey Office of Counter-Terrorism.

At the request of the Authority, WAI will assist the Authority in developing and prioritizing a list of Security Improvement Projects for the 10-year Capital Program and provide required security program support. Supplement B will compensate WAI for evaluation and preparation of a proposed 10-year program for infrastructure security projects based on studies and risk assessments completed to date, with the final program recommendations summarized in a report which will also include recommendations for alternative project delivery methods and security protocol for procurement. The supplement also provides the necessary program support services which include security training for Authority and consultant personnel and overall program oversight.

It is, therefore, recommended that Supplemental TPK OPS No. 2066B be issued to Weidlinger Associates, Inc. in the amount of \$167,000, with compensation on the same basis as the original OPS. The addition of this amount increases the total authorized fee from \$578,000 to \$745,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.S.A. 19:9-2.8.

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized issue of Supplemental TPK OPS No. 2066B to Weidlinger Associates, Inc., as presented; and received and filed the memorandum.

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16-09

In the memorandum dated December 12, 2008, concerning the recommendation to **Issue Supplement B to Order for Professional Services No. A3083 – Hill International Inc.** – Construction Management and Inspection Services, Turnpike Authority Traffic Management Center, Construction Fund No. 06570002.

This Order for Professional Services (OPS) was issued at the March 28, 2006 Commission Meeting in the amount of \$1,300,000 to provide construction management and inspection services for the new Turnpike Authority Traffic Management Center, with an anticipated completion date of March 31, 2007. Supplement A was issued at the February 26, 2008 Commission Meeting in the amount of \$280,000 and provided for additional construction management services arising from significant changes made to the original contract documents, which extended the anticipated project completion date approximately 12 months.

Supplement B will compensate Hill International, Inc. for additional construction management and inspection services required to achieve completion of this project. These additional services were required as supplemental work requested by the Authority, and directives issued by the Department of Community Affairs, resulted in substantial delays in obtaining the Certificate of Occupancy for the building. Furthermore, poor subsoil conditions within the work area of the site work contract resulted in additional work that required a time extension to the contract. This added significantly to the overall project completion date, which was revised to November 30, 2008.

It is, therefore, recommended that Supplemental OPS No. A3083B be issued to Hill International, Inc. in the amount of \$260,000, with compensation on the same basis as the original OPS. The addition of this amount increases the total authorized fee from \$1,580,000 to \$1,840,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.S.A. 19:9-2.8.

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized issue of Supplemental OPS No. A3083B to Hill International Inc., as presented; and received and filed the memorandum.

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17-09

In the memorandum dated January 5, 2009, concerning the recommendation to **Issue Supplement A to Order for Professional Services No. T3145 – Jacobs Engineering Group Inc.** – Supervision of Construction Services, Contract No. T300.063, Implementation of One Way Tolls, Interchange 17 Toll Plaza, Construction Fund No. 06510060.

This Order for Professional Services (OPS) was issued at the November 9, 2007 Commission Meeting, in the amount of \$300,000, to provide construction supervision services for the referenced contract.

This Supplement will compensate Jacobs Engineering Group Inc. to provide for unanticipated additional construction supervision services. These additional services are required as a result of an Authority issued Change of Plan that provided for approach roadway lighting improvements, structural steel modifications, lead paint removal and asbestos abatement work not included in the as-bid contract documents. This extended the contract duration by 144 days, which required supervision of construction services not anticipated when this OPS was issued.

It is, therefore, recommended that Supplemental OPS No. T3145A be issued to Jacobs Engineering Group Inc. in the amount of \$120,000, with compensation on the same basis as the original OPS. The addition of this amount increases the total authorized fee from \$300,000 to \$420,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.S.A. 19:9-2.8.

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

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized issue of Supplemental OPS No. T3145A to Jacobs Engineering Group Inc., as presented; and received and filed the memorandum.

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18A-09

A memorandum dated December 17, 2008 contains the recommendation of a **Contract for**

Formal Acceptance and Final Payment:

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
<u>Contract T200.058</u>	Crisdel Group Inc. Resurfacing Turnpike MP 74 to MP 122 Middlesex, Union, Hudson and Bergen Counties Maintenance Reserve Fund No. 03010002	\$253,794.83

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

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority accepted the certifications of the Engineers, General Consultants and Chief Engineer as to inspection and completion of the foregoing contract; the certification of the Authority's Law Department as to liens, claims, surety bonds and Final Payment Certificates; hereby authorized final payment, in the amount shown, due the contractor for completion of the above contract; and received and filed the memorandum.

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18B-09

ITEM DEFERRED

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PURCHASING

Purchasing Director Ward identified the procurements in the purchasing agenda as routine, presented in full the recommendations to award professional service agreements contained in items 19L-09 and 19M-09, and requested approval. Moved as a group, items 19A-09 through 19M-09 are as follows:

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

19A-09

<u>BIDDERS BIDS</u>		<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
9	4	Tree and Brush Clearing Services	Asplundh Tree Expert Co. Willow Grove, PA	\$500,000.00

Requisition Memorandum (RM) 628; Bids Received: December 4, 2008
 Requisitioned by the Maintenance Department, this 1-year Price Agreement is for tree and brush clearing services along the New Jersey Turnpike right-of ways. Bidders were requested to bid on hourly rates based on four (4) different hourly scenarios for ten (10) equipment items with operator.
 Three additional bid proposals were submitted. However, review of the bid proposals found them as non-compliant which required rejection.
 Therefore, recommendation is for award to be made to the lowest responsible bidder, Asplundh Tree Expert Co. The anticipated expenditure is not to exceed \$500,000, subject to funding availability at the time of service.
 Original term may be extended for two additional 1-year terms each under the same price, terms and conditions, at the sole discretion of the Authority.

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19B-09

<u>BIDDERS BIDS</u>		<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
15	6	Janitorial Supplies	All Clean Janitorial Supply Co. Inc. Lawrenceville, NJ	\$85,428.90

RM 639; Bids Received: December 22, 2008 (SBE Set-aside)
 Requisitioned by the Inventory Division, this 1-year price agreement is for 54 items of janitorial supplies (such as garbage bags, disinfectant, brooms, all purpose cleaners and mop buckets) for inventory warehousing. Bidders were required to quote unit prices for each item.
 Review of the bid proposals found three of them as non-compliant and required rejection.
 Therefore, recommendation is for award to be made to the lowest responsible bidder, All Clean Janitorial Supply Co. Inc., in an amount not to exceed \$85,428.90, subject to funding availability at the time of ordering.
 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.

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19C-09

<u>BIDDERS BIDS</u>		<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
5	1	Electronic Supplies for Toll Equipment Repair and Cleaning	Newark Corporation East Brunswick, NJ	\$75,000

RM 648; Bids Received: January 6, 2009

Requisitioned by the Toll Collections Department, this 1-year price agreement is for 21 items of electronic supplies for repairing and cleaning toll equipment (fluke, multi-conductor cable, ratcheting crimper, drivers and a discount off a catalog list price for miscellaneous items) to be stocked in inventory for use by the Toll Collections Department. Vendors were required to supply a price for every item listed.

Recommendation is for award to be made to the sole bidder, Newark Corporation. The anticipated annual expenditure will not exceed \$75,000, subject to funding availability at the time of service.

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.

