

**Chris Christie**, Governor  
**Kim Guadagno**, Lieutenant Governor  
**James S. Simpson**, Board Chairman  
**James Weinstein**, Executive Director

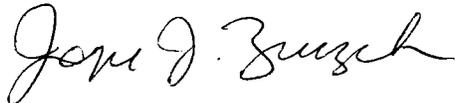
**NJ TRANSIT**  
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May 11, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, May 9, 2012.

Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, May 9, 2012.

**Present:**

James S. Simpson, Chairman  
Bruce M. Meisel, Vice Chairman  
Regina M. Egea, Governor's Representative  
David Moore, Treasurer's Representative  
James C. Finkle Jr.  
Flora Castillo (By Telephone)

James Weinstein, Executive Director  
Joyce J. Zuczek, Acting Board Secretary  
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service  
Stanley Wrobel, Deputy General Manager, Bus Operations  
Kevin O'Connor, Vice President & General Manager, Rail Operations  
Christopher Trucillo, Chief of Police  
Michael Lihvarcik, Acting Chief Financial Officer & Treasurer  
Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
Alma Scott-Buczak, Assistant Executive Director, Human Resources  
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
Carlos Ramirez, Assistant Executive Director, Corporate Affairs  
Warren Hersh, Auditor General  
Alvin R. Little, Assistant Attorney General

Chairman Simpson convened the Open Session at 9:04 a.m. in accordance with the Open Public Meetings Act.

Chairman Simpson asked for a motion to adopt the minutes of the April 11, 2012 meetings. A motion was made by Board Member James C. Finkle, Jr. seconded by Board Member Regina M. Egea and unanimously adopted.

**Public Comments on Agenda Items and Other Matters**

There were seven public comments. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

**David Peter Alan** stated that he had a productive meeting with Chairman Simpson, Executive Director Weinstein, Board Member Finkle and other senior managers prior to the start of the meeting and that this type of openness is needed not only at NJ TRANSIT but at other transit agencies both on a regional as well as national level. He said good progress was made during this meeting, especially with the Senior Citizens and Disabled Residents Transportation Advisory Committee. There are still some concerns that he wanted placed on the record.

Mr. Alan said in the last year, there has not been any movement on opening the North and South Jersey Transit Advisory Committees to the public, despite the By-laws. He urged for more transparency from both the North and South Jersey Transit Advisory committees to open up their meetings to the public, and that this should be addressed in their Bylaws, since he has not been made aware of the public being admitted to these meetings. Mr. Alan also questioned the term limits of the Chairs Suzanne Mack and Anna Marie Gonnella-Rosato of the North and South Jersey Transit Advisory Committees and pointed out that the By-laws specify a two-year limit. Mr. Alan again asked that the Board enforce the By-laws of the two committees and that members of the public be allowed to attend the meetings and be able to comment. Mr. Alan offered his assistance and that of his organization to make this progress. He complimented the Board on its openness and transparency efforts.

**Neil Weissman**, New York Cycle Club, stated he is in support of the recommendations made by the Bicycle Policy Committee regarding the bike boarding policy and has a letter from New York Club President Ellen Jaffee in support of the recommendations and in response to concerns of cyclists who have experienced restrictions. "The committee has their full backing, particularly with recommendation No. 3 that the boarding and detraining be permissible at all stations including low level platform stations at off peak times. Other welcome recommendations are improved signage, both internally and externally, and to quickly and clearly identify accessible areas; adjusting from two bikes per car to practical capacity available, realistically doubling storage without encroaching passenger walkways; asking TMAs to better educate cyclists; holding cyclists responsible to abide by regulations; asking cyclists to carry identification for one-time charge; empower conductors with the discretion to make this all work. In the long term, inclusion of overhead hooks in future procurements can make a huge difference in increasing without compromising capacity. Mr. Wiseman thanked the Board for the opportunity to speak, and in particular to Suzanne Mack for the Committee's work and to John Leon, as well as Operations staff and others in the community in support of this effort.

**Orrin Getz** stated he noticed that Long Island Railroad ran additional trains between 2:00 p.m. and 4:00 p.m. on April 6, 2012, which was not only Good Friday, but also the eve of Passover. When he asked MetroNorth about operating train #9653 on the Pascack Valley Line on Good Friday and the eve of a Jewish holiday, he was told it was rejected by NJ TRANSIT. This train fills in a two-hour gap on the Pascack Valley Line and he said that NJ TRANSIT must be more considerate when people leave early, especially on important Jewish holidays. Mr. Getz said there will be a Jewish Holiday on September 25, 2012, which is the eve of the high holy day Yom Kippur, and it would be nice if train #9653 would run to get commuters home earlier. Mr. Getz also suggested that In the long run NJ TRANSIT makes sure that the Pascack Valley Line schedule be improved by filling in that two-hour gap on a permanent basis and run that train up to Spring Valley all the time on weekdays. Mr. Getz said that is the part of the schedule that needs to be filled in, and to reinstate train #1600 for people going to work in Manhattan at 7:00 a.m., since right now the only alternative is the bus, which may be a deterrent from ridership. He also gave out a Notice from APTA stating that ridership on public transit has increased dramatically in 2011 and that 2.3 percent ridership is second highest ridership on public transit within the last 54 years. Mr. Getz said NJ TRANSIT's ridership went down 2.3 percent, which indicates what happens when

there is a dramatic fare increase and cutbacks in service. Mr. Getz said it is important to encourage the public to use mass transit.

**Steve Thorpe** said encouraging people to use mass transit, especially rail on major holidays such as New Year's Eve and St. Patrick's Day, etc., is important. However, these holidays seem to bring out the worst element in people, particularly the 20+ crowd. They get on the train and drink, and their behavior is totally out of control. In speaking to train crews they are sometimes afraid to go into the trains to deal with the problem passengers because they are afraid for their safety. Mr. Thorpe stated that on St. Patrick's Day he was on a train and saw a large police presence in Secaucus (approximately 30 transit officers); they were doing a great job of crowd control and he gave them a lot of credit. He suggested that, to discourage this type of behavior one or two police officers should ride each train, if manpower permits. This behavior also discourages customers, particularly older people, from riding. He realizes that NJ TRANSIT cannot control what people do and that goes along with his second request.

The quiet car program is excellent, and should be expanded to off-peak trains that run in the evenings especially during concert events, where there are loud and boisterous people. Mr. Thorpe said to have a quiet car so that those who desire a more quiet environment would be great.

Chairman Simpson asked Chief Trucillo if alcohol is allowed on the trains. Chief Trucillo stated there is no prohibition of alcohol consumption on trains, but instead the Police monitor the behavior of passengers.

Chairman Simpson asked Chief Trucillo if specific stations are monitored, like Penn Station New York. Chief Trucillo replied they monitor large events such as New Year's Eve. Amtrak Police cover NJ TRANSIT areas within New York Penn Station.

Chairman Simpson asked if NJ TRANSIT has to rely on Amtrak to monitor people boarding the trains for the most part in New York Penn Station. Chief Trucillo replied when there is a major event, NJ TRANSIT Police assign personnel in New York Penn Station to monitor and provide information to the other Police Officers further down the line at Secaucus and the Coast Line.

