

**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, John M. Keller, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such, certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the October 22nd, 2019 Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this** 22nd day of October 2019.

ATTEST:

Kim Schurman

Kim Schurman
Secretary to the Authority

John M. Keller

John M. Keller
Executive Director

Corporate Seal

Date: October 22nd, 2019

**Received in the Governor's Office October 22nd, 2019
(hand delivered)**

Received by:

Julian Connor
Print Name

Julian Connor
Signature

Veto Period Ends:

November 6, 2019
(Write in the date the veto period ends)

PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY**BOARD OF COMMISSIONERS****Tuesday, October 22, 2019****ooo0ooo**

Chair Diane Gutierrez-Scaccetti called the meeting of the Authority's Board of Commissioners (the Board) into session in the Executive Boardroom of the Authority's Headquarters Building at 1 Turnpike Plaza in Woodbridge, New Jersey, at 9:04 A.M.

ooo0ooo**PLEDGE OF ALLEGIANCE****ooo0ooo****PRESENT**

Present were Chair Diane Gutierrez-Scaccetti, Vice Chairman Ronald Gravino, Treasurer Michael DuPont, Commissioner Raymond Pocino, Commissioner Ulises Diaz, Commissioner John Minella and Commissioner Raphael Salerno. The meeting commenced at 9:04 A.M.

ooo0ooo**ALSO PRESENT**

Executive Director John Keller, Deputy Executive Director James Carone, Chief Financial Officer Donna Manuelli; Chief Engineer Robert Fischer, Chief Information Officer Jose Dios; Director of Law Robert Carroll; Director of Human Resources Mary-Elizabeth Garrity; Director of Internal Audit Donna Wilser, Director of Maintenance Ken McGoldrick, Director of Operations Kevin Dunn; Acting Procurement and Materials Management Director Dale Barnfield (absent) , Director of Tolls John Pagliarulo; Director of Community and Government Relations Shawn Taylor; New Jersey State Police Major Ernie Giampietro, State Police Troop D; and Secretary to the Authority Kim Schurman.

Also present were: Outside Counsel, Judy Verrone, Esq., of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Governors' Authorities Unit Representative Lauren LaRusso, additional individuals consisting of other NJTA employees; interested organizations; the general public and Larry Higgs from NJ.com.

ooo0ooo**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 at least 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.

Secretary to the Authority Schurman takes Roll Call and the Following Were Present:

1. Chair Gutierrez-Scaccetti
2. Vice Chairman Gravino

3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Minella
7. Commissioner Salerno

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EXECUTIVE SESSION

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

- Contract Negotiations
- Pending Litigation
- Personnel

The motion was made by Vice Chairman Gravino and seconded by Treasurer DuPont and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority.

Executive Session was adjourned at 9:25 a.m. Chair Gutierrez-Scaccetti resumed the public portion of the meeting at 9:28 a.m.

Secretary to the Authority Schurman takes Roll Call and the Following Were Present:

1. Chair Gutierrez-Scaccetti
2. Vice Chairman Gravino
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Minella
7. Commissioner Salerno

The Secretary to the Authority reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Philip D. Murphy received the proceedings of the regular meeting of September 24, 2019; he did not exercise his power to veto any items in those minutes.

Upon motion made by Treasurer DuPont seconded by Vice Chairman Gravino the minutes of the meeting was unanimously approved.

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RECUSALS

The Secretary to the Authority reported recusals or abstentions submitted for the record:

- Vice Chairman Gravino is recused on item 250
- Commissioner Pocino is recused on items 243 through 255

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PUBLIC COMMENT

Barry Kushnir**President of Local 194**

Barry Kushnir expressed a concern to the Board regarding the slow pace of the contract negotiations. Kushnir further mentioned Local 194 offered a comprehensive economic package in May to the Authority. Kushnir said the leaders of the other Unions are also present at the meeting today. Kushnir expressed thanks to Executive Director Keller for visiting the Maintenance yards recently and Chair Gutierrez Scaccetti for reviving the Snow Rodeo. Kushnir ended by asking that the Authority to accelerate negotiations to arrive at a fair contract in a timely manner.

Michael Calleo**President of Local 200 Supervisor's Association**

Michael Calleo said he mirrors most of what Barry Kirchner said earlier. Calleo reported prior to last week's meeting, the last session for negotiations was back in July. Calleo said to date he has no new scheduled meeting. Calleo, his Board and members requested anything the Board could do to expedite the negotiation process would be appreciated.

Murray Bodin

Murray Bodin said the Authority needs to transition the leadership from his generation to the next generation. Bodin said he has historical information, but the current implementation needs to be done by others. Bodin said the Authority is living by rules that were designed 75 to 100 years ago. Bodin said the Turnpike Authority and the State of New Jersey has not transitioned yet. Bodin said he spoke at 4 MTA Committee Meetings yesterday and advised they are changing as rapidly as possible. Bodin asked that the Authority look at the way things were done in the past and give them up to save lives and money.

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CHAIR COMMENTS

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EXECUTIVE DIRECTOR COMMENTS

John Keller said over the past six weeks the Authority has participated in two snow rodeos, one involving the 18 Maintenance Districts which was held at the PNC north parking lot, and the second Rodeo was held at Island Beach State Park where our team competed against the NJDOT and SJTA. Keller advised the Authority's team had an impressive showing. Keller announced the following names: Equipment Trainers, JP Salvesen and Justin Coppola, Drivers, Dave Chirico, Mike Amoroso, Billy Wisnewski, Bill Golden and PJ Soto, and Plow Skills Challenge Team, Kevin Miles and Scott Zellner. Keller said in addition to the obstacle course and

plow skills, the Authority's Rodeo also had a best in appearance category for each district to display artwork on a plow. Keller announced this year's artwork category winner was Nick Ugliarolo whose artwork commemorates the events of September 11. Keller advised the plow is currently on display along the sidewalk in the front of the building.

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CHAIR COMMENTS

Chair Gutierrez-Scaccetti thanked all of our employees who work every day to make sure traffic moves safely both north and south.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 240-10-2019. Moved is the item as follows:

240-10-2019

Human Resources Director Mary Elizabeth Garrity submitted the Personnel Agenda, dated October 22, 2019, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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ROLL CALL

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|---------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ-SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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LAW

Director of Law, Robert Carroll, requested approval of item numbers 241-10-2019 and 242-10-2019. Moved are the items as follows:

241-10-2019

In a memorandum dated October 1, 2019, Authorization to Enter into a Temporary Access Easement Agreement with PSE&G, to allow PSE&G to Construct and Install Utility Transmission Facilities on Authority, Property located at Turnpike Maintenance District 3, also known as Block 106, Lot, 1, Chesterfield Township, Burlington County (the "Property"), was approved.

PSE&G has requested a temporary easement consisting of approximately 14,953 square feet on Authority right-of-way (the "Access Area") for a period of twelve (12) months to construct and install various transmission facilities, including a monopole, in exchange for \$5,900.00. It is proposed that the Authority will enter into an Access Agreement to grant to PSE&G and its agents, servants, employees and contractors, the non-exclusive right of ingress and egress onto, over, and across the Access Area to access PSE&G facilities on Authority property, since alternate access is not feasible. PSE&G's use of the Access Area will not prevent or adversely affect the Authority's use of its property. In addition to the above fee, PSE&G will also reimburse the Authority for costs associated with their use of this easement during certain hours, and costs associated with damage to Authority property resulting from their use of the easement. The agreement will also provide PSE&G with two (2) options to extend the agreement, each for six (6) months. Both parties have agreed to the general terms of the Access Agreement.

Based on the foregoing, it is requested that the Authority's Commissioners authorize the Executive Director to execute an Agreement incorporating the above terms and to further authorize the Executive Director to approve each of the two (2) options to extend. It is further recommended that the Executive Director be authorized to take any other actions necessary to effectuate the intent of this authorization upon review and approval of such actions by the Law Department and General Counsel.

242-10-2019

In a memorandum dated October 7, 2019, **Authorization, ratification and approval for the placement of conservation easements on the following properties in favor of the New Jersey Department of Environmental Protection (NJDEP) and the Delaware and Raritan Canal Commission (DRCC), (1) Parcels CE28X-1, CE28X-2, CE28X-3, East Windsor Township, Mercer County, also known as Block 36, Lot 1, consisting of approximately 19.434 acres, are the site of the Police Firing Range, not otherwise restricted for mitigation purposes, for which the Authority received approval from DRCC to use to fulfill environmental mitigation requirements. Authorization is requested to authorize, ratify and approve the use of these parcels for such purposes. (2) Parcels CE1241A, CE1241B-1 and CE1241B-2, Middlesex County (South Brunswick), Block 6 Lots 1, 3.0022, 4.04, 6, 7 and 8 and Block 11, Lots 6 and 7.05, consisting of approximately 261.083 acres, were purchased in connection with the Route 92 project, which was never constructed, and have been used to fulfill preservation and mitigation requirements for DEP and DRCC in connection with the Authority's Turnpike Interchange 6-9 Widening Project. Authorization is requested to authorize, ratify and approve the use of these parcels for such purposes,** was approved.