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19D-09

<u>BIDDERS BIDS</u>		<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
2	1	Specialty Welding Gases	GTS-Welco Allentown, PA	\$50,000.00

RM 651 (Re-bid); Bids Received: January 16, 2009

Requisitioned by the Maintenance Department, this 1-year price agreement is for the purchase of specialty welding gases for the Central, Northern and Southern Areas of the New Jersey Turnpike. Twenty four (24) items were bid which consist of gases, cylinders, gauges and torches. Vendors were required to supply a price for every item listed.

Recommendation is for award to be made to the sole bidder, GTS-Welco. The anticipated annual expenditure will not exceed \$50,000, subject to funding availability at the time of service.

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.

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19E-09

<u>BIDDERS BIDS</u>		<u>COMMODITY</u>	<u>VENDOR</u>	<u>AWARD</u>
<u>INVITED</u>	<u>REC'D</u>			
14	3	Tandem Axle Trucks with Accessories	Freedom International Trucks Inc. Philadelphia, PA	\$532,032.00

R 52503; Budget Code 15212002040520, Project 04028027; Bids received November 20, 2008

Requisitioned by the Maintenance Department, this Purchase Order is for three (3) Tandem Axle Trucks with Accessories for the Maintenance Department.

Two additional bid proposals were submitted. However, review of the bid proposals found them as non-compliant which required rejection.

Therefore, recommendation is for award to be made to the lowest responsible bidder, Freedom International Trucks Inc., in an amount not to exceed \$532,032.

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.

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19F-09

In the memorandum dated January 14, 2009, concerning a recommendation to **Award a Sole Source Contract – EMC Corporation** – Enhanced and/or Extended Software Support for EMC NetWorker Backup Products, R-54272, Budget Code 427010 00 010 833.

The Technology and Administrative Services Department requisitioned a service agreement for the Enhanced/Extended Software Support of the EMC NetWorker Backup Products (“EMC Software”). The EMC Software product is a backup and recovery management

software which processes the Authority's electronic toll collection ("ETC") host development system. The EMC Software use includes the ETC Host Servers, Databases and Applications Data at Woodbridge and Union locations.

The EMC Software is proprietary to EMC Corporation, which is the manufacturer. This is an exceptional circumstance, as EMC Corporation is the only vendor which can provide the required client support and maintenance necessary for the operation of the Authority's ETC database management systems. Non-interruptible service of the ETC system is crucial to the Authority's technical operations. Thus, it is recommended that this annual EMC Software Support Agreement be procured without public advertisement as a sole source exception to the public bidding laws and consistent with Executive Order 37.

Accordingly, authorization is requested to award an EMC Software Support Agreement with EMC Corporation, Santa Clara, California, for the period January 1, 2009 through December 31, 2009 in an amount not to exceed \$41,888.90. 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. The award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 and having no objection to same. A resolution, as required by N.J.A.C. 19:9-2.2(d)1, follows as **Resolution 19F-09**:

RESOLUTION FOR SOLE SOURCE PROCUREMENT
Enhanced/Extended Software Support for EMC NetWorker Backup Products

WHEREAS, the Technology and Administrative Services Department requisitioned a service agreement for the Enhanced/Extended Software Support for the EMC NetWorker Backup Products with EMC Corporation, Santa Clara, California; and

WHEREAS, under the Software Agreement, EMC Corporation will provide backup and recovery management software support to the Authority's ETC Host Development systems at Woodbridge and Union locations; and

WHEREAS, EMC NetWorker Backup Products Software Support is proprietary in nature, and therefore, of a unique and confidential nature that will not admit a generic or standard specifications for procurement through competitive solicitation by public advertisement; and

WHEREAS, EMC NetWorker Backup Products Software support and maintenance can only be performed by WMC Corporation for the period January 1, 2009 through December 31, 2009, at a cost not to exceed \$41,888.90; 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 of the required service exists.

NOW, THEREFORE, BE IT RESOLVED that the Authority's Commissioners hereby authorize and approve entering into a Software Support Agreement with EMC Corporation for the period through December 31, 2009, in an amount not to exceed \$41,888.90, 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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19G-09

In the memorandum dated January 6, 2009, concerning a recommendation to **Award a Sole Source Contract – Applied Concepts** – Multi Directional Sensing Radar Units, R-55917, Budget Code: 650020 01040720, Project: 04010002.

Troop E of the New Jersey State Police requisitioned multi-directional sensing radar units for installation in police vehicles. The radar units are required to replace old unserviceable units with current technology. They allow State Police to monitor and enforce posted speed limits along the Garden State Parkway. Troop E has requested that the Authority obtain the radar units from Applied Concepts, Inc. which is the supplier of the units currently installed in State Police vehicles.

Applied Concepts, Inc. designed, developed, manufactured and is the sole provider of the Stalker DSR2X Multi Directional Sensing Radar Unit. These Radar Units incorporate several exclusive features and patented technologies, including, but not limited to: same lane fastest moving mode; directional sensing; front and rear antenna display simultaneously; rear traffic alert; and stationary direction control. No other vendor can provide these features. They are crucial to State Police vehicle operations which provide safety to the motoring public. Thus, it is recommended that this purchase be procured without public advertisement as a sole source exception to the public bidding laws and consistent with Executive Order No. 37 as no other vendor is capable of providing these units.

Accordingly, authorization is requested to issue a Purchase Order to Applied Concepts Inc., Plano, Texas, in an amount not to exceed \$61,320. 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. The award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the vendor pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 and having no objection to same. A resolution, as required by N.J.A.C. 19:9-2.2(d)1, follows as **Resolution 19G-09:**

RESOLUTION FOR SOLE SOURCE PROCUREMENT
Multi Directional Sensing Radar Units

WHEREAS, the New Jersey State Police (Troop E) requested that a Purchase Order be issued for 28 Stalker DSR2X Multi Directional Sensing Radar Units ("Radar Units") for its vehicle fleet; and

WHEREAS, the Radar Units enable the State Police to monitor and enforce posted speed limits on the Garden State Parkway and is crucial to State Police vehicle operations which provide safety to the motoring public as well as the State Police; and

WHEREAS, Applied Concepts Inc. designed and developed these Radar Units and is the only authorized provider; and

WHEREAS, these Radar Units incorporate several exclusive features and patented technologies, including, but not limited to: same lane fastest moving mode; directional sensing; front and rear antenna display simultaneously; rear traffic alert; and stationary direction control; and

WHEREAS, the Stalker DSR2X is covered by one or more of the following United States Patents: 5,563,603; 5,570,093; 5,565,871; 5,528,245; 5,691,724; 6,198,427 B1; 6,501,418; 6,580,386B1 and 6,646+,591B2; and

WHEREAS, the cost of these Radar Units will be in an amount, not to exceed, \$61,320.00; 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 of the required service exists.

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Commissioners hereby authorize and approve a Purchase Order be issued to Applied Concepts, Inc. for the Radar Units outlined herein, in an amount not to exceed \$61,320.00 as a sole source exception to procurement by public advertisement as permitted by N.J.A.C. 19:9-2.2(d)1; N.J.S.A. 27:23-6.1; and Executive Order No. 37.