Chairman Simpson said there were two recent incidents. There was a fight on a light rail vehicle in South Jersey and another issue of a fight at New York Penn Station. Chairman Simpson said there have been extensive discussions about provide safety for passengers and these comments will be considered.

Chief Trucillo said given the manpower, NJ TRANSIT Police will continue to work with Rail and give the crews the confidence they need so if there is a problem, there will be police at the next station to deal with these issues. Having the manpower would allow Police personnel on board trains. Chief Trucillo said he would speak to Rail Operations to assist in getting the message out to the riding public that this type of behavior onboard trains will not be tolerated.

Chairman Simpson asked if the "See Something Say Something" campaign would fall in line with these types of issues and Chief Trucillo said that customers could report disruptive behavior through the text tips. NJ TRANSIT Police have received reports regarding unruly people onboard trains and Police Officers were dispatched.

Chairman Simpson asked Kevin O'Connor if employees are told to contact police in these situations. Mr. O'Connor stated that they are and also to contact the dispatch center to coordinate assistance from transit and local police. He also stated that crews have the discretion to hold up trains at stations if needed until personnel arrives.

**Joseph Clift** discussed two issues; a third single-track tunnel under the river and more investment in the corridor with Amtrak to get to a state-of-good-repair. NJ-ARP has contacted Legislators since the budgets are in for their consideration and asked them to make some changes. First is to put \$19.7 million in a line item to start the planning and design process for the building of a third rail tunnel to become part of the Gateway project and potentially the East Side Access project. Mr. Clift said that the On Time Performance chart shows the reason why the Northeast Corridor commuters are not happy with 5.4 record for on-time performance because almost two-thirds are late trains in 2011. The only way to fix that problem is to start adding capacity with a third tunnel under the river. There is no other solution. There was a big announcement last night about the first phase of Moynihan Station, and Patrick Foye of the Port Authority announced that the improvements would allow additional platform access to the west end concourse, but tracks 1 to 4 would not be accessible. At a recent meeting of the New Jersey Association of Railroad Passengers, it was stated that NJ TRANSIT would get one-quarter of the improvements paid by the State of New York because of the lack of involvement and the lack of money from New Jersey and NJ TRANSIT. Both the New Jersey Association of Railroad Passengers and the Lackawanna Coalition are on board with these two items.

The second issue is Northeast Corridor investment. There is an effort under way to see what needs to be done to bring the Northeast Corridor to a state-of-good-repair consistent with NJ TRANSIT lines. Mr. Clift said a lot of research does not need to be done, and the evidence is clear, investment on the Corridor is half of what it was compared to five years ago. The proposed budget for next year is another reduction, which means effectively that if the \$19.7 million goes through, NJ TRANSIT will be investing a little more than one-third in Fiscal Year 2013 than was invested five years ago. NJ TRANSIT, in response to Assemblyman Singleton's request at a budget hearing, that despite NJ TRANSIT's efforts, that the investment is part of the problem. A greater investment would mean greater results. Finally, if NJ TRANSIT actively pursues leadership on corridor infrastructure and on the third tunnel, it will be easier to get results from Washington. New Jersey putting money up from NJ TRANSIT will have better results in Washington.

To comment on the drinking issue, on St. Patrick's Day on the LIRR, they have recently initiated some nights specifically to not allowing drinking or carrying containers on board trains, and that is a direct effort to help police deal with this problem.

Regarding East Side Access, a newspaper article said there are geotechnical issues that have delayed the project, but there are many who have known for the last two to

three years that that project is going much slower than anticipated. It shows how hard it is to do a huge project and it would likely be better to do a piece by piece approach on any future projects under the river.

**Murray Bodin** spoke about a change in culture, especially with safety and security issues. This change in culture from the “we have always done it this way” is over and it is very hard to get a lot of people to understand that. The culture at the Port Authority has changed, as well as the MTA. NJ TRANSIT has changed as well. He thanked the Board for this move in the right direction. Mr. Bodin concluded by stating that NJ TRANSIT needs to be creative in bringing infrastructure that promotes business and jobs to this region.

**James Raleigh** discussed three topics. First, he discussed the information that was provided about the Lautenberg Station intermodal improvements. He is concerned about the lack of information provided in advance. Mr. Raleigh said he did not know until he saw this notice that he could use buses from Secaucus, as this information does not appear on timetables. Getting information out on using the system, both bus and rail, is an important thing. The two items on the Scorecard are related to the customers experience and safety and security. He would like to understand how wetlands mitigation is going to do something to help the security, except when we get to the question of special events and the cost of this project, particularly when one considers the real estate development that might be going on in the area, and of Amtrak’s Gateway and NJ TRANSIT’s involvement.

The second item Mr. Raleigh spoke about is a photo of the Trenton Transit Center which was previously seen by the Board. Mr. Raleigh asked what is being done to avoid a repeat of the flooding at the Trenton Transit Center. On Monday, Mr. Raleigh attended the budget hearings in Trenton and he stopped to look at what was going on. The picture shows that the culvert at Market Street is clogged with trees. The water is being diverted to the left culvert. He asked what is being done to avoid a repeat of the flooding and he said the answer so far is nothing.

The third item Mr. Raleigh spoke about is NJ TRANSIT’s safety and security campaign and the call or text against terror. His experience has not been good. He stated that he called the number and was put on hold. Then he called again and was transferred to a non-working number. Most recently, he was concerned about suspicious activity on the Coast Line train going into New York. He took a picture, got off the train in New York and went to the NJ TRANSIT Customer Service representative at the station, who was extremely helpful, but he was informed that in New York Penn Station, Amtrak is in charge. Three uniformed armed Amtrak police arrived to interrogate him and they stated that New Jersey rules do not apply in New York and he should not have taken pictures of suspicious activity.

Mr. Raleigh said back to the scorecard, if NJ TRANSIT wants people to use the call against terror hotline, he thinks there should be a sign like there is in New York City that a number of people, for instance 4,463, have called and this item should be included in the next Scorecard survey under Security. Mr. Raleigh commented that the bigger problem is coordination between NJ TRANSIT, Amtrak, and Port Authority of New York and New Jersey on the Moynihan project.

**Board Member Comments**

None

**Advisory Committee Report**

Suzanne Mack presented the Advisory Committee report. Ms. Mack thanked Board Member Finkle and Acting Chief Financial Officer, Michael Lihvarcik for attending the joint advisory committee meeting in Atlantic City recently. The Committees are very active in both North and South Jersey and on behalf of both committees, she thanked them for the good meeting..

In February, the Advisory Committee was asked to review the NJ TRANSIT bike policy. A Committee meeting was held in March with members of the public including Charles Brown of Voorhees Transportation Center Eugene Burke from Sundance Outdoor Advertising, Sherry Davis of New Jersey Department of Transportation Jay DiDomenico, Hudson TMA, Jerry Foster of West Windsor Bike/Pedestrian Alliance, William Nierstedt, Plainfield Planner, and Neile. Weissman, New York Cycle Club, who already spoke on this issue.