During the course of the widening of the Turnpike between Interchange 6 and

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Interchange 9 (the "Widening Project"), the Authority was required by the New Jersey Department of Environmental Protection ("NJDEP") and the Delaware and Raritan Canal Commission ("DRCC") to effectuate environmental permits and dedicate certain properties for environmental mitigation purposes. Pursuant to authority granted by the Commissioners, certain properties were purchased for this purpose and when it became apparent that additional land was needed for mitigation to fulfill environmental requirements, so as not to unduly delay the course of construction, land that the Authority already owned was used to supplement the mitigation required by NJDEP and DRCC.

The East Windsor Property has been owned by the Authority for many years, is the site of the State Police Firing Range, and was not otherwise restricted for mitigation purposes. During the course of construction of the 6-9 Widening, it became apparent that the Authority needed to use portions of this property as mitigation for environmental purposes as the site is located within the specified watershed approved by the DRCC permit. As a result, the Authority received approval from DRCC to use a portion of the property consisting of approximately 19.434 acres to fulfill its environmental mitigation requirements. The mitigation areas have been configured with the assistance and approval of New Jersey State Police. Since mitigation is now complete, the East Windsor Property now needs to be deeded with conservation easements evidencing the mitigation and severely restricting its utility to the Authority.

The South Brunswick Mitigation Property consists of parcels which have been owned by the Authority for many years, some of which were purchased in the 1990's in connection with a project which did not reach completion and were identified to be suitable to fulfill preservation and mitigation requirements for NJDEP and DRCC due to the location within the appropriate watershed to be mitigated in connection with the Authority's Turnpike Interchange 6-9 Widening Project. Since mitigation is now complete, the South Brunswick Property now needs to be deeded with conservation easements evidencing the mitigation and severely restricting its utility to the Authority.

Based on the foregoing, it is requested that the Authority's Commissioners authorize, ratify and approve actions taken to date in furtherance of the environmental mitigation outlined above. It is further recommended that the Executive Director be authorized to execute all documents incorporating the conservation restrictions indicated above, and to take any other actions necessary to effectuate the intent of this authorization, including transfer of the properties to an appropriate land steward, upon review and approval of such actions by the Law Department and General Counsel.

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino the Board unanimously approved item numbers 241-10-2019 and 242-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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ENGINEERING

Chief Engineer, Robert Fischer, requested approval of item number 250-10-2019.
Moved is the items as follows:

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ORDER FOR PROFESSIONAL SERVICES

250-10-2019

In a document dated October 8, 2019, Recommendation to Issue Supplement B to Order for Professional Services No. A3559, New Jersey Turnpike/ Garden State Parkway, Hill International, Inc., Construction Management and Inspection Services for Facilities Improvement Program, Maintenance Districts, R-153043, Budget Code: 39005013, Original Amount of OPS: \$33,660,000.00, Amount of Supplement A: \$ 4,200,000.00, Amount of Supplement B: \$1,450,000.00, Revised Amount of OPS: \$39,310,000.00, was approved.

This Order for Professional Services was approved at the December 2014 Commission Meeting, in the amount of \$33,660,000.00, to provide construction management and inspection services for the Facilities Improvement Program (Program) for Maintenance Districts on both the New Jersey Turnpike and Garden State Parkway. The original scope of work provided for construction management and inspection services to oversee the construction of fifteen (15) new multi-use buildings. This work also included the demolition or renovation of the existing buildings at these districts. The original scope of work also included the construction of the new Bloomfield New Jersey State Police motor vehicle garage and the construction oversight of four (4) maintenance sub-districts with new salt sheds. All work was scheduled to be completed by April 2018.

Supplement A provided for unanticipated construction management and inspection services known at that time. These additional services were comprised of increased efforts due to in-scope work delays, out-of-scope work and direct expenses for additional laboratory testing, specialized safety inspections and other miscellaneous costs.

Due to the complex nature of the Program, work at nearly all the original site locations was not accomplished in accordance with the durations assumed in the original scope. Delays occurred at each of the effected sites for various reasons, including; delays in the relocation and/or removal of utility company owned facilities that were impacted by the proposed site improvements; changes issued to the contract documents as directed by the Authority and/or the

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Engineer of Record; poor performance and non-performance of contractors in progressing the contract work; delays in procuring treated timber framing for the salt sheds due to their massive size; and other miscellaneous items. Due to the extremely large volume of construction permits generated from the Program, the approval and release of the permits took longer than originally scheduled.

The Authority also directed Hill International, Inc. to manage and inspect additional sites including the unanticipated swing yard that was constructed to temporarily relocate Parkway Maintenance District 7 (Clifton) staff during the construction of the new Maintenance utility building, and two (2) site lighting contracts for the parking lot areas at the PNC Bank Arts Center.

Supplement B will provide for funding to cover consulting services in support of mediation efforts planned between AP Construction Co. (APC) and the Authority for Contract Nos. T500.365 (TMD 1 / Swedesboro), P500.354 (PMD 1 / Swainton and PMD 4 / Herbertsville) and P500.361 (PMD 2 / Whitehorse and PMD 3 / Ocean). This effort includes document assembly, delay analyses, consultation with the Authority and Outside Counsel, preparation and attendance at mediation sessions as well as preparation of as-builts that were not completed by APC.

At six (6) of the 15 maintenance district sites, additional construction management and inspection services are required due to extended durations that were unknown during the preparation of Supplement A. In general, these additional delays are due to continued poor contractor performance, ongoing coordination with utility companies, and cooperation with building inspectors to obtain building permits. Site specific challenges at TMD 4 (Hightstown) include increased scope of work within the existing multi-use building such as replacement of remaining garage doors and windows due to recent condition assessment and mold remediation within the administration area beyond the scope of work. At TMD 2 (Moorsetown) and TMD 3 (Crosswicks) poor performance by the contractor continues to be an issue with late tile delivery affecting commissioning and DCA inspections. The Authority plans to seek cost recovery from contractors as a result of contractor imposed delays.

It is, therefore, recommended that Supplement B to Order for Professional Services No. A3559 be issued to Hill International, Inc. not to exceed the amount of \$1,450,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$37,860,000.00 to \$39,310,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item numbers 250-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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|-------------------------|---------|--------|---------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | RECUSED | YES | RECUSED | YES | YES | YES |

Chief Engineer, Robert Fischer, requested approval of item number 243-10-2019 through 249-10-2019 and 251-10-2019 through 254-10-2019. Moved are the items as follows:

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PUBLIC BID-AWARD OF CONTRACTS

243-10-2019

In a document dated October 3, 2019, **Recommendation to Award Contract No. P200.492, Garden State Parkway, Joseph M. Sanzari, Inc., Culvert Rehabilitation Milepost 117.4 and 117.85, R-152906, Budget Code: 030C00001E, Amount: \$4,113,642.00,** was approved.

This contract will provide for the structural rehabilitation of the corrugated metal pipe (CMP) culverts under the Parkway Southbound Express Roadway at Milepost 117.4 and Milepost 117.85, in the Townships of Holmdel and Hazlet, New Jersey. The contract work also includes repairs to the flat bottom reinforced concrete pipe culvert under the Parkway Southbound Local Roadway at Milepost 117.85, headwall repairs, riprap installation, and all other miscellaneous work necessary and incident to the completion of the project. All work is expected to be completed by October 2020.

Eight bid proposals were received on September 20, 2019 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$4,113,642.00, may be compared to the second low bidder in the amount of \$4,534,676.00. The low bid is significantly lower than the Engineer's Estimate in the amount of \$5,420,818.00, which is likely due to experience the contractor gained performing similar recent work in the vicinity. The low bidder, Joseph M. Sanzari, Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.492 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey in the amount of \$4,113,642.00 for FY 2020. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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

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244-10-2019

In a document dated October 3, 2019, Recommendation to Issue NJTA Agreement ITS2019, New Jersey Turnpike, Daktronics, Inc., Fabrication of Hybrid Changeable Message Sign Systems, R-152934, Budget Code: 39200002, Amount: \$16,050,000.00, was approved.

The services to be performed under NJTA Agreement ITS2019 (Agreement) consist of the design and fabrication of Hybrid Changeable Message Signs (HCMS) and control systems for installation and use along the New Jersey Turnpike. The HCMS will replace the existing changeable message signs. The Agreement will engage Daktronics, Inc. to deliver eighty-nine (89) HCMS, and fifty-one (51) System Controller Cabinets. This Agreement is for a five (5) year term and provides the Authority with the option for two (2) one-year extensions for additional signs and controller cabinets, if deemed necessary.