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19H-09

In the memorandum dated January 9, 2009, concerning ratification of **Award for Sole Source Contract – Oracle Corporation** – Oracle Software Upgrades and Service Agreement, R-53895, Budget Code: 00-010-833-427010

The Technology and Administrative Services Department (TAS) requisitioned renewal of two Software License and Service Agreements with Oracle Corporation ("Software Agreements"). Under the Software Agreements, the Oracle Corporation will continue to provide technical support and software upgrades to the Authority's database management systems and electronic toll collection system that use the Oracle Software. The cost of the Software Agreements, which include subscription and support services, plus 24/7 telephone support, product upgrades and maintenance releases for the period January 1, 2009 through December 31, 2009 will be in an amount not to exceed \$615,391.79. In order to avoid service interruption and re-instatement fees, the TAS Department requested issuance of the contract before the January 1, 2009 renewal date.

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

Accordingly, authorization is requested to ratify the renewal of the Software License and Service Agreements with Oracle Corporation, Redwood Shores, California, for the period January 1, 2009 through December 31, 2009, in an amount not to exceed \$615,391.79. The award was 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. The award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 and having no objection to the same.

RESOLUTION FOR SOLE SOURCE PROCUREMENT
Software License and Service Agreement with Oracle Corporation

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

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

WHEREAS, Oracle Software is copyrighted and proprietary in nature, and therefore, of a unique and confidential nature that will not admit a generic or standard specifications for procurement through competitive solicitation by public advertisement; and

WHEREAS, Oracle Software can only be procured from Oracle Corporation through direct negotiation of the Software Agreement and, for the period January 1, 2009 through December 31, 2009, the cost of the renewal of technical support and software upgrades will not exceed \$615,391.79; 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 of the required service exists.

NOW, THEREFORE, BE IT RESOLVED that the Authority's Commissioners hereby authorize and approve the renewal of the Software License and Service Agreement with Oracle Corporation for the period through December 31, 2009, in an amount not to exceed \$615,391.79, 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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19I-09

In the memorandum dated January 8, 2009, concerning a recommendation to **Increase Amount of Contract Requirement Account RM 394 and Award Requirement Account RM-664 – Newspaper Advertisements**, Budget Code: 010-00-824-447020, 010-00-890-447020 and Various Construction and Capital Projects.

Advertisements are made on an "as needed basis" in one or more of the daily or weekly newspapers listed as: The Star Ledger, The Times, Trentonian, North Jersey News, Asbury Park Press, Homes News Tribune, Courier Post, Bergen Record, Burlington Times, City News, Cranbury Press, County Times, Jersey Journal, New Jersey Law Journal, New York Times, Princeton Packet, Todays Sunbean (Salem City), Wilmington News Journal, Philadelphia Inquirer and Atlantic City Press.

At the November 9, 2007 Commission Meeting (Agenda Item #208C-07), authorization was granted to establish an open account for payment to 20 newspapers for the Authority's publishing needs. The term of the contract was for January 1, 2008 through December 31, 2008, in an amount not to exceed \$90,000. This budget amount has been exceeded due to an increased number of advertisements for public hearings, rescheduled public meetings, and other advertising needs. Due to outstanding invoices for 2008, it is requested that the contract account be increased in the aggregate amount of \$10,000.

Authorization is also requested to establish an open account for the Authority's newspaper publishing needs for 2009. These needs include, but are not limited to, notices of public meetings, auctions for disposal of vehicles, requests for proposals, public bids, contract advertisements, public notices and employment advertising. The open account will be established for the period January 1, 2009 through December 31, 2009. Based on the requirements for all Authority departments, the combined authorized amount will not exceed \$100,000. The

publishing of legal notices in newspapers, as required by law, is exempt under State procurement laws from public advertisement for bid proposals.

Therefore, for newspaper publishing needs, authorization is requested to increase Contract Account RM-394 by \$10,000 for the period through December 31, 2008, for a new total amount not to exceed \$100,000; and, further, to establish Open Requirement Contract Account RM 664 for the period January 1, 2009 through December 31, 2009, in an amount not to exceed \$100,000.

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19J-09

In the memorandum dated January 21, 2009, concerning a recommendation to **Increase Contract No. 871 – Allstate Power Vac Inc.** – Removal and Disposal of Hazardous Waste and Non-Hazardous Waste Material and Emergency Spill Response

At the February 26, 2008 Commission Meeting, authorization was granted to award a contract to Allstate Power Vac Inc. (“Allstate”) for the removal and disposal of hazardous and non-hazardous waste material and emergency spill response on both roadways in an amount not to exceed \$128,284. The term of the contract was from April 22, 2008 through April 21, 2009. Subsequently, at the December 9, 2008 Commission Meeting, authorization was granted to increase the contract by \$30,000. This contract was publicly advertised in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2 and Executive Order No. 37.

The Engineering Department has requested that the authorized amount of Contract No. 871 be increased by an additional \$43,000 to pay outstanding invoices billed for December 2008. The Engineering Staff found that the underlying Contract No. 871 specifications did not fully contemplate the extent of the environmental remediation needs with respect to the disposal of liquid waste products at the Service Areas. Specifically, the Authority has been utilizing a new technology which allows for a more effective environmental remediation of liquid waste products.

Accordingly, authorization is requested to increase Contract No. 871 with Allstate Power Vac, Inc. by \$43,000 for the Services as outlined herein. This would bring the authorized amount of the Contract to \$201,284. In the interim, staff is reviewing the need to revise the specifications for this Contract to address the need for increased disposal of liquid waste products.

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19K-09

In the memorandum dated January 12, 2009, concerning a recommendation to **Reject Sole Bid and Re-Bid Contract RM 625 and RM 632** – for Dodge and/or Chrysler OEM Vehicle Parts.

The Maintenance Department requisitioned a price agreement for the purchase of 21 items of Dodge/Chrysler original equipment manufacturer (OEM) parts for Maintenance Department vehicles under 17,500 gross vehicle weights. Bids for these items were solicited in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2 and Executive Order No. 37. The contract

was publicly advertised and requests for bids were distributed to six vendors. The bid opening took place on January 5, 2009. Only one proposal was received from AutoZone Northeast, Inc., Memphis, TN. (Another bidder arrived minutes late; therefore their bid proposal had to be returned.).

Upon review of the sole bid proposal, Purchasing Department staff found that AutoZone's submission was non-responsive to the specifications. Most significantly, AutoZone did not quote unit prices as requested in the Bid Sheet. Instead AutoZone proposed that the Authority utilize the discounts offered under their New Jersey State Contract. (AutoZone attached a copy of their State Contract to their proposal.) Moreover, AutoZone did not submit documentation for any of the administrative/legal requirements, including the mandatory requirements such as proposal guaranty, NJ Business Registration Certificate, Public Law 2005, Chapter 51 Certification, and Executive Order No. 117, Affidavit of Non-Collusion and Stockholders' Disclosure Statement. The absence of these documents constitutes grounds for rejection of the bid proposal.

Accordingly, authorization is requested to reject the bid proposal from AutoZone and either re-bid the contract or utilize the New Jersey State Contract System as determined in the Authority's best interests by the Maintenance Department Staff for this procurement.

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19L-09

In the memorandum dated January 24, 2009, concerning a recommendation to **Award Professional Services Agreement – NW Financial Group LLC** – Financial Advisory Services, Budget Code: 890-445020

The Authority's current agreement with its financial advisor expires on March 16, 2009. In order to execute a new agreement in a timely fashion, staff advertised a Request for Proposal ("RFP") for financial advisory services. The RFP was advertised in three newspapers, posted on the Authority's and State's websites and distributed to 18 firms. The professional services process was conducted in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.1(b), Executive Order No. 26 and Executive Order No. 37. Three firms responded to the RFP: Acacia Financial Group, Inc. of Marlton, NJ; NW Financial Group, LLC of Jersey City, NJ; and The PFM Group of Princeton, NJ.