This was a collaborative effort and it received a lot of tri-state support. Also present at the Committee meeting were: Angel Soto, John Leon and John Del Colle who assisted in this effort. The Committee met and considered all the issues and drafted proposed line item changes to the policy. The Committee took the proposal to the South Jersey Transit Advisory Committee and had a full session there. The Committee is ready to make recommendations for the Board's consideration. However, vetting is still needed from other tri-state stakeholders. The proposal was voted on and adopted on April 12, 2012 by the joint committee. The subcommittee understands the rationale for continuing prohibition during peak period trains and it is understood that trains are crowded during those hours and customers take priority. The second issue, bicycles and Segways should be treated differently in the policy due to much heavier weight of the Segways. Third, the boarding and detraining should be permissible at all stations including those with low level platforms during off peak periods. Fourth, Conductors should be given discretion to allow bicycles to be moved between train cars based on individual situations and conditions.

Chairman Simpson asked if in some cases bicycles are not allowed to move between trains and Ms. Mack said the policy now is that the conductor asks the bicyclists to depart the train because they are in the wrong car. The conductor does not have the discretion under the existing policy to allow them to move through the cars. Ms. Mack said the proposal is that the conductor, who really is in charge on the train, should make that determination for the safety of the passengers. Ms. Mack provided examples where customers talked to the conductors and were told that the conductors would do it but it was not in the policy and they would get disciplined. Ms. Mack said the conductor, who is in charge of the train and passenger safety, should have the discretion to allow or not allow movement between train cars.

Ms. Mack outlined proposed changes to improve signage and improve stickers on train doors and in areas reserved for bicycles on trains. Ms. Mack believes there should be a bicycle symbol, similar to the universal symbol for handicapped accessibility, as well so a person knows where you can get on and off with the bicycle. Ms. Mack said another thought was to work with the TMAs to better inform bicyclists about boarding rules and procedures. There are nine TMAs in New Jersey and it is their mission to improve intermodal travel. They work with these issues and are a great resource to Advisory Committees and the NJTPA and it would be great to have them get the message out regarding policies and procedures to their membership.

Ms. Mack said to Issue lifetime Boarding passes that list NJ TRANSIT boarding rules and provide opportunity to better communicate with bicyclists who use the trains. The card would indicate that the bicyclist has had some contact with NJ TRANSIT, and are trying to play by the rules, but if they didn't have it this would not preclude them from going on trains. Also, contact information would be provided so that if there were changes or communication, there would be something on the system.

The next item is increased usage of bicycle storage on multilevel trains. The practical capacity available rather than the 2 bikes per train limit should be increased. The areas where wheelchairs have to be restrained should be modified so that more bicycles can be stored there. Finally, bicycle hooks for vertical storage should be included in future train equipment procurements when possible and without reducing train capacity. That would maximize the number of bicycles that can be stored on a train. This may not be done on current equipment but is a suggested item for consideration in future procurements. The Committee realizes that this is not implementable at this time but this was thought to be a reasonable list of proposals to send to staff for continued discussion. The riding community would be well served by these additions to the policy.

Chairman Simpson asked if the Committee reviewed the Long Island Railroad or Metro North's bicycle policies and Ms. Mack said the Committee reviewed Metro North's policy, but not the Long Island Railroad.

Chairman Simpson asked for an NJ TRANSIT representative to address the door stickers and asked what is the current policy. Mr. O'Connor said the current policy states that only during off peak times NJ TRANSIT allows two bikes per vehicle (per car). One of those will change , allowing up to 8 bikes on the multi-level vehicles. They are not permitted during peak periods or during overcrowded conditions. They are also not allowed during other events such as St. Patrick's Day or when wheelchair customers who need to use that space.

Mr. O'Connor said the issue is that bikes are precluded from boarding at low level stations due to the tie down area which is predominantly in the center on single level cars or inside the quarterpoint areas but not in vestibules, so customers have to carry their bicycle up and down the stairs to get onto the train on low level platform. It also means the customer has to stand the bicycle on its rear wheel and walk it through an occupied train.

Chairman Simpson asked if this is more about the low level stations and not necessarily an equipment issue. Mr. Mack recalled that MetroNorth has mostly high level platforms,

so there is no issue. She further stated that for example at Hoboken a bicyclist can get on but cannot get off, and that other issues discourage people from taking their bicycles on trains.

Chairman Simpson said all of a sudden there is a concern with the way the policy is written and Mr. O'Connor said in the past, the bicyclists were allowed access on trains during off peak only and at locations where the symbol for handicapped customers appeared. They could not board from any low level platform stations. Crews and customers were confused with the policy.

Chairman Simpson asked Ms. Mack if there is anything further to report. Ms. Mack said the joint committee published Bylaws and they will be looking for revisions by the end of the year.

Chairman Simpson said NJ TRANSIT will try to resolve the bicycle policy by the next Board Meeting, if possible. There are some complex operational issues that need to be revisited. The Board will form a subcommittee to resolve. Chairman Simpson said there was a *Wall Street Journal* article about New Jersey's greenway and having the ability to get on trains and get to Manhattan on bicycle. He said this is an important issue.

#### **Board Administration Committee Report**

Board Member Regina Egea presented the Administration Committee report to the Board. The Administration Committee reviewed the sole/single source vendor item for the purchase of replacement parts and services that are required to repair and maintain rolling stock and other equipment that was designed by the original equipment manufacturer. These vendors generally have proprietary control over their parts and components. Where feasible, staff continually seeks to develop specifications and reduce reliance on sole source vendors.

#### **Board Capital Planning, Policy & Privatization Committee Report**

Vice Chairman Bruce Meisel presented the Capital Planning, Policy & Privatization report to the Board. The Capital Planning, Policy & Privatization Committee reviewed the sublease of bus service space in Newark Penn Station to Greyhound Lines. This will continue the long history of intercity bus service provided as part of Newark Penn Station's multi-modal transportation facility and will benefit the commuters for many more years.

In addition, the Committee reviewed the need to purchase wetlands credit required to permit construction of the Frank Lautenberg intermodal facility. Capacity for special events, emergency situations and regional contingency planning will be greatly increased.

## Executive Director's Monthly Report

### Scorecard/Customer Surveys

Executive Director Weinstein said Scorecard has been the key driver and performance measurement tool for all areas of the corporation since its launch at the beginning of this fiscal year. In order to provide good public transit, NJ TRANSIT itself has to be a healthy business, and that is one of the goals of the Scorecard initiative.

By measuring in critical areas and seeking regular input from customers, Scorecard is sharpening the focus as NJ TRANSIT transforms itself into a more accountable, results-driven agency that can move customers beyond mere "satisfaction".

Executive Director Weinstein said the Scorecard initiative has made very clear in every area of NJ TRANSIT from the Rail, Bus, Light Rail and Access Link operating divisions, to customer communications, to fare collection, to capital construction, that it has a direct tie-in to the customer experience.

Executive Director Weinstein invited Rich Roberts, NJ TRANSIT's Chief Planner, to step forward and offer a further overview on Scorecard.