This Agreement, which was solicited in a two-step process consisting of a vendor prequalification submission, followed by a request for technical and fee proposals from the successfully prequalified proposers. The Request for Letters of Qualifications (RFLOQ) was posted on the Authority's web-site on May 6, 2019. It was also posted on GovernmentBids.com website and transmitted to nine (9) firms that are known to provide the types of services that are required for this project. One firm submitted a pre-qualification package by the June 20, 2019 submission deadline. It was reviewed and was determined to meet the requirements outlined in the Authority's RFLOQ checklist.

The firm was sent a Request for Proposal (RFP) on July 18, 2019. The Technical Proposal and separate sealed Fee Proposal was received on August 23, 2019. Daktronics, Inc's Technical Proposal was reviewed by the Review Committee and deemed acceptable. Daktronics, Inc.'s Fee Proposal was revised through negotiations and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that NJTA Agreement ITS2019 be awarded to Daktronics, Inc. of Brookings, South Dakota in the amount of \$16,050,000.00. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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ORDER FOR PROFESSIONAL SERVICES

245-10-2019

In a document dated October 4, 2019, **Recommendation to Issue Order for Professional Services No. P3717, Garden State Parkway, Jacobs Engineering Group, Inc., Supervision of Construction Services for Contract No. P200.492, Culvert Rehabilitation, Milepost 117.4 and 117.85, R-152919, Budget Code: 030C00001E, Funding Allocation: \$30,000.00 FY 2019, \$610,000.00 FY 2020, Amount: \$640,000.00**, was approved.

This Order for Professional Services will provide supervision of construction services for Contract No. P200.492, Culvert Rehabilitation, Milepost 117.4 and 117.85. These services include construction inspection, material testing, record keeping, preparation of payment estimates and other services required to ensure compliance with the contract documents.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and forty-nine (49) engineering firms were prequalified and eligible under Profile Code: B-153, Roadway Construction Inspection. Six firms submitted EOIs by the closing date of September 17, 2019.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three technically ranked firms. The firms in the order of ranking are: 1) Jacobs Engineering Group, Inc.; 2) Gannett Fleming, Inc.; and 3) Boswell Engineering. The fee submitted by Jacobs Engineering Group, Inc. has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3717 be issued to the firm of Jacobs Engineering Group, Inc. of Morristown, New Jersey, in an amount not to exceed \$640,000.00 which is allocated as follows: \$30,000.00 for FY 2019 and \$610,000.00 for FY 2020. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

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In a document dated October 10, 2019, **Recommendation to Issue Order for Professional Services No. T3781,, New Jersey Turnpike, Jacobs Engineering Group, Inc., Final Design and Permitting Services Tremley Point Connector Road, R-153519, Budget**

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Code: 080C00050, Funding Allocation:\$150,000.00FY 2019, \$4,000,000.00 FY 2020, \$6,000,000.00 FY 2021, \$5,000,000.00 FY 2022, \$2,000,000.00 FY 2023, \$750,000.00, FY 2024, \$ 435,000.00, FY 2025, Amount: \$18,335,000.00, was approved.

In 2004, Edwards and Kelcey, Inc. was engaged by the New Jersey Turnpike Authority (Authority) to provide for the final design and preparation of construction contract documents for Contract No. R-1488, “Tremley Point Connector Road” (Project). This contract was to construct a new roadway, approximately 5,750 feet long, from Industrial Road in the Borough of Carteret, to Tremley Point Road in the City of Linden. In addition to design, the scope of services also included the preparation of the regulatory environmental permits, assistance with the required public hearings, the preparation of right-of-way documents, utility relocation documents, the preparation of a geotechnical report and other ancillary items necessary for the assignment.

In November 2013, the US Coast Guard issued a Finding of No Significant Impact (FONSI) to the Environmental Assessment (EA) that was prepared for the Authority in 2010. Subsequent to this finding, the Project was transferred to the New Jersey Department of Transportation (NJDOT) in July 2016. Under the NJDOT, the Project was advanced through preliminary engineering. On April 12, 2018 the NJDOT issued Solicitation #182 for Technical Proposals as a one-step procurement process to retain an engineering firm to provide professional services for final design of the Project. NJDOT’s qualifications based procurement process resulted in the selection of Jacobs Engineering Group, Inc. (Jacobs).

In early 2019, the Project was transferred back to the Authority. The Law Department reviewed the NJDOT’s procurement process and confirmed that the selection of Jacobs was done in a manner that is consistent with the Authority’s own regulations for the procurement of professional services for engineers. Accordingly, the Authority requested Jacobs to submit a scope and fee proposal consistent with the services set forth by the NJDOT in its Solicitation #182.

Jacobs submitted a scope and fee proposal in an amount of \$18,335,000.00. The proposal is based on the scope of services set forth by the NJDOT. At the direction of the Authority, this proposal also includes an allowance in an amount of \$2,000,000.00 to be used as authorized by the Authority to evaluate and incorporate tolling facilities as may be directed since a tolling element has not been considered or included in the Project up to this point. The fee submitted by Jacobs has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3781 be issued to the firm of Jacobs Engineering Group, Inc. of Morristown, New Jersey, in an amount not to exceed \$18,335,000.00 which is allocated as follows: \$150,000.00 for FY 2019, \$4,000,000.00 for FY 2020, \$6,000,000.00 for FY 2021, \$5,000,000.00 for FY 2022, \$2,000,000.00 for FY 2023,

\$750,000.00 for FY 2024 and \$435,000.00 for FY 2025. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.26 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same.

247-10-2019

In a document dated September 27, 2019, **Recommendation to Issue Order for Professional Services Nos. T3724 and T3725, New Jersey Turnpike, Greenman-Pedersen, Inc. - OPS No. T3724, Michael Baker International, Inc. - OPS No. T3725, Order for Professional Services No. T3724, Design Services for Contract No. T100.517, Bridge Repairs and Resurfacing, Milepost 92 to 122, and the Newark Bay-Hudson County Extension (2021), R-152921, Budget Code: 030C10001E, Funding allocation: \$1,300,000.00 FY 2020, \$ 605,000.00 FY 2021, Amount: \$1,905,000.00, and, Order for Professional Services No. T3725, Design Services for Contract No. T100.518, Bridge Repairs and Resurfacing, Milepost 0 to 92, and the Pearl Harbor Memorial Turnpike Extension (2021), R-152922, Budget Code: 030C10001E, Funding allocation: \$ 900,000.00 FY 2020, \$ 445,000.00 FY 2021, Amount: \$1,345,000.00**, was approved.

Through this single procurement process, the Authority will select two consultants to furnish design services and prepare construction contract documents for the annual bridge deck and miscellaneous structural repair contracts for 2021, which will address the northern and southern portions on the Turnpike.

The design services associated with OPS No. T3724 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs, Resurfacing and Miscellaneous Structural Repairs on the northern portion of the Turnpike.

The design services associated with OPS No. T3725 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs, Resurfacing and Miscellaneous Structural Repairs on the southern portion of the Turnpike.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 48 engineering firms were prequalified and eligible under Profile Codes: A092 – Bridges: Miscellaneous Repairs and A093 – Bridges: Deck Replacement and Rehabilitation. Six firms submitted EOIs by the closing date of August 27, 2019.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking for the top three firms: 1) Greenman-Pedersen, Inc.; 2) Michael Baker International, Inc.;

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and 3) Dewberry Engineers Inc. These three firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the fee proposal of the highest technically ranked firm, Greenman-Pedersen, Inc., for OPS No. T3724 (their preferred OPS) was negotiated, which resulted in a reduction in their fee proposal. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Michael Baker International, Inc. for OPS No. T3725 was negotiated, which resulted in a reduction in their fee proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3724 be issued to the firm of Greenman-Pedersen, Inc., of Lebanon, NJ, not to exceed the amount of \$1,905,000.00 allocated as follows: \$1,300,000.00 in FY 2020 and \$605,000.00 in FY 2021. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. T3725 be issued to the firm of Michael Baker International, Inc. of Hamilton, NJ, not to exceed the amount of \$1,345,000.00 allocated as follows: \$900,000.00 in FY 2020 and \$445,000.00 in FY 2021. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.72 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

The issuance of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected 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., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

248-10-2019

In a document dated September 27, 2019, **Recommendation to Issue Order for Professional Services Nos. P3731 and P3732, Garden State Parkway, Arora and Associates, P.C. - OPS No. P3731, Pickering, Corts & Summerson, Inc. - OPS No. P3732, Engineering Services for the 2020 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. P3731, Garden State Parkway - Group 4, Milepost 149 to 172, R-152923, Budget Code: 040E10018, Funding Allocation: \$735,000.00 FY 2020, \$ 50,000.00 FY 2021, Amount: \$785,000.00, and, Order for Professional Services No. P3732, Garden State Parkway - Group 2, Milepost 96 to 123, R-152924, Budget Code: 040E10018, Funding Allocation: \$700,000.00 FY 2020, \$ 30,000.00 FY 2021, Amount: \$730,000.00,** was approved.