The Executive Director appointed an Evaluation Committee consisting of the Authority's Deputy Executive Director, Director of Strategic Policy and Planning and Comptroller of Revenue and Finance. The Evaluation Committee thoroughly reviewed the proposals and conducted oral presentations with each firm. NW Financial Group LLC ("NW Financial") received the highest score of 93.3/100 points. The Evaluation Committee found that NW Financial's prior experience, including serving as the Authority's financial advisor for the past six years, as well as their understanding of the Authority's current needs made NW Financial's proposal most attractive. Of greatest importance to the Evaluation Committee is NW Financial's ability to close a bond issue

by May 1, 2009. The Authority anticipates entering the bond market as early as May 1, 2009, and NW Financial was the only firm which committed to this schedule.

NW Financial proposed an annual fee of \$75,000 for the base financial advisory services. In addition, the firm proposed a fee of \$.50 per thousand for bond and bond related transactions, which fee will be negotiated on an issue by issue basis. The Evaluation Committee found the fee proposal reasonable and consistent with the current fee schedule. The term of the agreement is three (3) years. A 3-year contract is necessary because of the recurring borrowing requirements of the Authority's 10-year Capital Plan and the complexity of the Authority's finances. The Authority also has the option to exercise two 1-year extensions.

Accordingly, authorization is requested to award a contract to NW Financial Group, LLC to provide financial advisory services for a term of three years in an amount not to exceed \$225,000. It is further requested that the Commissioners grant authorization to negotiate fees for related bond work, as contemplated in the RFP. Authorization is also requested to extend the contract for two additional one-year terms at the Authority's sole discretion.

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19M-09

In the memorandum dated January 24, 2009, concerning a recommendation to **Establish a Bond Underwriting Services Pool.**

The Authority requires the services of investment bankers to underwrite and sell the bonds required to fund the 10-Year \$7.0 billion Capital Investment Program. To meet this requirement the Authority issued a Request for Qualifications ("RFQ") from firms interested in serving as managing underwriter or co-managing underwriter in any of a series of bond issues that will take place over the next two years. Qualified firms will be placed in a pool from which managing and co-managing underwriters will be chosen by the Authority prior to each bond issue. The RFQ was advertised in three newspapers, posted on the Authority's and State's websites and distributed to 39 firms. The professional services process was conducted in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.1(b) and Executive Order No. 37. Thirty three (33) firms responded to the RFQ.

The Executive Director appointed a four member Evaluation Committee consisting of the Authority's Director of Finance, Comptroller of Revenue and Finance, Financial Advisor and Bond Counsel. The Evaluation Committee thoroughly reviewed the Qualifications and found that 32 firms were qualified to serve in the Underwriting Services Pool. (One firm was disqualified because it provides legal rather than underwriting services.) The Evaluation Committee considered each firm's experience with toll roads and transportation financing, the qualifications of the professionals to be assigned, knowledge of the Authority's needs, past service to the Authority and other similar public entities, and sample fee structure. In accordance with the RFQ, the Authority will negotiate fees with the underwriting firms based on the type of transactions and market conditions prevalent at the time of issuance.

The Evaluation Committee recommends all qualified responding firms be placed in the Pool. While placement in the Underwriting Services Pool does not guarantee that a firm will be chosen, it gives the Authority maximum flexibility to choose a team that will efficiently sell Authority debt over the next two years. Moreover, the Evaluation Committee concluded that due to volatile market conditions, a firm that does not appear to offer value today may offer value in the future. In addition, because economic conditions are forcing contractions in the investment banking industry, it is in the Authority's best interest to keep as many qualified firms available to participate in the underwriting services.

Accordingly authorization is requested to establish the Bond Underwriting Services Pool with the following thirty-two (32) recommended firms:

Goldman Sachs & Co.	Raymond James & Associates
Merrill Lynch Pierce Fenner & Smith	Janney Montgomery Scott LLC
Citi Global Markets Inc.	DuncanWilliams Inc.
Morgan Stanley & Co.	Fidelity Capital Markets Services
JP Morgan Securities Inc.	Jackson Securities LLC
Barclays Capital Inc.	Morgan Keegan & Co.
PNC Capital Markets LLC.	Edward Jones
First Southwest Co.	Roosevelt & Cross Inc.
RBC Capital Markets Corp.	Southwest Securites Group
Mesirow Financial Inc.	Cabrera Capital Markets LLC
Wachovia Bank National Association.	MR Beal & Co.
Siebert Brandford Shank & Co LLC.	Powell Capital Markets Inc.
Depfa First Albany Securites LLC	Rice Financial Products Inc.
Stifel Nicolaus & Co Inc	Soveriegn Securities Corp LLC
BB&T Capital Markets	Sturdivant & Co.
Ramirez & Co. Inc.	TD Securities (USA) LLC

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

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority approved the thirteen (13) item Purchasing agenda; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

20-09

Human Resources Director Garrity presented the recommendation contained in a memorandum dated January 12, 2009, concerning **Payment of Additional Premium to Prudential Financial** – Authority's Group Life Insurance Policy for Policy Year Ending: 2/1/2008, Account No. 10870-405010.

The New Jersey Turnpike Authority's Group Life Insurance Policy (No. 12897-1) contains an additional premium charge provision, which is retrospectively assessed on a policy year-end basis. Prudential tracks the cumulative amount of benefits paid vs. premiums collected and reports those numbers at the end of each policy year. In years (at policy year-end) where the cumulative premiums paid exceed benefits paid out, the Authority receives a dividend. In years where cumulative benefits paid exceed premiums, Prudential may assess an additional premium charge.

In order to ensure that Prudential retains some risk in years with extraordinarily high claim experience, the policy limits the annual assessment to a Maximum Factor Charge. The Maximum Factor Charge, which is calculated by Prudential, varies from year to year and is expressed as a percentage of annual premiums. The Maximum Factor Charge in effect for policy year-end 2008 is 13.2%.

The actual deficit at policy year-end 2008 is \$59,765.00. The Maximum Factor Charge, however, is 13.2% for this policy year. As such, Prudential is limited to assessing the Maximum Factor Charge or 13.2% of \$452,767.00 (regular premium paid) or \$54,543.00.

Authorization is therefore requested to pay \$54,543.00 to Prudential Financial for the additional premium due for policy year ending 2/1/2008.

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

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority unanimously approved the recommendation; authorized payment of the additional premium to Prudential Financial for the Authority's Group Life Insurance Policy, as presented; and received and filed the memorandum.

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21-09

Executive Director Gutierrez-Scaccetti presented the recommendation contained in a memorandum dated January 23, 2009 concerning **Reimburse the New Jersey Department of Transportation for Maintenance of Feeder Road Approaches and Off Ramps to and from the New Jersey Turnpike and the Garden State Parkway**

The New Jersey Turnpike Authority ("Authority") depends on the New Jersey Department of Transportation ("NJDOT") to provide safe and efficient passage to and from the entrances and exits of the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). Specifically, many roads under NJDOT's jurisdiction feed directly into and off of the Turnpike and Parkway. Keeping these stretches of roadway well maintained and free of debris, snow, and ice encourages the use of the Turnpike and Parkway by motorists.