Mr. Roberts commented on the use of Customer Satisfaction Results. He said survey questions break down in detail the attributes to be ranked by the customer so that these rankings can be used in both determining where NJ TRANSIT is meeting customer expectations and where it is not. It also allows NJ TRANSIT to determine what responses to problem areas can be most effective so they can be acted upon.

Survey results are incorporated into how NJ TRANSIT operates its services on a daily basis, how it is communicated to customers and plan for their future needs.

The Customer Satisfaction survey is a major component of the Score Card and it is used to manage the financial and human resources to improve the experience of customers.

This is an ongoing process which seeks to continually improve what NJ TRANSIT does for its customers so NJ TRANSIT can do better and provide information which management can use to direct more staff efforts to achieve success.

By incorporating this form of customer feedback into how NJ TRANSIT manages and thinks about its business, NJ TRANSIT accepts that it needs to keep at this for a long time and that there is a distance to go in the eyes of customers, but NJ TRANSIT wants to take on that challenge.

NJ TRANSIT also asks customers to list on these survey forms whatever comments they might wish to otherwise provide. These are extracted, categorized by service and facility and shared with those managers directly responsible for specific services and facilities so they can take action to address them within available resources, or if needed, seek new resources.

Planning for future service and facility improvements also benefit from the results of these surveys because of the information they provide on how customers regard different attributes of their current services.

For example, NJ TRANSIT can dimension in direct terms how customers regard the need to transfer between modes of transportation and services and what they are seeking, that is they are seeking the easiest transfer path with good signing which is so obvious they cannot make a mistake coupled with well-coordinated services in terms of scheduling and frequency.

Because often there are trade-offs, NJ TRANSIT can use the survey results to assess whether it is striking a fair and acceptable balance between what NJ TRANSIT would prefer to do and can do.

These surveys and their results permeate everywhere with NJ TRANSIT and ensure the customers' needs and what they value in the way of performance or service attributes is built into how NJ TRANSIT does its job.

Executive Director Weinstein invited Janice Pepper, Director of Research, to present the customer survey results

Janice Pepper was pleased to present the third quarter customer satisfaction results and shared the methodology. NJ TRANSIT conducted a system wide customer satisfaction survey among Bus, Rail, Light Rail, and Access Link customers. The third quarter on line survey was open from February 21 to March 12, 2012. Over 50 NJ TRANSIT employee volunteers organized by Customer Service helped boost the response rate by distributing business cards and flyers designed by NJ TRANSIT's Creative Team to customers at key bus stops and stations, terminals, and facilities across the system and in North Jersey, Central Jersey and South Jersey.

Forty-one attributes of service were included on the questionnaire and customers were asked to rate these attributes on a scale from 0 to 10 where 0 was not at all acceptable, 5 was acceptable and 10 was excellent.

Customers were also asked to go through the list of 41 service attributes and identify the three most important attributes of service. This is used to develop a list of key drivers that are most important to customers. The goal is to focus resources on areas of service that will enhance the customer experience.

Roughly 13,000 NJ TRANSIT customers responded to the survey in the third quarter. This excellent response rate can be attributed to the use of many recruitment methods.

In particular, 141,000 emails were sent out to customers inviting them to take the survey; posters were placed on buses across the system; seat drops were made on the trains; flyers and cards were personally handed out by NJ TRANSIT employee volunteers and the three "We're Listening" customer forums also coincided with the survey period.

Ms. Pepper said the good news is system-wide customer satisfaction scores have increased from 5.1 in the second quarter to 5.8 in the current survey. The scorecard metrics goal is 6.0 so NJ TRANSIT is almost there.

Ms. Pepper said this is attributed to predominantly increased scores on key drivers in the bus market (60 percent of the customer base) and rail (30 percent of the customer base) markets.

Analyzing the customer satisfaction scores by market reveals that NJ TRANSIT received higher scores on three key drivers from the bus customer who makes up 60 percent of the customer base.

Weekday evening peak schedule, on-time performance, and fares all received higher scores from the bus customers, pushing the overall score for bus to a 5.9. On the rail side, which makes up roughly 30 percent of the customer base, scores increased from 4.1 to 5.3.

This is predominantly due to increased scores on the key drivers of fares, handling of service disruptions, announcements and information during service disruptions, mechanical reliability and on-time performance.

On-time performance scores increased so drastically that they are no longer a key driver to improve for rail. (3.9 to 5.5)

Additionally, Light Rail and Access Link scores also sustained increases continuing the solid performance of both divisions.

Ms. Pepper said the best news is the ultimate question of the customer's likelihood to recommend NJ TRANSIT to a friend or relative. Nearly three out of four customers told NJ TRANSIT that they were either somewhat likely or very likely to recommend NJ TRANSIT to a friend or relative. This question indicates the level of customer loyalty of NJ TRANSIT riders, and the results show a substantial increase from the prior quarter.

Ms. Pepper mentioned earlier the key drivers that customers identified as part of the survey. This chart presents the key drivers by mode that customers would like NJ TRANSIT to improve. NJ TRANSIT used the key driver analysis to focus on these areas: service attributes that customers said NJ TRANSIT needs to improve.

For Bus, Rail, Light Rail and Access Link: on-time performance is a key driver and NJ TRANSIT has improved on-time performance scores across all modes, and received improved customer satisfaction scores for on-time performance across all service modes.

In particular, the Rail on-time performance Customer Satisfaction Score increased from 3.9 in Quarter 2 to 5.5 in Quarter 3.

The Customer Satisfaction scores for fares increased for Rail, Bus, and Access Link. NJ TRANSIT has clearly assured customers that we are holding the line on fares.

Ms. Pepper said an important key driver is how NJ TRANSIT communicates to customers. Handling of service disruptions, information during service disruptions are key drivers for rail customers. The “Going Social” and “We Are Listening” campaigns have been shared with customers, and clearly left a positive impression. In early March, NJ TRANSIT sustained major rail service interruptions during this survey period. This focus on communication is paying real dividends. NJ TRANSIT knows that communication is the key to a good customer relationship. Some communication tools the NJ TRANSIT team prepared this past quarter that helped shape the recent scores include a “What’s Up” Brochures which were distributed to customers at the Port Authority Bus Terminal and were developed using the comments the interstate bus customers included in the previous customer satisfaction survey,

The “We Are Listening” Forums were held at Penn Station New York on February 29, 2012 and at the Port Authority Bus Terminal on March 6, 2012 and at Hoboken Terminal on March 8, 2012.

The Public Information Department successfully pushed an effective message informing customers about the Scorecard, the customer satisfaction survey, the Scorecard initiative as a whole and the specific programs in place at NJ TRANSIT to address customer concerns.

NJ TRANSIT believes that a team of dedicated employees, a strong communication plan, and a genuine focus on listening helped contribute to the overall system score increasing to 5.8. NJ TRANSIT also knows that it has much more work to do to continue to measure performance based on customer satisfaction scores and focus on the areas of service most important to customers.

Board Member Flora Castillo left the meeting (via telephone) at 10:05 a.m.

Executive Director Weinstein this is a tremendous achievement for NJ TRANSIT. He highlighted one specific question which asks whether customers would recommend NJ TRANSIT to a friend, relative or neighbor.