Through this single procurement process the Authority will select two consultants to

furnish engineering services for bridge inspections on the Garden State Parkway.

The engineering services associated with OPS No. P3731 will include inspection of 122 bridges located in the northern region of the Garden State Parkway and OPS No. P3732 will include inspection of 125 bridges located in the southern region of the Garden State Parkway. Both OPS' include FHWA Structure Inventory and Appraisal (SI&A) form updates, FHWA Element Level Inspection data collection, and preparation of bridge inspection reports.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 30 engineering firms were prequalified and eligible under Profile Code: D280C – Bridges, NBIS Program, Complex. Nine firms submitted EOIs by the closing date of August 20, 2019.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking of the top three firms: 1) Pickering, Corts & Summerson, Inc.; 2) Arora and Associates, P.C.; and 3) LS Engineering Associates Corporation. These three firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the fee proposal of the highest technically ranked firm, Pickering, Corts & Summerson, Inc., for OPS No. P3732 (their preferred OPS) was negotiated, which resulted in a reduction in their fee proposal. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Arora and Associates, P.C. for OPS No. P3731 was negotiated, which resulted in a reduction in their fee proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3731 be issued to the firm of Arora and Associates, P.C., of Lawrenceville, NJ, not to exceed the amount of \$785,000.00 allocated as follows: \$735,000.00 in FY 2020 and \$50,000.00 in FY 2021. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. P3732 be issued to the firm of Pickering, Corts & Summerson, Inc. of Phillipsburg, NJ, not to exceed the amount of \$730,000.00 allocated as follows: \$700,000.00 in FY 2020 and \$30,000.00 in FY 2021. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

The issuance of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected 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., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto,

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and Executive Order No. 37 (Corzine 2006).

249-10-2019

In a document dated October 8, 2019, **Recommendation to Issue Supplement A to Order for Professional Services No. A3640, New Jersey Turnpike and Garden State Parkway, Mott MacDonald, LLC, On-Call Environmental Remediation and Compliance Services at Various Locations along the Turnpike and Parkway Roadways, R-152926, Budget Code: 010-00-892-446050, Original OPS Amount: \$1,850,000.00, Amount of Supplement A: \$ 750,000.00, Revised OPS Amount: \$2,600,000.00,** was approved.

This Order for Professional Services was issued at the June 27, 2017 Commission Meeting, in the amount of \$1,850,000.00. Through a single procurement process, the Authority had selected two environmental engineering consultants to perform on-call environmental remediation and compliance services at various locations along the Turnpike and Parkway roadways. The consultant provided the professional services for specific tasks only after receiving written authorization through the Work Release Authorization Form process. The projects are funded on a task-by-task basis. The term of this OPS is four years.

Supplement A will provide for unanticipated additional environmental compliance services and increased level of remedial investigation/action efforts at Turnpike facilities – Southern Maintenance District 2, Crosswicks Maintenance District 3, Interchange 14, Service Area EN, Interchange 15E, Service Area 12S, Secaucus Maintenance District 8, and Jersey City Maintenance District 9; and Parkway facilities – UST systems at Southern Parkway Maintenance Districts, White Horse Maintenance District 2, Pleasant Plains State Police, Asbury Park Toll Plaza, Telegraph Hill Maintenance District 5, Clark Maintenance District 6, and Clifton Maintenance District 7 at timeframes set forth by the New Jersey Department of Environmental Protection (NJDEP). The professional services to be provided will occur at multiple sites where the Consultant/Licensed Site Remediation Professional is actively involved through the term of the agreement.

It is, therefore, recommended that Supplement A to Order for Professional Services No. A3640 be issued to Mott MacDonald, LLC not to exceed the amount of \$750,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$1,850,000.00 to \$2,600,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

251-10-2019

In a document dated October 8, 2019, Recommendation to Issue Supplement B to Order for Professional Services No. A3584, Garden State Parkway and New Jersey Turnpike, HNTB Corporation, General Consulting Engineering Services, R-152931, Budget Code: various, Original OPS Amount: \$ 43,500,000.00, Amount of Supplement A: \$ 1,850,000.00, Amount of Supplement B: \$5,900,000.00, Revised OPS Amount: \$ 51,250,000.00, was approved.

This Order for Professional Services was approved at the November 2015 Commission Meeting, in the amount of \$43,500,000.00. The terms of the New Jersey Turnpike Revenue Bond Resolution require the Authority to employ "...an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience..." (Section 709) to carry out the duties of General Consulting Engineers (GCE).

Under OPS No. A3584, the GCE performs the following services over a five-year term:

- All known services required of the General Consulting Engineers, but not limited to, services related to and required by bond resolution;
- Reports on the physical condition of the New Jersey Turnpike and Garden State Parkway;
- Construction phase reviews;
- Updates of Authority manuals;
- ITS information updates pertaining to current traffic management and tolling technologies;
- Serve as Project Manager of the implementation and operation of the new EZ Pass Customer Service Back Office;
- Assistance with ITS 5-year plan;
- Assistance with the Authority's Bridge Inspection Program as the Program's Technical Manager;
- Any additional services upon request through the Work Request Authorization Form (WRAF) process.

Supplement A in an amount of \$1,850,000.00 was issued to HNTB Corporation to assist in the emergency response and corrective actions taken that were associated with the closure and repair of the Delaware River Turnpike Bridge, Structure No. P0.00 in January 2017. HNTB was engaged to perform on-site assessment, support and coordination along with office design services for structural analysis for both the compromised structure and the repairs that were undertaken to return the structure to a serviceable condition. This work was performed on an expedited basis to restore the structure and re-open it to vehicular traffic on March 9, 2017.

Supplement B is required to increase the authorized ceiling of this OPS to permit HNTB Corporation to continue to provide professional services in accordance with the requirements of

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this GCE assignment. More specifically, Supplement B, in an amount of \$5.9 million, provides \$3.4 million for the completion of 17 active tasks and the issuance of new defined supplemental services which are beyond the currently authorized supplemental services allocation. The additional tasks to be completed during the remainder of the OPS term include, but are not limited to, document updates for guiderail, lighting and ITS standards, expansion of the environmental general permit, software development for the Traffic Permit and Lane Closing Program and Traffic Count Application, asset categorization services for capital and revenue funded projects, support services for the Pavement Management System, assistance with Right-of-Way and Jurisdictional/Maintenance limit maps and their associated activities, development and assistance with the proposed Hybrid Changeable Message Sign program and other miscellaneous items of work.

In addition to these defined services, an amount of \$2.5 million is included in this supplement request to provide funding for unanticipated service that may arise for which HNTB Corporation is uniquely qualified to perform. These funds will only be utilized when directed by the Authority.

It is, therefore, recommended that Supplement B to Order for Professional Services No. A3584 be issued to HNTB Corporation not to exceed the amount of \$5,900,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$45,350,000.00 to \$51,250,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

252-10-2019

In a document dated October 8, 2019, **Recommendation to Issue Supplement C to Order for Professional Services No. P3460, Garden State Parkway, T.Y. Lin International, Design Services for Facilities Improvement Program – Parkway North, R-152932, Budget Code: 39005013, Original Amount of OPS: \$ 6,200,000.00, Amount of Supplement A: \$ 580,000.00, Amount of Supplement B: \$830,000.00, Amount of Supplement C: \$425,000.00, Revised Amount of OPS: \$ 8,035,000.00**, was approved.

This Order for Professional Services was approved at the July 2013 Commission Meeting in the amount of \$6,200,000.00 to provide for final design services for the Facilities Improvement Program – Parkway North.

Supplement A increased the scope of services to provide for design and post-design services of a pre-engineered metal building at Parkway Maintenance District, Telegraph Hill in Holmdel (PMD-5) and a 4,500-ton salt shed facility at Garden State Parkway Montvale Service Area in Montvale. These services included building and salt shed design, associated site

improvements, utility coordination and permitting.

Supplement B provided for environmental remediation design services required at PMD-7 (Clifton) including the removal and environmental clean-up of three previously unknown underground storage tanks discovered during construction of the maintenance district. Additionally, design services at PMD-5 (Telegraph Hill) were included for the renovation of the existing print shop building and two pre-engineered metal buildings requested by the Maintenance Department. Renovation services included building design, associated site improvements, utility coordination and permitting. The pre-engineered metal building efforts included geotechnical and utility design as well as an amended Environmental Impact Statement and New Jersey Department of Environmental Protection Flood Hazard Area Individual Permit. These buildings were not in the original scope of work.