In recognition of that effort, the Authority and NJDOT have developed a reimbursement agreement such that the Authority will reimburse the NJDOT an amount not to exceed \$4 million in the NJDOT's fiscal year 2009, and \$8.121 million in the NJDOT's fiscal year 2010 for these maintenance services. Funding for the 2009 reimbursement has been made available in the Authority's 2009 Supplemental Capital Fund and the funding for the 2010 reimbursement will be allocated in the Authority's 2010 Supplemental Capital Fund.

Available funds certified by the Finance Director.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized to reimburse the NJDOT for maintenance of feeder roads, in the amount of \$12.121 Million, as presented; and received and filed the memorandum.

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22-09

Electronic Toll Collection Director Switaj presented the recommendation contained in his memorandum dated January 20, 2009, concerning **Authorization to Pay Pennsylvania Turnpike Commission** as Treasurer, 2009 Annual Assessment, Membership in the E-ZPass Interagency Group, Account No. 890-445900.

By Commission action on December 19, 1991, approval was granted for the New Jersey Turnpike Authority to join with other regional toll agencies for the purpose of procuring compatible, regional electronic toll collection technology. Membership in this group, known as the Interagency Group (IAG), includes 25 agencies across 14 states.

Representatives from these agencies meet regularly to address ongoing operational and technological issues. Each year, the Executive Committee of the IAG approves a financial plan that includes member assessments. The Pennsylvania Turnpike Commission (PTC) was designated as Treasurer in overseeing the IAG budget. For 2009, the Authority's assessment is \$70,000.

Therefore, approval of payment is requested in the amount of \$70,000 to the PTC – E-ZPass Interagency Fund.

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

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority unanimously approved the recommendation; authorized the 2009 payment to the Pennsylvania Turnpike Commission as Treasurer of the IAG, as presented; and received and filed the memorandum.

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23-09

Electronic Toll Collection Director Switaj presented the recommendation contained in his memorandum dated January 23, 2009, concerning **Enter into a Subleasing Agreement with ACS State and Local Solutions Inc. ("ACS")** – in Conjunction with the Interagency Group's Procurement for Next Generation E-ZPass Technology, Test Site in Crofton, Maryland.

The New Jersey Turnpike Authority is one (1) of twenty-five (25) agencies that form an alliance known as the Interagency Group (IAG). This group procured the Mark IV technology that is used today in the E-ZPass Electronic Toll Collection Program. A contract in the form of an Irrevocable Offer (IO) with Mark IV provides the IAG with most favored pricing for the products used in the E-ZPass system. The IO requires that the IAG member agencies purchase E-ZPass

readers, antennas, and tags exclusively from Mark IV. The IAG Members use the present technology under separate, but virtually identical, contracts with expiration dates ranging from August 16, 2007 to August 16, 2010. The current NJTA contract with Mark IV terminates on August 16, 2010 unless a one-year option is exercised resulting in a termination date of August 16, 2011.

The Executive Committee of the IAG authorized, by unanimous vote, to undertake a procurement effort to continue the operations of E-ZPass agencies beyond the expiration of the Mark IV IO. Consequently, on March 20, 2008, a Request for Proposals (RFP) was issued by the MTA Bridges and Tunnels (Triborough Bridge and Tunnel Authority) on behalf of the IAG for a Next Generation E-ZPass technology. On December 2, 2008, proposals were received from four proposers in response to the RFP. Each proposer is required to abide by and to offer products and services outlined in the RFP that meet certain minimum performance and specification requirements.

As set forth in the RFP, proposals will be evaluated using five (5) evaluation categories. Various IAG Committees will evaluate and score the proposals based upon the guidelines established for the evaluation elements. Thereafter, the IAG will require certain proposers to engage in validation testing and negotiations. Validation testing is required to validate the proposer's performance claims for the equipment and to ensure their ability both to perform in accordance with the RFP and to operate in accordance with their transition plan.

The purpose of validation testing is to simulate live roadway conditions and configurations. One required test scenario is a five (5) lane, open road tolling (ORT) environment. Within the IAG, the only location that meets this condition is the Express E-ZPass lanes at the Raritan South Toll Plaza on the Garden State Parkway. Because validation testing is a time consuming endeavor that would require the closing of the Express E-ZPass lanes to revenue paying traffic, staff quickly determined that this was not a viable option.

The IAG Technical Committee conducted a survey of potential facilities for the ORT testing in the IAG member states. The survey identified a site in Crofton, Maryland as the only fully configured site that meets the requirements for the validation testing. The Crofton site has certain characteristics that are required for the testing, such as the capability to test on a five (5) lane open road environment. Other potential sites reviewed by the IAG Technical Committee require substantial engineering and construction in order to provide a comparable environment.

ACS State and Local Solutions, Inc. (ACS) currently has a lease for the Crofton site and performs testing at this location. Preliminary discussions with ACS have resulted in an agreement to sublease the Crofton site for the IAG validation testing. As this is an actual test site utilized by ACS, the agreement would also include the ability for the IAG to utilize any existing equipment at the site if the IAG elects to use such equipment. Representatives of the IAG will negotiate the terms and conditions, including cost, of the sublease with ACS.

The New Jersey Turnpike Authority has an existing relationship with ACS as ACS provides the customer service center and back office processing for the New Jersey E-ZPass system. Accordingly, the IAG has requested that the New Jersey Turnpike Authority execute the sublease on behalf of the IAG. All costs associated with the sublease will be borne by the IAG. In fact, the IAG will make direct payment to ACS thereby relieving the Authority from this task. It is estimated that the rent for the site will be less than \$29,000.

It is recommended that the New Jersey Turnpike Authority authorize an agreement with ACS for the subleasing of a test site in Crofton, Maryland with all costs associated with the sublease to be borne by the IAG.

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

On motion by Commissioner DuPont, seconded by Commissioner Pocino, the Authority unanimously approved the recommendation; authorized entry into an agreement with ACS to sublease a test site in Crofton, Maryland, in Conjunction with the Interagency Group's Procurement for Next Generation E-ZPass Technology, as presented; and received and filed the memorandum.

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24-09

Executive Director Gutierrez-Scaccetti presented the recommendation contained in her memorandum dated January 21, 2009, concerning the **2009 Annual Operating Budget**.

Submitted to the Board for consideration is the 2009 Annual Budget. Operating expenditures that are controllable by the Authority are decreasing 2% despite contractual wage increases and increased economic costs. The overall budget is flat. In order to achieve this goal the Authority has committed to the following:

- Reduction of authorized headcount by 80 positions during 2009
- Maintain a hiring and promotional freeze throughout 2009
- Reduce overtime
- Reduce the number of vehicles assigned to Authority employees
- Reduce discretionary spending

Four schedules are submitted for consideration. The first details departmental operating expenses totaling \$481,000,000. The second is the 2009 Maintenance Reserve Project list totaling \$76,500,000. Of this amount, only \$64,535,000 requires 2009 funding. The remainder is funded by prior year Maintenance Reserve deposits. The third schedule is a listing of approved projects in the Authority's Special Project Reserve Fund totaling \$33,900,000. The Authority's bond resolution requires that each year the Special Project Reserve Fund is replenished for prior year spending to a total value of \$50,000,000. The final 2009 funding requirement will be determined based on our audited 2008 financial statements. The current funding projection for 2009 is \$26,000,000. The final schedule is a listing of Supplemental Capital Fund projects for 2009. The total of this listing is \$79,750,000. The majority of the projects are carried over from the approved project listing in 2008. Additional expenditures in 2009 include \$4,000,000 for extraordinary snow expenditures which exceed our operating budget provision; \$8,250,000 for subordinated debt interest expense;

\$22,000,000 for our annual payment to the Transportation Trust Fund and \$8,200,000 for feeder road reimbursement payments to the State of New Jersey.