For the third quarter, nearly 75 percent of the customers would recommend NJ TRANSIT to a friend, relative or neighbor, an increase from the previous survey results of 66 percent.

This is a strong show of confidence in New Jersey’s transit system, and Executive Director Weinstein strongly believes that continually asking this question will best guide the efforts to serve the customers well.

Executive Director Weinstein turned the program over to team members who have prepared brief updates on what NJ TRANSIT is doing to “move the needle” in each of the five strategic areas of focus of the Scorecard initiative, which in turn, has an impact on overall customer satisfaction.

Executive Director Weinstein highlighted the area of Safety and Security and introduced Sergeant Robert Gatchell of the NJ TRANSIT Police Department.

Sergeant Gatchell said Safety and Security is one of the five pillars of the Scorecard. The NJ TRANSIT Police Department's mission goals are Counter-Terrorism, Crime Suppression and Service. The NJ TRANSIT Police Department deploys an Intelligence Driven policing strategy by identifying trends and compiling data from various sources. Internal trends at NJ TRANSIT are crime statistics reporting such as locations of frequent trespassers, unsafe or hazardous conditions and the Scorecard itself, addressing areas of deficiency needing improvement. External trends from local, county, state and federal agencies determine potential impact to NJ TRANSIT. Transportation trends within other transit agencies, transit specific problem, potential for future at NJ TRANSIT.

Sergeant Gatchell said through Comparative Statistics (CompStat) data is reviewed and analyzed to form both preventative and target-specific strategies. CompStat is held weekly and is attended by Police Command Staff. Examples of strategies are: Cellular phone and electronics thefts, a plainclothes unit called silver shield was formed to target these crimes. The Police Department worked with Marketing to develop a pamphlet that was distributed to commuters to make them aware of ways to secure their devices and prevent thefts and most recently, a video on the NJ TRANSIT "youtube" page.

He said as part of the Community Outreach Program, officers go out to businesses within the vicinity of a station, terminal, yard, garage or facility to engage them as another set "eyes and ears" for the reporting of suspicious or criminal behaviors. The business owners know their neighborhoods and are able to alert the Police of things that are out of the ordinary

Sergeant Gatchell said the Police Department works in partnership with Rail Operations to attend presentations at local schools and businesses to provide awareness on rail safety.

Executive Director Weinstein highlighted the area of Customer Experience and introduced Rick Klittich, Supervisor of Customer Service.

Mr. Klittich said the Customer Service Department has become a well-rounded machine that is wholly dedicated to serving the needs of the public. NJ TRANSIT is constantly looking forward and improving the customer experience in any way it can. Mr. Klittich was pleased to report on two of the most significant areas.

Mr. Klittich said the Customer Service Team handles several hundred pieces of customer feedback each day. They recognize that a customer who receives a quality response promptly following their feedback submission is likely to be more satisfied with the organization than those customers who wait longer periods of time. From October to December of last year, NJ TRANSIT averaged a case processing time of 2.85 days, something that it is very proud of, considering case processing time is measured from the customer's initial contact with NJ TRANSIT to the closing of the case, consisting of researching the problem, prompting an investigation, and communicating a satisfactory response to the customer. From January to March of 2012, NJ TRANSIT actually improved by more than half-a-day, averaging a case processing time of 2.23 days. NJ TRANSIT exceeded the processing time goal of 2.5 days, a direct result of

continued focus on case volume distribution and the monitoring of staff performance and productivity.

Mr. Klittich said the call center in Maplewood answers thousands of calls each day. Between January and March of this year, the average speed of answer (which is the average time a customer remains on hold to speak to a live operator) was just 39 seconds. This is a significant improvement from the 68 seconds in the previous quarter and it substantially exceeded the goal of one minute. The Percentage of Calls Answered also improved from 89 percent last quarter to 94 percent this quarter, a result of efficient operation of the call center, as well as the adjusting of staff schedules to meet anticipated call volume. The more customers who reach a live operator, combined with the less time those customers remain on hold, will always equate to a higher level of customer satisfaction. Results like these will no doubt continue to move the needle in the right direction.

Executive Director Weinstein highlighted the area of Corporate Accountability and introduced Sean Kacsmar, Manager of Technical Support Training for NJ TRANSIT Bus Operations.

Mr. Kacsmar discussed how Bus Operations is moving the needle toward greater corporate accountability. Corporate accountability is "using our resources to maximize their benefit to our stakeholders" and improving on-time performance is critical.

Mr. Kacsmar pointed to a few specific items. On a daily basis, NJ TRANSIT parks approximately 175 buses in the Weehawken Bus Lot. To improve on-time-performance at the Port Authority Bus Terminal, running time from Weehawken to the Port Authority Bus Terminal was increased across the board, doubling during certain evening peak periods.

Deadhead time, a term used in operations describes the time an operator travels without passengers to get to a revenue service starting point, and this was increased by 10 percent for all weekday trips in the Meadowlands Bus Garage.

NJ TRANSIT also added additional morning/evening peak period trips across the entire bus system to meet increased demand.

Mr. Kacsmar said the Port Authority Bus Terminal has many moving parts. To make customers more familiar about the realities of operating bus service in and around the Port Authority Bus Terminal, NJ TRANSIT recently distributed an informational brochure, which details this information in a clear, easily understood manner.

Mr. Kacsmar said those are just a few of the things NJ TRANSIT Bus Operations is focused on in growing greater corporate accountability. NJ TRANSIT will continue to look for new ways to improve the customer experience

Executive Director Weinstein highlighted the area of Financial Performance and introduced Jai Patel, Director of Budget Development, Financial Planning & Government Reporting.

Ms. Patel said the key to “moving the needle” in the strategic area of Financial Performance is reducing costs and maximizing revenues.

The Budget Department plays a major role within the organization to achieve the goals of the metrics, Budget Adherence, Farebox Recovery Rate, Subsidy per Customer Trip, and Pension Funding

The Budget Team has meetings with all the departments to discuss their current budget as well as the upcoming fiscal year budget which includes: Discussing favorable and unfavorable variances; assisting staff to reprioritize funding based on actual needs; ensuring costs are accurately recorded, reporting inconsistencies and errors; ensuring usage of capital funds is maximized within the parameters of grant funds.

The Budget Team will conduct site visits to become more familiar with the needs of each Department to better evaluate budget requests and monthly expenses and to understand the uniqueness of each area. Beginning this month, budget staff will go out to each of the bus garages to assist in the Fiscal Year 2013 budget development at the garage level. This allows budget and bus staff to work together to develop accurate budgets thereby achieving goals.

The Budget Team will facilitate the interaction of the necessary Departments to resolve issues or to accomplish new initiatives to maximize revenues and create efficiencies.

The Budget Team will ensure proper funds are budgeted to each Department so the organizational goals are achieved.

Executive Director Weinstein highlighted the area of Employee Excellence and introduced Lyla Wilkins, Travel Desk Administrator, Accounts Payable Department.