Supplement C will provide for unanticipated design and post-design services which are beyond the current authorized scope of work. This additional work includes design services to accommodate the temporary relocation of the Print Shop staff during the construction of Contract No. P500.505 (Rehabilitation of Print Shop). This Supplement also provides for a five-year monitoring and reporting services required by New Jersey Department of Environmental Protection to mitigate the riparian zone impacts resulting from Contract No. P500.486 (Pre-Engineering Metal Buildings) and additional post-design services for Contract No. P500.360 (Facilities Improvement Program - Parkway North) due to extended construction at PMD 5 (Telegraph Hill), PMD 7 (Clifton) and PMD 8 (Paramus).

It is, therefore, recommended that Supplement C to Order for Professional Services No. P3460 be issued to T.Y. Lin International not to exceed the amount of \$425,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$7,610,000.00 to \$8,035,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

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FINAL ACCEPTANCES

253-10-2019

In a document dated October 3, 2019, **All work performed on the construction contract listed below has been completed in accordance with the contract documents and to the satisfaction of the Engineering Department. Accordingly, it is recommended that this contract be deemed complete and approved for Final Acceptance. The table below includes pertinent Change Order and financial information including the final payment amount due the Contractor upon Final Acceptance,** was approved.

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| Contract No. | Contractor | Award Total Amount | No. of Change Orders | Additions/ Reductions | Final Total Contract Amount | Final Payment Amount |
|--------------|------------------------------|--------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| P200.490 | Mount Construction Co., Inc. | \$1,347,631.00 | 2 | \$579,068.07 | \$1,926,699.07 | \$169,145.54 |
| Total | | | | | | \$169,145.54 |

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultant and the Chief Engineer. All required contract documents including the Engineer's Final Certifications, Maintenance Bonds, Affidavit of Prevailing Wage and the Final Payment certificates have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Contractor has certified that there are no liens outstanding against the Contractor. Accordingly, it is recommended that the contract listed above be accepted and final payment in the amount shown above be made to the Contractor.

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ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

254-10-2019

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

- Construction Contract Progress Summary
- Change Order Summary

On motion by Treasurer DuPont and seconded by Vice Chairman Gravino the Board unanimously approved item nos. 243-10-2019 through 249-10-2019 and 251-10-2019 through 253-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 254-10-2019 and received same for file.

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ROLL CALL

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|-------------------------|---------|--------|---------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | RECUSED | YES | YES | YES |

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MAINTENANCE

Director of Maintenance Kenneth McGoldrick requested approval of item number 255-10-2019. Moved is the item as follows:

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ACKNOWLEDGE REPORTS OF
MAINTENANCE EXPENDITURES UNDER DELEGATED AUTHORITY

255-10-2019

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

- Construction Contract Progress Report
- Change Order Summary

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously accepted the reports contained in item number 255-10-2019 and received same for file.

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ROLL CALL

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|-------------------------|---------|--------|---------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | RECUSED | YES | YES | YES |

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PROCUREMENT AND MATERIALS MANAGEMENT (“PMM”)

Deputy Executive Director James Carone, requested approval of item numbers 256-10-2019 through 260-10-2019. Moved are the items as follows:

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PUBLIC BIDS

256-10-2019

In a document dated October 7, 2019, **Crack Sealing Material, CrafcO, Inc., RM-149540 (Inventory), Budget Code: Various, Amount: \$196,650.00**, was approved.

Under this contract, CrafcO, Inc. will provide hot-melt crack sealing materials which will be stored in inventory and used for maintenance repair of both asphalt and concrete pavements on both Roadways. Bidders were required to quote unit and total prices for 475,000 pounds of material. The bid was fully advertised and the five (5) vendors listed in the Authority’s database for this service were notified of the procurement. On September 11, 2019 two (2) compliant bids were received as follows:

| <u>Vendor</u> | <u>Unit Price</u> | <u>Total Bid Price</u> |
|--|--------------------------|-------------------------------|
| CrafcO, Inc., Chandler, AZ | \$.414/lb | \$196,650.00 |
| Maxwell Products, Inc., Salt Lake City, UT | \$.427/lb | \$202,825.00 |

Departmental Estimate: \$178,000.00

Non-Compliance:

An Additional bid was received from Right/Pointe, LLC of DeKalb, IL. (“Right/Pointe”)

(\$206,150.00). This bidder, however, failed to include a form of Bid Security as required in the Instructions to Bidders, specifically Section IV, paragraph B. Bid Security. This provision requires a Bidder to submit either a: (1) Letter of Surety; or (2) Proposal Bond in the amount of 10% of its bid price; or (3) Cashier's Check in the amount of 10% of the bid price. Thus, it is recommended that Right/Pointe's bid be rejected.

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

Accordingly, authorization is requested to award a one-year contract to Crafc0, Inc. for crack sealing materials for a total amount not to exceed \$196,650.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

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STATE/GOVERNMENT CONTRACTS

257-10-2019

In a document dated October 7, 2019, **Annual Computer Hardware Refresh, Dell Marketing, LP, R-152842 (ITS), Budget Code: 010 00 830 480030, State Contract Nos. 19-TELE-00656 expiring 03/31/20, Amount: \$192,783.50**, was approved.

Under this contract, SHI International Corp. ("SHI") will supply 130 computer workstations, 86 laptop computers and 48 printers. SHI will also provide miscellaneous computer hardware items required to support the Authority's end-user computing hardware infrastructure. This project replaces on average 15% of the Authority's computer hardware resources on an annual basis. This allows the ITS Department to continually refresh equipment providing the latest technologies with the least impact on end-users and allows adjustment to new technologies without adversely effecting productivity and hardware stability. This computer hardware is available from NJ State Contract No. 19-TELE-00656, which provides access to several computer hardware providers and, therefore, requires agencies to seek multiple quotes when possible to ensure the most competitive pricing. Quotes were solicited from three (3) authorized dealers, and two (2) quotes were received as follows:

| <u>Vendor</u> | <u>Total Price</u> |
|---------------------------------------|--------------------|
| Dell Marketing, LP, Round Rock, TX | \$ 192,783.50 |
| SHI International Corp., Somerset, NJ | \$ 243,020.00 |

This procurement, under State Contract No. 19-TELE-00656, is in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 *et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract under State Contract No. 19-TELE-00656 for computer hardware and accessories to Dell Marketing, LP for an amount not to exceed \$192,783.50.

258-10-2019

In a document dated October 11, 2019, IBM QRadar, Insight Public Sector, Inc., R-152887 (ITS), Budget Codes: 010 00 830 480030 / 427010, State Contract No. 89853 expiring 03/31/20, Amount: \$361,613.00, was approved.

Under this contract, Insight Public Sector, Inc. will provide the IBM QRadar hardware and software products. This security information and event management (SIEM) solution will analyze and correlate logs from network devices and applications to generate security alerts. This solution is a necessary component of the IT security infrastructure and meets the Authority's cybersecurity goals. The solution includes all software, hardware, installation and training as well as a 5-year maintenance and support program. This IBM security solution is available from NJ State Contract No. 89853, expiring 6/30/2020. Furthermore, the State Contract Index M-0003, under which Contract No. 89853 is located, provides access to several software providers and, therefore, requires agencies to seek multiple quotes to ensure the most competitive pricing. Quotes were solicited from five (5) authorized dealers and two (2) quotes were received as follows:

| <u>Vendor</u> | <u>Total Price</u> |
|--|--------------------|
| Insight Public Sector, Inc., Tempe, AZ | \$361,613.00 |
| SHI International Corp., Somerset, NJ | \$367,691.86 |

This procurement, under State Contract No. 89853, is in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 *et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract for IBM QRadar hardware and software products to Insight Public Sector, Inc. under State Contract No. 89853 for an

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amount not to exceed \$361,613.00, subject to funding availability at the time of ordering.

259-10-2019

In a document dated October 7, 2019, **OEM Automotive Parts, Fred Beans Parts, Inc., Freehold Ford, Inc., RM-152604 (Inventory) RM-152611, Budget Code: Various, State Contract Nos. 19-FLEET-00919 / 19-FLEET-00918 expiring 08/04/2022, Amount: \$ 900,000.00**, was approved.

Under these contracts, Fred Beans Parts, Inc. ("Fred Beans") and Freehold Ford, Inc. ("Freehold Ford") will supply OEM automotive parts for Authority vehicles, Class 4 and under, which consists of passenger vehicles and light-duty trucks. These parts will be used to repair, replace, and maintain various makes and models of Authority vehicles, including NJ State Police (Troop D) vehicles. Fred Beans will supply Ford, Chevrolet, Dodge, Chrysler and GM auto parts for Northern and Southern areas and Freehold Ford will supply Ford auto parts in the Central area on both Roadways. The majority of these parts are stocked in inventory but are also used for as-needed vehicle repairs by the Maintenance Department. These OEM automotive parts are available from NJ State Contract Nos. 19-FLEET-00919 and 19-FLEET-00918, expiring 08/04/2022.