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

On motion by Commissioner Hodes, seconded Commissioner DuPont, the Authority unanimously approved the recommendation; adopted the 2009 Annual Budget, as presented; and received and filed the memoranda.

Executive Director Gutierrez-Scaccetti said she was happy to present a flat budget and praised the job done by the staff of the Finance and Budgets Department, especially for the extraordinary work of Comptrollers Donna Manuelli, Pamela Varga and Tracy Walters under Finance Director Benjamin Hayllar.

In addition, the Executive Director wished to revisit Law item 6-09 and said it was also important to point out the fantastic job done by attorney Mariann Zach in procuring the insurance renewals at nearly flat rates.

Chairman Dilts added that he joined in commending everyone for their hard work and was very pleased with the flat budget.

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25-09

Finance Director Hayllar presented the recommendation contained in a memorandum dated January 22, 2009 concerning **Payment of Annual Assessment to the Governor's Authorities Unit for Fiscal Year 2009**, Operating Budget Account 010-890-445030.

The New Jersey Turnpike Authority has received an assessment from the Office of the Governor's Authorities Unit. The Governor's Authorities Unit provides advisory services to the Authorities as statutory executor of policy implementation. The Authorities Unit, in turn, is funded through annual assessments of all the authorities.

Therefore, it is requested that approval be granted in the amount of \$48,641.04 to the State of New Jersey, which amount represents an annual assessment for the fiscal year July 1, 2008 to June 30, 2009.

The Executive Director certified the recommendation for consideration.

On motion by Commissioner Hodes, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized payment of the annual assessment to the Governor's Authorities Unit for Fiscal Year 2009, in the amount of \$48,641.04, as presented; and received and filed the memorandum.

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26-09

Finance Director Hayllar presented the financial results of the New Jersey Turnpike Authority for the Eleven Months ended November 30, 2008. On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority's **Financial Summary** was unanimously accepted and received for file.

Executive Director Gutierrez-Scaccetti said it is important to note that the financial statistics given in this report are prior to implementation of the toll increase.

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27-09

Operations Director Hill presented the recommendation contained in his memorandum dated January 15, 2009 concerning **Authorization to Pay Transcom – 2009 Annual Membership Contribution**, Account 10-890-445900.

As per the agreement between the New Jersey Turnpike and Transcom, the Authority is required to make an annual contribution for operating costs. The annual contribution to Transcom for 2009 is \$250,768.

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

On motion by Commissioner Pocino, seconded by Commissioner Evans, the Authority unanimously approved the recommendation; authorized payment to Transcom, in the amount of \$250,768, as presented; and received and filed the memorandum.

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28-09

Resume of All Fatal Accidents – New Jersey Turnpike: Period 1/1/08 through 1/12/09; and Garden State Parkway: Period 1/1/08 through 12/31/08; both with 2007 - 2008 Yearly Comparisons through November and December, was submitted by Operations Director Hill.

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously accepted the Resume's and received for file.

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29-09

New Jersey State Police Troops D and E - Reports of Activities for the eleven months through November and twelve months through December, 2008, including 2007 – 2008 Yearly Comparisons, were submitted by Major Del Vento, New Jersey State Police Troop E Commander.

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

At this time, the State Police were congratulated for their work on the Parkway and Turnpike during the occurring winter storm and the Major was given special "thank-you's" for the Troops.

Addendum Item

30-09

Executive Director Gutierrez-Scaccetti presented the recommendation contained in her memorandum dated January 28, 2009, concerning a **Resolution Authorizing the Amendment, Modification and/or Termination of Interest Rate Swap Agreements**

In connection with managing its interest rate costs with respect to its outstanding variable/auction rate bonds (which consist of the Series 1991 D, Series 2000 B-G, Series 2003 C and Series 2003 D Bonds), the New Jersey Turnpike Authority has previously entered into several different interest rate swap agreements with various counterparties (AIG, Citibank, Morgan Stanley and UBS).

Due to the extremely volatile conditions in the financial markets over the past several months, as well as the occurrence of several unprecedented developments, including the downgrading of the companies that have issued a swap insurance policy for the benefit of the counterparties, the Authority's actual and potential financial exposure to the counterparties has increased significantly over the past several months, and, in certain cases, the payments received by the Authority from the counterparties are no longer sufficient to provide for the payment of all or a substantial portion of the interest required to be paid by the Authority on the corresponding Bonds, thereby resulting in a significant increase to the Authority in its net interest costs.

As a result, authorization is hereby requested to permit the Executive Director or any other authorized officer of the Authority to determine, from time to time, based on market conditions and other factors existing at the time of such determination, whether it would be in the best interest of the Authority to amend, supplement, modify and/or terminate any of the interest rate swap agreements for the purpose of decreasing the Authority's interest costs and/or limiting its exposure to the counterparties. Authorization to execute all documents and take any and all actions necessary to effectuate any such amendment, supplement, modification or termination of any interest rate swap agreement is also requested.

Chairman Dilts agreed that this action will allow the most flexibility during these turbulent times.

On motion by Commissioner Pocino, seconded by Commissioner DuPont, the Authority unanimously approved the recommendation; authorized the Amendment, Modification and/or Termination of Interest Rate Swap Agreements, as presented; received and filed the memoranda; and unanimously adopted the following **Resolution 30-09**.

RESOLUTION AUTHORIZING THE AMENDMENT, MODIFICATION AND/OR TERMINATION
OF CERTAIN INTEREST RATE EXCHANGE AGREEMENTS RELATING TO VARIOUS SERIES
OF TURNPIKE REVENUE BONDS
Adopted January 28, 2009

WHEREAS, the New Jersey Turnpike Authority, a public body corporate and politic of the State of New Jersey (the "Authority"), has heretofore entered into several different interest rate exchange agreements (the "Existing Swap Agreements") with various counterparties (the "Swap Providers") which are more fully described in this Resolution;

WHEREAS, the Existing Swap Agreements were entered into by the Authority to more effectively manage its interest rate costs with respect to its outstanding Turnpike Revenue Bonds, Series 1991 D, Series 2000 B-G, Series 2003 C and Series 2003 D (the "Outstanding Variable/Auction Rate Bonds");

WHEREAS, each of the Existing Swap Agreements constitutes a "Qualified Swap" for purposes of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991, as amended and restated on September 26, 1991, as further amended and restated as of November 22, 1991, and as amended and supplemented to the date hereof (the "General Bond Resolution");

WHEREAS, due to the extremely volatile conditions in the financial markets over the past several months, as well as the occurrence of several unprecedented developments, including, without limitation, the downgrading of the municipal bond insurance companies that have issued a swap insurance policy for the benefit of the Swap Providers with respect to the Existing Swap Agreements, (i) the Authority's actual and potential financial exposure to the Swap Providers under the Existing Swap Agreements has increased significantly over the past several months, and (ii) in certain cases, the payments received by the Authority from the Swap Providers under the Existing Swap Agreements are no longer sufficient to provide for the payment of all or a substantial portion of the interest required to be paid by the Authority on the corresponding Outstanding Variable/Auction Rate Bonds, thereby resulting in a significant increase to the Authority in its net interest costs relating to the Outstanding Variable/Auction Rate Bonds; and