Ms. Wilkins said the phrase Employee Excellence is a subjective term that automatically evokes thought, emotion, opinion, and past experiences. On average, American adults spend nearly half of their waking hours at work. She said someone once told her, to be the change that she is looking for. You lead by example, You show up, You be responsible and You function at full capacity at all times. Ms. Wilkins said when she came to NJ TRANSIT almost 12 years ago; she sought to be the change within her area. An area which is comprised of a very diverse group of individuals both agreement and non-agreement but she felt it needed more cohesiveness and teamwork. Together Everyone Achieves More (TEAM). Ms. Wilkins started the Sunshine Club and hosted the first annual Accounts Payable Family Day at her home. The concept grew and so did participation from the entire staff. Ms. Wilkins was happy to say that her team is in the planning phase of the 9<sup>th</sup> Annual Accounts Payable Family Day.

Ms. Wilkins said she is a member of NJ TRANSIT’s Employee Engagement Workgroup, which is comprised of a cross section of employees from the organization who are committed to Employee Excellence. The workgroup has been diligently working on recommendations to ensure NJ TRANSIT sustains employee excellence. At each meeting, Ms. Wilkins sees the excitement, commitment and dedication that her colleagues bring to the group to ensure NJ TRANSIT moves the needle in the area of Employee Excellence.

Taking a quote from the Walt Disney Company, Ms. Wilkins said that NJ TRANSIT employs excellence because she spends nearly half of her waking hours working with Heroes.

Executive Director Weinstein said substantial progress has been made in terms of moving the needle for customer satisfaction, but the job is not done. NJ TRANSIT will continue to look for ways to improve the overall customer experience on the system.

Executive Director Weinstein recognized the achievements and saluted the nearly 12,000 NJ TRANSIT employees who did their part to move the needle and thanked everyone.

Chairman Simpson said the bus service at the Port Authority Bus Terminal is limited by physical facilities and asked if all the service terminates at the bus terminal. Stan Wrobel said the service terminates at the George Washington Bridge Bus Station and also in Lower Manhattan. There is also intermodal connectivity at Newark Penn Station, and at terminals in Atlantic City, Wildwood, Philadelphia, and Walter Rand Transportation Centers.

Chairman Simpson asked if NJ TRANSIT could explore starting service along the east side of Manhattan instead of the terminal. Mr. Wrobel said they are restricted by traffic patterns (both vehicle and pedestrian). Chairman Simpson said New York has service to the outer reaches of New York and asked NJ TRANSIT staff to look at it further since there is not much more that can be done with the existing building at the Port Authority Bus Terminal. Chairman Simpson suggested a pilot program with the New York City Transit Authority, which would allow NJ TRANSIT to use their current bus stops and have buses queue. New York Waterways makes stops along the water. There may be something that can be done rather than have everyone go to the bus terminal; perhaps have buses make certain stops on the street.

Chairman Simpson noted he was at New York Penn Station recently and met a customer service representative who does a great job.

Chairman Simpson said there are several problem escalators at New York Penn Station. E1A was not operating on Tracks 1 and 2 and E2A was not operational, people had already started to walk down to the tracks when someone pushed the on switch to operate that escalator. Also the doors are very heavy as well and very difficult to hold open. At Tracks 7 and 8, there were people holding doors and it is clearly very difficult to hold them. Chairman Simpson asked NJ TRANSIT staff to look at these issues. Mr. O'Connor said there is a long history involved with those doors, and he would brief the Chairman.

Chairman Simpson said with respect to an earlier speaker, and conversations he had with Vice Chairman Meisel, NJ TRANSIT needs to take a look at the Pascack Valley Line weekend service and early getaway service on Jewish holidays.

Vice Chairman Meisel said it is a matter of efficiency, and NJ TRANSIT should run trains that are more focused on Jewish holidays especially going north to Bergen and Rockland Counties.

Chairman Simpson said Long Island Railroad added nine additional trains for Passover and Good Friday. Since there is a Jewish holiday in September, Chairman Simpson asked NJ TRANSIT staff to review the schedule to see if adjustments could be made and to report back to the Board.

**Action Items:**

Executive Director Weinstein presented the following Action Items for approval:

**1205-17: SOLE/SINGLE SOURCE VENDORS PURCHASE OF REPLACEMENT PARTS AND SERVICES (BUS, RAIL, LIGHT RAIL AND HEADQUARTERS)**

Materials and services which are available from only one source of supply are exempt from competitive procurement. For the most part, the vendors have proprietary control over the manufacture of parts and components and the provision of technical services for equipment. NJ TRANSIT continually seeks to develop specifications to reduce reliance on sole source vendors.

Authorization is requested to enter into sole/single source, procurement-by-exception contracts for the purchase of parts and services from approved sole/single source vendors, subject to adjustments and Board notification of new firms whose aggregate spend exceeds \$250,000, at a total cost not to exceed \$20,000,000 for the period July 1, 2012 to June 30, 2013, subject to the availability of funds.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Regina M. Egea seconded it and it was unanimously adopted.

**1205-18: NEWARK PENN STATION – SUBLEASE OF INTERSTATE BUS SERVICE SPACE TO GREYHOUND LINES, INC.**

Newark Penn Station is one of the country's premier multimodal transportation facilities and it was designed and built for interstate rail, interstate bus and local public transit. Greyhound Lines has been a tenant in Newark Penn Station since at least 1941. By awarding this competitively bid sublease to Greyhound Lines, interstate bus service will be provided out of Newark Penn Station for the next ten years.

The sublease provides for 2.5 percent annual increases per year over their existing rental payments. In addition, Greyhound Lines will also make capital improvements and upgrades to the customer waiting area in the amount of \$70,000.

Authorization is requested to sublease to Greyhound Lines 3,629 square feet of space for the operation of interstate bus services at Newark Penn Station at an annual rent of \$330,000, plus 2.5 percent annual increases

for each year of the ten-year term, representing a total sublease term revenue of \$3.697 million.

Board Member James C. Finkle, Jr. moved the resolution, Vice Chairman Meisel seconded it and it was unanimously adopted.

**1205-19: FRANK R. LAUTENBERG STATION INTERMODAL FACILITY IMPROVEMENTS: WETLANDS MITIGATION**

The Frank R. Lautenberg Station serves as an interconnecting node for all commuter rail lines serving Northern New Jersey. The station permits rail customers to transfer between the Main, Bergen County, Pascack Valley, and Port Jervis Lines and the Northeast Corridor. As part of the rail station, four curbside bus berths were constructed along the South Road at the Station to serve buses and shuttle transports.

The expansion of the curbside berths from 4 to 14 will improve the efficiency and capacity of the ground transportation facility for buses, regional carrier buses and local bus shuttles. In addition, capacity for special events, emergency situations and regional contingency planning will be greatly increased.

This contract is for the purchase of 2.13 acres of Wetland Credits required for this project, as mandated by the Army Corp of Engineers Wetlands Permit for this project.

Authorization is requested to enter into an agreement to purchase from Kane Mitigation, LLC of Sacramento, California, the Wetlands Credits required to permit the construction of the Frank R. Lautenberg Intermodal Facility at a cost not to exceed \$1,693,350, subject to the availability of funds.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member James C. Finkle, Jr. seconded it and it was unanimously adopted.