This procurement, under State Contract Nos. 19-FLEET-00919 and 19-FLEET-00918, is in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award contracts to: 1) Fred Beans Parts, Inc. in the amount of \$800,000.00 under State Contract No. 19-FLEET-00919; and 2) Freehold Ford, Inc. in the amount of \$100,000.00 under State Contract No. 19-FLEET-00918, both subject to funding availability at the time of ordering. Furthermore, it is requested that the authorized amounts may be reallocated among the two vendors as required during the term of the contracts. The total authorized amount will not exceed \$900,000.00.

260-10-2019

In a document dated October 9, 2019, **Goodyear Tires and Tubes, Edwards Tire Co., Inc., Barnwell House of Tires, Inc., RM-152717 (Inventory), Budget Code: Various, State Contract 20-FLEET-00948 expiring 3/31/24, Amount: \$700,000.00**, was approved.

Under these contracts, Edwards Tire Co., Inc. and Barnwell House of Tires, Inc. will supply Goodyear tires and tubes for Authority vehicles. These vehicles include NJ State Police (Troop D) patrol cars as well as Authority passenger cars, light and heavy-duty trucks, tractors

and mowing equipment. All items will be stocked in the Authority's Inventory. These tires and tubes are available from NJ State Contract No. 20-FLEET-00948 expiring 3/31/24.

This procurement, under State Contract No. 20-FLEET-00948, is in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 *et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award contracts under NJ State Contract No. 20-FLEET-00948 for Goodyear tires and tubes to: 1) Edwards Tire Co., Inc. in the amount of \$350,000.00 and 2) Barnwell House of Tires, Inc. in the amount of \$350,000.00, both subject to funding availability at the time of ordering. Furthermore, it is requested that the authorized amounts may be reallocated among the two vendors as required during the term of the contracts. The total authorized amount will not exceed \$700,000.00.

On motion by Commissioner Pocino and seconded by Treasurer DuPont the Board unanimously approved item numbers 256-10-2019 through 260-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

| | | | | | | |
|---------------------|---------|--------|--------|------|---------|---------|
| ooo0ooo | | | | | | |
| ROLL CALL | | | | | | |
| GUTIERREZ-SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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GENERAL BUSINESS

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OPERATIONS

Director of Operations Kevin Dunn requested acceptance of item number 261-10-2019.

Moved is the item as follows:

261-10-2019

Director of Operations Kevin Dunn requested acceptance of Volumes and Crash Synopses for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2019 through 09/30/2019; with 2018-2019 Yearly Comparisons through September 2019.

On motion by Commissioner Diaz and seconded by Treasurer DuPont, the Board unanimously accepted item number 261-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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STATE POLICE

Major Ernie Giampietro requested acceptance of item number 262-10-2019. Moved is the item as follows:

262-10-2019

Major Ernie Giampietro requested acceptance of the **New Jersey State Police Troop D Activity Reports**, for September 2019, with 2018 – 2019 Yearly Comparisons.

On motion by Commissioner Diaz and seconded by Treasurer DuPont the Authority unanimously accepted the reports contained in item number 262-10-2019 and received same for file.

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FINANCE

Chief Financial Officer Donna Manuelli requested acceptance of item number 263-10-2019. Moved is the item as follows:

263-10-2019

Chief Financial Officer Donna Manuelli presented the **Financial Summary for the Nine (9) months ended September 30, 2019**, was accepted.

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously accepted item number 263-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chief Financial Officer Donna Manuelli requested approval of item numbers 264-10-2019 and 265-10-2019. Moved are the items as follows:

264-10-2019

In a memorandum dated October 17, 2019, **Authorization to Adopt the 2020 Annual Budget**, was approved.

Attached for your consideration is the 2020 Annual Budget, which includes the Authority's Revenue Budget, Operating Expense Budget, Debt Service Fund Budget, and General Reserve Fund Budget. In addition, the 2020 Annual Budget includes the Authority's Capital Budget, which consists of project budgets for the Maintenance Reserve Fund, the Special Project Reserve Fund, the Supplemental Capital Program and the Passaic River Bridge Rehabilitation Program, all of which are funded by revenue. Finally, the 2020 Annual Budget reports on all bond funded capital improvement programs and any necessary amendments to these programs.

In 2020, the Authority will continue its commitment to prudently manage the finances and

operations of the Authority to provide its customers with a safe, efficient, innovative and resilient toll road system. The 2020 Annual Budget provides sufficient funding to meet these Authority goals for its legacy roadway systems as well as the added lane miles from the widenings of the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The roadway widening program was completed in 2018 with the Garden State Parkway widening from Mileposts 35 to 42. The Authority continues to focus on state of good repair, and continues to increase its Maintenance Department staff to meet the demands of the added roadway capacity and need to maintain and improve ageing assets. In 2020, the Authority will continue and expand on its revenue protection efforts through many new initiatives, as well as continue its commitment to safety, by providing sufficient funding for State Trooper patrols and snow and severe weather events.

The Authority arrived at the 2020 Annual Budget by engaging in a comprehensive budget preparation process, which began several months ago and directed departmental managers to think strategically as well as identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2020 Annual Budget accomplishes the following:

(1) Provides sufficient funding for operating expenses to operate and maintain the legacy roadway system as well as the increased capacity added by the Turnpike and Parkway widening projects. The 2020 Annual Budget also provides funding to support the Authority's commitment to safety, while controlling operating expenses in all other functional areas;

(2) Provides for debt service payments of nearly \$842,699,000, and includes projected interest payments on a potential \$200 million new money bond issuance budgeted in mid-2020. This new money issuance will provide a portion of the funding required for the 2019 Capital Improvement Program (CIP), approved in April 2019;

(3) Provides more than \$440,000,000 of spending on Capital Budget Projects (Maintenance Reserve, Special Project Reserve, Supplemental Capital and Passaic River Bridges), an increase of 12% from 2019;

(4) Maintains a minimum unencumbered General Reserve Fund balance more than 10% of total annual revenue (\$186,500,000) as required by Board policy; and

(5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and all other financial obligations. The debt service coverage ratio is projected to be 1.50 in 2020, with a total requirements ratio of 1.24.

The proposed 2020 Revenue Budget of \$1,864,943,000 includes a projected increase in toll revenue of 1.8% on the Turnpike and 1.4% on the Parkway as compared to the 2019 Revenue Budget. The 2020 toll revenue budget was derived from a report done by the Authority's traffic engineering consultant in September 2018. Toll revenue projections for 2020

reflect normal growth and stable economic conditions, as well as the inclusion of a leap-year day. E-ZPass fees are budgeted to increase by about \$2,550,000, or 3.3%, reflecting normal growth as New Jersey E-ZPass accounts continue to increase. Interest income is expected to decrease by \$1,000,000, or 4%, based on declining short-term interest rates and stable invested balances compared to the 2019 budget assumptions. Miscellaneous revenue is expected to increase by about \$788,000, due to greater cell tower rentals due to CPI increases. Concession revenue is budgeted to increase by \$1,557,000 or 4.6%, due to an increase in revenue from the service areas remodeled and reopened in 2019. On a budget to budget basis, total revenue is expected to increase by \$31,538,000, or 1.7%. However, actual results in 2019 have exceeded budget, and when comparing the 2020 Revenue Budget to 2019 estimated actual revenue, the budgeted increase is only about \$10,100,000, or about 0.5%.

The proposed 2020 Operating Expense Budget of \$598,971,000 represents a \$16,900,000 million, or 2.9%, increase as compared to the 2019 Operating Expense Budget. Key cost factors in the 2020 Operating Expense Budget include the following:

- increased health benefit costs of \$10,800,000 based upon estimated usage and the projected medical inflation rate and current plan design;
- increased salaries and wages of \$2,900,000 reflecting potential negotiated wage increases for all employees, contractual step increases for union employees and an additional 24 new positions;
- increased maintenance costs of \$1,900,000 primarily for line striping, and drainage, roofing and lighting repairs on the roadways;
- increased pension and FICA taxes of \$1,800,000 based upon projected pension contribution rates and covered salaries;
- increased consulting expenses of \$1,300,000 to complete enhanced health benefit program audits, technology audits, and document review work required under the Bond Resolution;
- increased electronic toll collection processing costs of \$1,000,000 based on a projected increase in usage;
- increased State Police costs of \$1,800,000 due primarily to higher wages and pension costs for existing troopers based on a trooper compliment of 408;

Although it must absorb these significant and necessary cost increases, the Authority is able to propose a 2020 Operating Expense Budget with a lower increase of \$16,900,000. This increase was achieved because the Authority is expected to realize savings in several areas including utilities, net roadway damage costs, and credit card savings from lower processing costs. The 2020 budget does not include any savings in health benefits from plan design changes that are currently being negotiated. When the increases in pension, taxes and benefits

are removed, the 2020 Operating Expense Budget is only increasing by \$4,200,000, or 0.9%.