WHEREAS, given the recent significant increases in the Authority's actual and potential financial exposure to the Swap Providers, the significant increase to the Authority in its net interest costs relating to the Outstanding Variable/Auction Rate Bonds and the continued volatile conditions in the financial markets, the Authority now desires to authorize certain officers of the Authority to (i) review and determine, from time to time, in accordance with the provisions of this Resolution, whether it would be in the best interest of the Authority to amend, supplement, modify or terminate each Existing Swap Agreement in whole or in part, and (ii) negotiate the terms of, and execute and deliver, all agreements, documents, instruments, certificates and papers, and to do such acts and things as may be necessary, advisable or desirable in connection with any of the transactions contemplated by this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE NEW JERSEY TURNPIKE AUTHORITY, as follows:

SECTION 1. In addition to the definitions set forth above and the definitions set forth in the General Bond Resolution, which apply to any capitalized term used in this Resolution unless otherwise defined herein, the following terms shall have the meanings set forth below for all purposes of this Resolution:

"Act" shall mean the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of 1948 of the State of New Jersey, as amended and supplemented from time to time.

"AIG Swap Agreement" shall mean the Interest Rate Swap Agreement, date as of November 22, 1991, between AIG Financial Products Corp. and the Authority, as amended and supplemented, which Agreement was entered into by the Authority to manage its interest rate costs with respect to its outstanding Turnpike Revenue Bonds, Series 1991 D.

"Authorized Officer of the Authority" shall mean the Chairman or the Executive Director of the Authority or any other member, officer or employee of the Authority authorized and designated by resolution to act on behalf of the Authority.

"Bonds" shall have the meaning given to such term in the General Bond Resolution.

"Certificate of Determination" shall mean, collectively, the Certificate or Certificates of Determination to be executed by an Authorized Officer of the Authority in accordance with Section 6 of this Resolution.

"Citibank Swap Agreements" shall mean, collectively, (i) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and the Confirmation thereunder dated May 9, 2003, between Citibank, N.A. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$50,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 C, and (ii) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and Confirmation thereunder dated June 13, 2003, between Citibank, N.A. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$50,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 D.

“Existing Swap Agreements” shall mean, collectively, the AIG Swap Agreement, the Morgan Stanley Swap Agreements, the UBS Swap Agreements and the Citibank Swap Agreements.

“Morgan Stanley Swap Agreements” shall mean, collectively, (i) the ISDA Master Agreement, dated as of July 21, 2004, including the Schedule and the Credit Support Annex thereto, dated as of July 21, 2004, and the Confirmation thereunder dated August 22, 2006, between Morgan Stanley Capital Services, Inc. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to its outstanding Turnpike Revenue Bonds, Series 1991 D, (ii) the ISDA Master Agreement, dated as of July 21, 2004, including the Schedule and the Credit Support Annex thereto, dated as of July 21, 2004, and the Confirmation thereunder dated July 21, 2004, as revised as of August 21, 2006, between Morgan Stanley Capital Services, Inc. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$240,000,000 of its outstanding Turnpike Revenue Bonds, Series 2000 B through G, (iii) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and the Confirmation thereunder dated May 9, 2003, between Morgan Stanley Capital Services, Inc. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$225,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 C, and (iv) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and the Confirmations thereunder dated June 13, 2003 and July 8, 2003, between Morgan Stanley Capital Services, Inc. and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$175,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 D.

“Subordinated Indebtedness” shall have the meaning given to such term in the General Bond Resolution.

“Swap Providers” shall mean (i) with respect to the AIG Swap Agreement, AIG Financial Products Corp., and its successors and assigns, (ii) with respect to the Citibank Swap Agreements, Citibank, N.A., and its successors and assigns, (iii) with respect to the Morgan Stanley Swap Agreements, Morgan Stanley Capital Services, Inc., and its successors and assigns, and (iv) with respect to the UBS Swap Agreements, UBS AG, and its successors and assigns.

“UBS Swap Agreements” shall mean (i) the ISDA Master Agreement, dated as of July 21, 2004, including the Schedule and the Credit Support Annex thereto, dated as of July 21, 2004, and the Confirmation thereunder dated August 21, 2006, between UBS AG and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$160,000,000 of its outstanding Turnpike Revenue Bonds, Series 2000 B through G, (ii) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and the Confirmation thereunder dated May 15, 2003, between UBS AG and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$225,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 C, and (iii) the ISDA Master Agreement, dated as of May 9, 2003, including the Schedule and the Credit Support Annex thereto, dated as of May 9, 2003, and Confirmations thereunder dated June 13, 2003 and July 3, 2003, between UBS AG and the Authority, as amended and modified from time to time, which was entered into by the Authority to manage its interest rate risk with respect to \$175,000,000 of its outstanding Turnpike Revenue Bonds, Series 2003 D.

SECTION 2. The Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, in consultation with the Authority’s Financial Advisor and Bond Counsel, to review and determine, from time to time, based on the market conditions existing at the time of such determination, the provisions of each Existing Swap Agreement and such other factors as such Authorized Officer of the Authority may deem relevant, whether it would be in the best interest of the Authority to (i) amend, supplement or otherwise modify each Existing Swap Agreement, (ii) terminate each Existing Swap Agreement in whole or in part, and/or (iii) re-identify all or a portion of each Existing Swap Agreement as a “Qualified Hedge” for all or a portion of any Series of Bonds, including the Outstanding Variable/Auction Rate Bonds, or any Subordinated Indebtedness for the purposes of the Internal Revenue Code of 1986, as amended. Any such determinations made by an Authorized Officer of the Authority in accordance with the preceding sentence shall be set forth in a Certificate or Certificates of Determination executed by an Authorized Officer of the Authority in accordance with Section 6 of this Resolution.

SECTION 3. If an Authorized Officer of the Authority determines that it would be in the best interest of the Authority to do so as provided in Section 2 of this Resolution, the Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized to amend, supplement, modify or terminate each Existing Swap Agreement in whole or in part. Such amendments, supplements or modifications to an Existing Swap Agreement may include, without limitation, (a) amendments, supplements or modifications which result in the

Authority both paying and receiving a fixed rate pursuant to such Existing Swap Agreement, (b) amendments, supplements or modifications which result in the Swap Provider paying a floating rate to the Authority under such Existing Swap Agreement which is different from and/or based upon a different index than the floating rate then being paid by such Swap Provider under such Existing Swap Agreement, and (c) converting such Existing Swap Agreement to a basis swap for the remainder of the stated term of such Existing Swap Agreement or for such shorter time period as such Authorized Officer of the Authority, in consultation with the Authority's Financial Advisor and Bond Counsel, may determine; *provided, however*, that (i) in no event shall the notional amount of such Existing Swap Agreement be increased or the stated termination date of such Existing Swap Agreement be extended as a result of any such amendments, supplements or modifications, (ii) to the extent that such amendments, supplements or modifications result in the Authority continuing to have an obligation to pay a fixed rate under such Existing Swap Agreement, such fixed rate payable by the Authority shall not exceed [six] percent ([6.0]%) per annum, (iii) to the extent that such amendments, supplements or modifications, including any amendments, supplements or modifications converting such Existing Swap Agreement to a basis swap, result in the Authority having an obligation to pay a floating rate under such Existing Swap Agreement, the floating rate or index upon which such floating rate is based shall be the floating rate or index which such Authorized Officer of the Authority shall determine, in consultation with the Authority's Financial Advisor and Bond Counsel, to be the most advantageous to the Authority, (iv) to the extent that such amendments, supplements or modifications result in the Swap Provider having an obligation to pay a floating rate to the Authority which is different from and/or based upon a different index than the floating rate then being paid by such Swap Provider, the new floating rate or new index upon which such floating rate is based shall be the floating rate or index which such Authorized Officer of the Authority shall determine, in consultation with the Authority's Financial Advisor and Bond Counsel, to be the most advantageous to the Authority, and (v) any termination payment to be made by the Authority in connection with the termination, in whole or in part, of any Existing Swap Agreement shall not exceed \$_____.