Chairman Simpson concluded the open session agenda items and requested a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Regina M. Egea and unanimously adopted.

Chairman Simpson, Vice Chairman Meisel and Board Members Egea, Moore, Finkle returned to open session at approximately 10:52 a.m.

**Adjournment**

Since there were no further comments or business, Chairman Simpson called for adjournment and a motion to adjourn was made by Board Member James C. Finkle, Jr., seconded by Board Member Regina M. Egea and unanimously adopted. The meeting was adjourned at approximately 10:55 a.m.

**NEW JERSEY TRANSIT CORPORATION  
 NJ TRANSIT BUS OPERATIONS, INC.  
 NJ TRANSIT RAIL OPERATIONS, INC.  
 NJ TRANSIT MERCER, INC.  
 NJ TRANSIT MORRIS, INC.  
 REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS**

**MAY 9, 2012**

<b>MINUTES</b>	<b>PAGE</b>
➤ <b>CALL TO ORDER</b>	-
➤ <b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	<b>44274</b>
➤ <b>PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS</b>	-
➤ <b>BOARD MEMBER COMMENTS</b>	-
➤ <b>ADVISORY COMMITTEE REPORT</b>	-
➤ <b>SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT JUNE 2012)</b>	-
➤ <b>BOARD COMMITTEE REPORTS</b>	-
*Administration Committee	
*Capital Planning, Policy & Privatization Committee	
➤ <b>EXECUTIVE DIRECTOR'S MONTHLY REPORT</b>	<b>44275</b>

**ACTION ITEMS**

<b>1205-17</b>	<b>SOLE/SINGLE SOURCE VENDORS PURCHASE OF REPLACEMENT PARTS AND SERVICES (BUS, RAIL, LIGHT RAIL AND HEADQUARTERS)</b>	<b>44288</b>
	<p>Authorization to enter into sole/single source, procurement-by-exception contracts for the purchase of parts and services from approved sole/single source vendors set forth in Exhibit A, subject to adjustments and Board notification of new firms whose aggregate spend exceeds \$250,000, at a total cost not to exceed \$20,000,000 for the period July 1, 2012 to June 30, 2013, subject to the availability of funds.</p>	
<b>1205-18</b>	<b>NEWARK PENN STATION – SUBLEASE OF INTERSTATE BUS SERVICE SPACE TO GREYHOUND LINES, INC.</b>	<b>44295</b>
	<p>Authorization to sublease to Greyhound Lines, Inc., 3,629 square feet of space within Newark Penn Station for the operation of interstate bus services at Newark Penn Station at an annual rent of \$330,000, plus 2.5 percent annual increases for each year of the ten-year term, representing a total sublease term revenue of \$3.697 million.</p>	

**1205-19 FRANK R. LAUTENBERG STATION INTERMODAL FACILITY 44299  
IMPROVEMENTS: WETLANDS MITIGATION**

Authorization to enter into an agreement to purchase from Kane Mitigation, LLC of Sacramento, California, the Wetlands Credits required to permit the construction of the Frank R. Lautenberg Intermodal Facility at a cost not to exceed \$1,693,350, subject to the availability of funds.

- **EXECUTIVE SESSION AUTHORIZATION 44304**
- **ADJOURNMENT**

### **APPROVAL OF MINUTES**

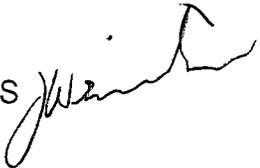
**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the April 11, 2012 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on April 13, 2012;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the April 11, 2012 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
James S. Simpson, Board Chairman  
James Weinstein, Executive Director

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

TO: BOARD OF DIRECTORS  
FROM: JAMES W. WEINSTEIN   
DATE: MAY 9, 2012  
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MAY 2012

As you know, since its launch at the beginning of this fiscal year, *Scorecard* has been our key driver and performance measurement tool for all areas of the corporation. After all, in order to provide good public transit, NJ TRANSIT itself has to be a healthy, transparent and accountable business—all goals of *Scorecard*.

This month, we will hear from staff who have prepared brief updates on what we are doing to “move the needle” in each of the five strategic areas of focus of our innovative *Scorecard* initiative, which in turn, has a direct impact on overall customer satisfaction. In the areas of safety and security, customer experience, corporate accountability, financial performance and employee excellence, we continue to look for ways to improve overall customer satisfaction on our system.

By measuring ourselves in critical areas, seeking regular input from our customers, and transparently publishing the results to show what’s good and what’s not, *Scorecard* is sharpening our focus as we continue to transform ourselves into a more accountable, results-driven agency driven to move our customers beyond mere “satisfaction.” What *Scorecard* has made very clear is that every area of NJ TRANSIT—from the rail, bus, light rail and Access Link operating divisions, to customer communications, to fare collection, to capital construction—has a direct tie-in to the customer experience.

A major component of *Scorecard* is the information we are gathering from quarterly customer surveys. We use these results to target specific improvements needed to boost customer satisfaction. In a service-oriented organization such as NJ TRANSIT, this type of feedback from the people who use our services is vital in providing a true measure of our performance. We’ve previously published the results of three of these surveys—the first providing a baseline, and the following two providing data on the first and second quarters of Fiscal Year 2012, which runs from July 1, 2011 through June 30, 2012.

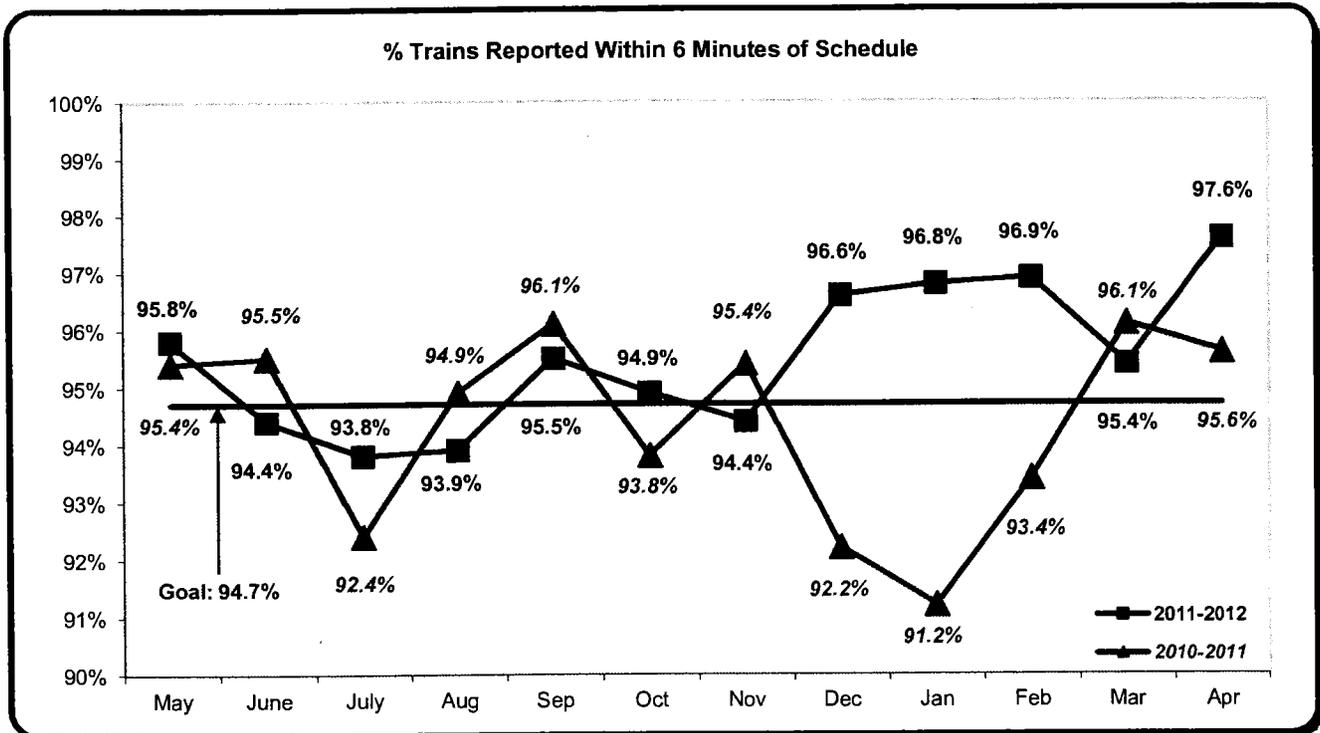
Today, we are publishing survey results for the third quarter, which were conducted online from February 21 through March 12. Again, the surveys asked customers to rate various attributes of NJ TRANSIT on a scale of zero to 10, where zero is unacceptable, five is acceptable and 10 is excellent. Detailed survey results will be available on [njtransit.com](http://njtransit.com).