The 2020 Annual Budget also includes the 2020 Debt Service Fund Budget of \$842,699,000, which includes principal and interest payments payable through revenues on the Authority's currently outstanding bonds. The 2020 Debt Service Fund Budget is increasing by about \$9,876,000, or 1.2%, as compared to the 2019 budget mainly due to higher principal payments on existing bonds. The budget provides for interest expense on a potential \$200 million new money borrowing in mid-2020 at a 5% fixed interest rate. Debt service remains the single largest spending component of the annual budget, equal to 45% of total budgeted revenue in 2020.

The 2020 General Reserve Budget totals \$251,345,000 and includes the Authority's contractual payments due in calendar 2020 under the various state agreements, including the recently approved amendment to the State Transportation Projects Funding Agreement. The 2020 budget assumes a \$25,000,000 additional payment under this amendment will be required; however, this payment is contingent upon New Jersey Transit's receipt of Federal Funding for the Portal North Bridge project. Also included is funding for extraordinary severe weather costs, reserves for self-insured liability claims, Owner Controlled Insurance Program (OCIP) claims, and other postemployment benefit costs, and \$4,500,000 for the potential funding of a new State Police class.

In addition to the above spending, the 2020 General Reserve Budget includes \$164,186,000 in net transfers to the Construction Fund to cover the 2020 budgeted spending plans for the 2020 Supplemental Capital Program and Passaic River Bridge Rehabilitation Program.

The Authority's 2020 Annual Budget also includes its Capital Budget. The Capital Budget includes projects funded through revenues relating to the major repair, replacement and rehabilitation of the Authority's assets, as well as studies for potential capital projects. The Capital Budget includes projects funded through the Maintenance Reserve Fund, Special Project Reserve Fund, Supplemental Capital Program and Passaic River Bridges Rehabilitation Program. The highest budgeted project spending in 2020 is for roadway resurfacing, totaling \$105,000,000, followed by bridge repairs of \$75 million.

The 2020 Maintenance Reserve Fund Project Budget totals \$255,942,000, which primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. These projects have a combined budgeted spending plan for 2020 of \$195,851,000, with the remainder budgeted to be spent in 2021. The budgeted spending plan for 2020 is increasing by about 6% compared to 2019, and includes additional funding for resurfacing as well as roadway lighting, drainage structure and concrete barrier repairs. It should be noted that roadway resurfacing funding from the Maintenance Reserve Fund is increasing in 2019 by 42% to more than \$96,500,000. The increase is necessary to keep the assets in a state of good

repair according to maintenance cycles recommended by the Authority's General Consulting Engineer, HNTB Corporation ("HNTB").

The 2020 Special Project Reserve Fund Project Budget totals \$83,896,000, with a budgeted 2020 spending plan of about \$73,079,000 with the remainder to be spent in 2021. The budgeted spending plan for 2020 is increasing by about 12% compared to 2019. The 2020 Special Project Reserve Fund Project Budget provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for bridge and structure inspections and facility improvements, among other necessary projects.

The 2020 Supplemental Capital Program Project Budget totals \$176,683,000, with a 2020 spending plan budget of \$143,936,000 with the remainder to be spent in 2021. The budgeted spending plan for 2020 is increasing by about 14% compared to 2019. This budget includes all estimated 2019 carry-over projects, and provides about \$28,000,000 for new projects. The 2020 Supplemental Capital Program Project Budget includes funding to continue several necessary multi-year projects including the replacement of the toll collection equipment on both roadways, the pavement repair on the New Jersey Turnpike Interchange 14 approach, improvements to the Garden State Arts Center, and the repairs and improvements to the Service Area parking lots and outside areas.

The 2020 Amended Passaic River Bridge Rehabilitation Program Project Budget totals \$132,135,000, an increase from the original budget authorized in 2017 of \$100,000,000. The budget is being amended to reflect complete estimated costs for all necessary work to repair the 3 bridges that cross the Passaic River. The original budget was set equal to the available funding at the time which was from debt service savings. The increase in the budget will be funded by future revenue transfers from the General Reserve Fund. The 2020 budgeted spending plan is approximately \$27,000,000.

Finally, the 2020 Annual Budget includes the Authority's Capital Improvement Programs (CIPs), which provide for capital projects funded through bond proceeds. The \$7 Billion CIP, approved in December 2008, is 99% spent or committed and is nearing completion. The budget is being amended to reflect minor changes required between projects with no overall increase to the total program budget. The 2019 CIP, approved in April 2019, is underway, with about 9% spent or committed. No changes in the total program budget or individual project budgets are currently required.

The Authority's proposed 2020 Annual Budget provides the necessary Operating Expense Budget to maintain the widened roadways and existing facilities, and fund ongoing safety and revenue protection initiatives, while controlling costs in all functional areas. The 2020 Annual Budget also adequately funds the Authority's capital project needs. The proposed 2020 Annual Budget allows the Authority to meet all General Bond Resolution financial covenants and

is consistent with the Authority's Financial Management Principles and Guidelines. It is therefore recommended that the Authority adopt the attached 2020 Annual Budget. The Authority's General Consulting Engineer, HNTB, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.

265-10-2019

In a memorandum dated October 10, 2019, **New Jersey Turnpike Revenue Bond Resolution Certification 713 (c)**, was approved.

Under the provisions of Section 713 (c) of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution, certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made therefrom for such year, shall be filed with the Trustees on or before December 20.

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

The undersigned has completed the review of the financial condition of the Authority for the years 2019 and 2020. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2019 and 2020.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2019 and 2020, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2019 and 2020, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2019's revenue requirements. Specifically, the schedule provides actual revenue through September 30, 2019 and projected

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revenue for the balance of the year (October-December 2019).

Schedules D and G

These schedules set forth figures to support the certification under Section 713(c) of the Resolution demonstrating that in each calendar year (2019 and 2020) "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of

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

or

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

Schedules E and F

These schedules set forth calculations relative to 2020's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2019 and 2020 will be sufficient to comply with Section 713 (b) of the Resolution.

[Schedules A through G attached]

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item numbers 264-10-2019 and 265-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL**

| | | | | | | |
|---------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ-SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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EXECUTIVE**

Executive Director John Keller requested approval of item number 266-10-2019. Moved is the item as follows:

266-10-2019

In a memorandum dated October 1, 2019, 2020 Schedule of Board Meeting Dates, was approved.

Authorization is requested to publish public notice of the 2020 New Jersey Turnpike Authority Board Meetings in accordance with Chapter 231, P.L. 1975, as set forth in the schedule submitted below. All Board Meetings will be held at the New Jersey Turnpike Authority Administration Offices located at 1 Turnpike Plaza, Woodbridge, New Jersey; commencing at 9:00 a.m., unless otherwise notified.

| 2020 BOARD MEETING DATES (Tuesdays, 9:00 a.m.) unless otherwise noted |
|--|
| January 28 th |
| February 24 th (Monday) |
| March 24 th |
| April 28 th |
| May 27 th (Wednesday) |
| June 23 rd |
| July 28 th |
| August 25 th |
| September 22 nd |
| October 27 th |
| November 24 th |
| December 22 nd |

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item number 266-10-2019; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

ooo0ooo
ROLL CALL

| | | | | | | |
|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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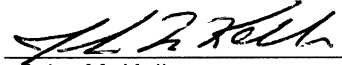
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The motion to adjourn was made by Commissioner Diaz and seconded by Commissioner Pocino, and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 10:02 a.m., and advised that it will meet again on Tuesday, November 19, 2019 at 9:00 a.m., at the Authority's headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.