SECTION 4. In addition to any of the transactions authorized by Sections 2 and 3 of this Resolution, an Authorized Officer of the Authority is hereby authorized to amend and/or terminate and cancel any swap insurance policy relating to any Existing Swap Agreement, if such Authorized Officer of the Authority, in consultation with the Authority's Financial Advisor and Bond Counsel, determines that such amendment and/or termination and cancellation of such swap insurance policy is necessary, advisable or desirable or in the best interest of the Authority.

SECTION 5. The Authorized Officers of the Authority are each hereby authorized and directed, in consultation with the Authority's Financial Advisor and Bond Counsel, to negotiate the terms of, and to execute and deliver, any and all such agreements, documents and instruments as may be necessary, advisable or desirable in connection with any of the transactions relating to the Existing Swap Agreements authorized pursuant to this Resolution, including, without limitation, any amended and restated confirmations relating to any Existing Swap Agreement.

SECTION 6. As additional proceedings of the Authority in connection with any of the transactions authorized by this Resolution, there is hereby delegated to the Authorized Officers of the Authority the power to take the following actions and make the following determinations by a Certificate or Certificates of Determination executed by any one such Authorized Officer of the Authority:

(a) To make the determination, after consultation with the Authority's Financial Advisor and Bond Counsel and in accordance with the provisions of this Resolution, whether to (i) amend, supplement or otherwise modify any Existing Swap Agreement, (ii) re-identify all or a portion of each Existing Swap Agreement as a "Qualified Hedge" for all or a portion of any Series of Bonds, including the Outstanding Variable/Auction Rate Bonds, or any Subordinated Indebtedness for the purposes of the Internal Revenue Code of 1986, as amended, and (iii) terminate any Existing Swap Agreement, in whole or in part, and to pay any termination payment required in connection with such termination from any funds or moneys of the Authority which are available to be used for such payment;

(b) To pay, from any funds or moneys of the Authority which are available to be used for such purposes, any and all of the costs and expenses incurred by the Authority in connection with any of the transactions authorized by this Resolution, including, without limitation, any and all legal fees and expenses, accounting fees and expenses, fees and expenses of the Authority's Financial Advisor, Bond Counsel and the Swap Providers to the Existing Swap Agreements and their respective counsel, and any other fees and expenses incurred in connection with any of the transactions relating to the Existing Swap Agreements authorized by this Resolution; and

(c) To make such other determinations, to execute such other agreements, documents, instruments, certificates and papers, and to do such acts and things as may be necessary, advisable or desirable in connection with any of the transactions contemplated by this Resolution.

SECTION 7. All matters determined by an Authorized Officer of the Authority under the authority of this Resolution shall constitute and be deemed matters incorporated into this Resolution and approved by the Authority, and, whenever an Authorized Officer of the Authority is

authorized or directed to take any action pursuant to this Resolution with or upon the advice, consent or consultation with or by any other person, agency, officer or official, a certificate of such Authorized Officer of the Authority may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions of the Authorized Officer of the Authority are valid and binding.

SECTION 8. Any Certificate or Certificates of Determination executed by an Authorized Officer of the Authority pursuant to Section 6 of this Resolution shall constitute a supplement to, and be deemed to supplement, this Resolution and all matters determined by an Authorized Officer of the Authority in such Certificate or Certificates of Determination shall be deemed matters incorporated into and a part of this Resolution.

SECTION 9. The Authorized Officers of the Authority are directed to report in writing to the Authority at its meeting next succeeding the date when any transaction contemplated by this Resolution relating to any Existing Swap Agreement has been completed in accordance with this Resolution. Such report shall include a short description of the amendment, supplement and/or modification which was made to such Existing Swap Agreement and the termination payment, if any, made or received by the Authority in connection with the termination of any Existing Swap Agreement. Such report shall also include a description of the basis upon which the determination was made by an Authorized Officer that such amendment, supplement, modification and/or termination of such Existing Swap Agreement was in the best interest of the Authority as required by Sections 2 and 3 of this Resolution.

SECTION 10. This Resolution shall take effect at the earliest time specified in Section 3(F) of the Act.

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Upon conclusion of the agenda, Chairman Dilts opened the floor to public comment on other matters.

Before Frank Forst, Consultant for Local 194 I.F.P.T.E, began to speak, the Chairman interjected that he wanted to also commend the roadway personnel for their hard work during this snow and ice storm that is passing through the area. Mr. Forst expressed his pride in the accomplishment of the those that keep the Turnpike clear. He then continued by saying that his primary purpose for speaking was to heartily welcome Commission Singleton to the Authority's Board. He said he has the honor of knowing Mr. Singleton as a member of the New Jersey Council of Carpenters. Mr. Singleton thanked him for his kind words as Mr. Forst distinguished him as fine, outstanding man and wished him well.

There were no further comments from the floor.

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The motion to adjourn was made by Commissioner DuPont, seconded by Commissioner Pocino and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:10 A.M., to meet on Tuesday, February 24, 2009, at 9:30 A.M.

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The Secretary acknowledges receipt of the following documents for file:

COMMUNICATIONS

Two Letters – dated December 15, 2008, from New Jersey Governor Jon Corzine and State Treasurer Rousseau – approving the adoption of Series 2008 Turnpike Revenue Bond Resolution, during proceedings of the NJTA December 9, 2008 Commission Meeting.

Two Letters – dated December 15, 2008, from New Jersey Governor Jon Corzine and State Treasurer Rousseau – approving the adoption of Series 2009 Subordinated Turnpike Revenue Bond Anticipation Note Resolution, during proceedings of the NJTA December 9, 2008 Commission Meeting.

Copy of Two Letters dated December 22, 2008, from New Jersey Governor Jon Corzine and the Governor's Director of Appointments, appointing Troy Singleton a Commissioner of the New Jersey Turnpike Authority.

ADDITIONAL REPORTS:

Purchases – under Executive Directors Delegated Authority (EDDA) Resolution 40-95, for the two months period: November 1, 2008 through December 31, 2008.

Utility Orders – (six) under EDDA 117-05; Dated January 28, 2009.

Contract Change Order Summary, Type 1 and Type 2 – Period November 21, 2008 through January 8, 2009, Dated January 28, 2009.

Construction Progress – Period Ending January 9, 2009; Dated January 28, 2009.

Rose Stanko
Secretary

APPROVED:

Stephen Dilts, Chairman and NJ Department of Transportation Commissioner

Michael R. DuPont, Treasurer

Harold L. Hodes, Commissioner

David G. Evans, Commissioner

Raymond M. Pocino, Commissioner

Clive S. Cummis, Commissioner

(ABSENT)

Troy Singleton, Commissioner