ATTEST:



Kim Schurman
Secretary to the Authority



John M. Keller
Executive Director

Date: October 22, 2019

Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2019 and 2020, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

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

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2019 and 2020, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.
2. That a copy of this resolution certified by the Chief Financial Officer of the Authority, together with a certificate of said Chief Financial Officer setting forth a reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2019 and 2020 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York Mellon and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2019

| | | |
|---|--------------------|-----------------------|
| Operating Expenses | | \$ 561,000,000 |
| Debt Service Requirements (1) | | 824,449,000 |
| Maintenance Reserve Payments | | 131,468,000 |
| Special Project Reserve Payments | | <u>41,300,000</u> |
| Total Requirements | | 1,558,217,000 |
| Deduct Revenue: | | |
| Actual Revenue Provision - January - September 2019 | \$ 1,399,998,000 | |
| Estimated Revenue Provision October - December 2019 (Estimate per Schedule C) | <u>454,807,000</u> | <u>1,854,805,000</u> |
| Revenue Less Requirements | | <u>\$ 296,588,000</u> |

(1) Net Debt Service Requirement is as follows:

| | |
|--|-----------------------|
| Series 2004 C-2 Debt Service Requirement | \$ 7,307,000 |
| Series 2005 A-D Debt Service Requirement | 20,075,000 |
| Series 2009 F-H Debt Service Requirement | 140,472,000 |
| Series 2010 A Debt Service Requirement | 131,387,000 |
| Series 2012 A-B Debt Service Requirement | 95,916,000 |
| Series 2013 A-F Debt Service Requirement | 22,571,000 |
| Series 2014 A-C Debt Service Requirement | 107,912,000 |
| Series 2015 A-H Debt Service Requirement (2)(3)(4) | 123,711,000 |
| Series 2016 A-D Debt Service Requirement (2)(3) | 14,339,000 |
| Series 2017 A-G Debt Service Requirement (2)(3) | 142,349,000 |
| Series 2019 A Debt Service Requirement | 18,410,000 |
| Total Debt Service | <u>\$ 824,449,000</u> |

(1) Amount includes interest and principal payments.

(2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.

(3) Includes the fixed credit spread as interest expense.

(4) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2019

| Month | Toll Revenue | E-ZPass Fees | Build America Bonds Subsidy | Concession Revenue | Income from Investments | Arts Center Revenue | Miscellaneous (1) | Total Revenue |
|----------|----------------|---------------|--------------------------------|-----------------------|----------------------------|------------------------|-------------------|----------------|
| October | \$ 138,981,000 | \$ 6,069,000 | \$ 6,404,000 | \$ 2,551,000 | \$ 2,123,000 | \$ 39,000 | \$ 917,000 | \$ 157,084,000 |
| November | 129,751,000 | 6,082,000 | 6,404,000 | 2,556,000 | 2,055,000 | 38,000 | 916,000 | 147,802,000 |
| December | 131,614,000 | 6,393,000 | 6,404,000 | 2,432,000 | 2,123,000 | 38,000 | 917,000 | 149,921,000 |
| | \$ 400,346,000 | \$ 18,544,000 | \$ 19,212,000 | \$ 7,539,000 | \$ 6,301,000 | \$ 115,000 | \$ 2,750,000 | \$ 454,807,000 |

NOTE: (1) *Miscellaneous Revenue* includes cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, video feed licensing, and easements.

Schedule D

NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2019

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

| | | |
|--|-------------------|-----------------------|
| Revenue | | \$ 1,854,805,000 |
| Operating Expenses | | <u>561,000,000</u> |
| Net Revenue | | <u>1,293,805,000</u> |
| (i) Debt Service Requirements | \$ 824,449,000 | |
| (i)Maintenance Reserve Payments | 131,468,000 | |
| (i)Special Project Reserve Payments | <u>41,300,000</u> | <u>997,217,000</u> |
| Revenue Less Requirements | | <u>\$ 296,588,000</u> |
| Net Revenue | | \$ 1,293,805,000 |
| (ii) "... 1.20 times Aggregate Debt Service" | | |
| 1.20 x \$ 824,449,000 | | <u>989,338,800</u> |
| Excess Revenue | | <u>\$ 304,466,200</u> |
| Debt Service Coverage | | <u>1.57</u> |

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

NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2020

| | |
|---|-----------------------|
| Operating Expenses | \$ 598,971,000 |
| Debt Service Requirements (1) | 842,699,000 |
| Maintenance Reserve Payments | 134,097,000 |
| Special Project Reserve Payments | <u>41,300,000</u> |
| Total Requirements | 1,617,067,000 |
| Deduct Revenue: | |
| Estimated Revenue Provision January/December 2020 (Estimate per Schedule F) | 1,864,943,000 |
| Revenue Less Requirements | <u>\$ 247,876,000</u> |

| | |
|--|-----------------------|
| (1) Net Debt Service Requirement is as follows: | |
| Series 2004 C-2 Debt Service Requirement | \$ 7,307,000 |
| Series 2005 A-D Debt Service Requirement | 20,076,000 |
| Series 2009 F-H Debt Service Requirement | 101,943,000 |
| Series 2010 A Debt Service Requirement | 131,387,000 |
| Series 2012 A-B Debt Service Requirement | 71,327,000 |
| Series 2013 A-F Debt Service Requirement | 23,704,000 |
| Series 2014 A-C Debt Service Requirement | 77,462,000 |
| Series 2015 A-H Debt Service Requirement (2)(3)(4) | 146,671,000 |
| Series 2016 A-D Debt Service Requirement (2)(4) | 14,407,000 |
| Series 2017 A-G Debt Service Requirement (2)(4) | 222,959,000 |
| Series 2019 A Debt Service Requirement | 20,456,000 |
| Series 2020 Debt Service Requirement (5) | 5,000,000 |
| Total Debt Service | <u>\$ 842,699,000</u> |

(2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.
(3) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.
(4) Includes the fixed credit spread as interest expense.
(5) Assumed new money issuance in July 2020 of \$200 million to fund the 2019 capital program with interest at 5%.

Schedule F

NEW JERSEY TURNPIKE AUTHORITY

Estimated Revenue Provision

January 2020 through December 2020

| Month | Toll Revenue | E-ZPass Fees | Build America Bonds Subsidy | Concession Revenue | Income from Investments | Arts Center Revenue | Miscellaneous (1) | Total Revenue |
|-----------|------------------|---------------|--------------------------------|-----------------------|----------------------------|------------------------|-------------------|------------------|
| January | \$ 117,276,000 | \$ 6,947,000 | \$ 6,404,000 | \$ 2,381,000 | \$ 2,038,000 | \$ 430,000 | \$ 982,000 | \$ 136,458,000 |
| February | 113,621,000 | 6,382,000 | 6,404,000 | 2,011,000 | 1,842,000 | 431,000 | 983,000 | 131,674,000 |
| March | 129,884,000 | 6,445,000 | 6,404,000 | 2,543,000 | 2,038,000 | 430,000 | 982,000 | 148,726,000 |
| April | 135,162,000 | 6,403,000 | 6,404,000 | 2,872,000 | 1,973,000 | 333,000 | 983,000 | 154,130,000 |
| May | 142,377,000 | 6,466,000 | 6,404,000 | 3,151,000 | 2,038,000 | 332,000 | 982,000 | 161,750,000 |
| June | 145,193,000 | 5,836,000 | 6,404,000 | 3,592,000 | 1,973,000 | 333,000 | 983,000 | 164,314,000 |
| July | 153,448,000 | 6,774,000 | 6,404,000 | 3,979,000 | 2,038,000 | 332,000 | 982,000 | 173,957,000 |
| August | 152,565,000 | 6,613,000 | 6,404,000 | 4,213,000 | 2,038,000 | 333,000 | 983,000 | 173,149,000 |
| September | 137,239,000 | 6,827,000 | 6,404,000 | 2,689,000 | 1,973,000 | 332,000 | 982,000 | 156,446,000 |
| October | 141,104,000 | 7,607,000 | 6,404,000 | 2,750,000 | 2,038,000 | 39,000 | 982,000 | 160,924,000 |
| November | 131,780,000 | 7,176,000 | 6,404,000 | 2,755,000 | 1,973,000 | 38,000 | 983,000 | 151,109,000 |
| December | 133,649,000 | 6,574,000 | 6,403,000 | 2,621,000 | 2,038,000 | 38,000 | 983,000 | 152,306,000 |
| | \$ 1,633,298,000 | \$ 80,050,000 | \$ 76,847,000 | \$ 35,557,000 | \$ 24,000,000 | \$ 3,401,000 | \$ 11,790,000 | \$ 1,864,943,000 |

NOTE: (1) *Miscellaneous Revenue* includes cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, video feed licensing, and easements.

Schedule G

NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2020

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

| | | |
|--|-------------------|-----------------------|
| Revenue | | \$ 1,864,943,000 |
| Operating Expenses | | 598,971,000 |
| Net Revenue | | <u>1,265,972,000</u> |
| (i) Debt Service Requirements | \$ 842,699,000 | |
| (i)Maintenance Reserve Payments | 134,097,000 | |
| (i)Special Project Reserve Payments | <u>41,300,000</u> | <u>1,018,096,000</u> |
| Revenue Less Requirements | | <u>\$ 247,876,000</u> |
| Net Revenue | | \$ 1,265,972,000 |
| (ii) "... 1.20 times Aggregate Debt Service" | | |
| 1.20 x \$ 842,699,000 | | <u>1,011,238,800</u> |
| Excess Revenue | | <u>\$ 254,733,200</u> |
| Debt Service Coverage | | <u>1.50</u> |

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