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT MAY 2012**

- 1. PERFORMANCE MEASURES**
- 2. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL MAY 2010 - APRIL 2012



	2011	2012	# Change
<b>April Comparison</b>	95.6%	97.6%	2.0%

	2010-2011	2011-2012	# Change
<b>12-Month Average May - April</b>	94.3%	95.5%	1.2%

**Analysis:**

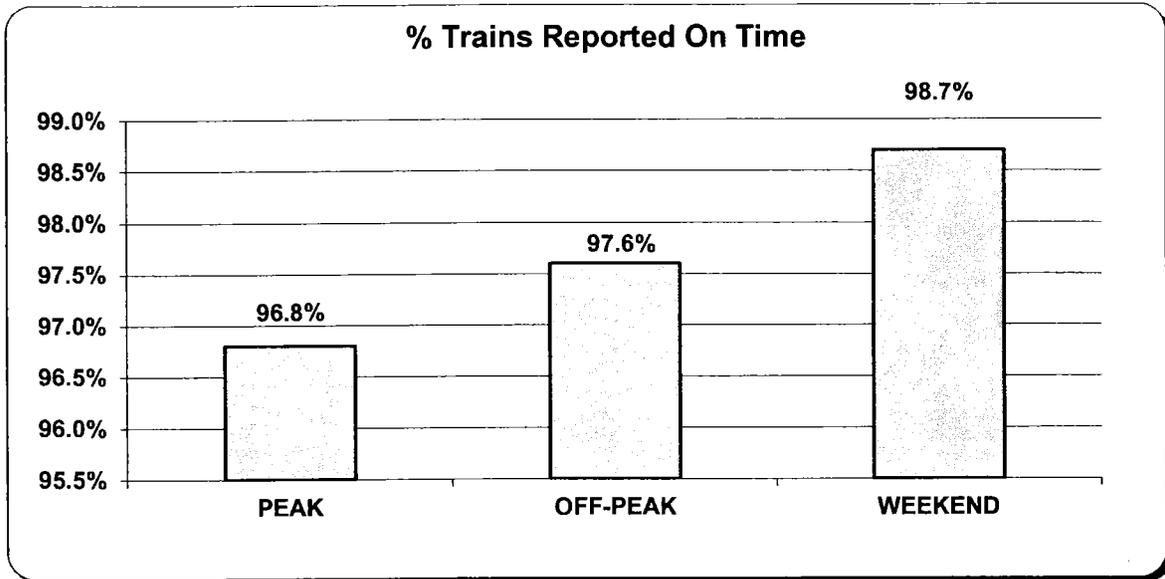
Rail On-Time Performance was 97.6% for April 2012. Of the 18,000 trains scheduled to operate, 17,568 were on time, while 432 trains (or 2.4%) were delayed. Key causes included:

- A brush fire near Glen Rock on April 14
- Amtrak maintenance in the south tube of the Hudson River tunnel on April 14.
- Amtrak signal failure near Kearny and a brush fire near Secaucus on April 19.

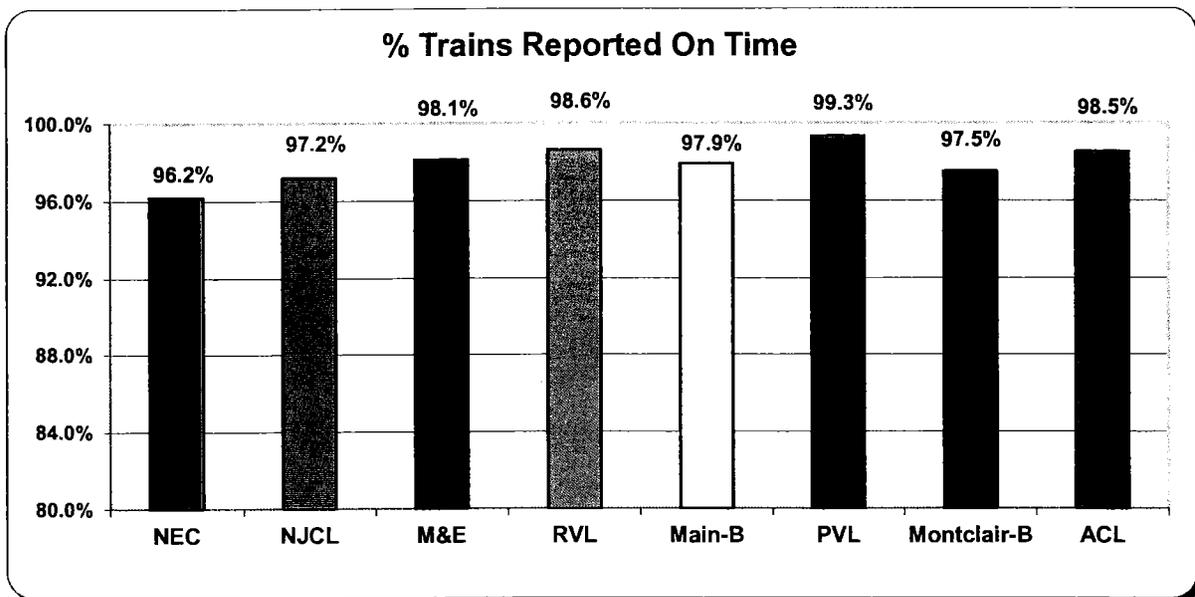
The 12-month average for Rail On-Time Performance for May 2011 - April 2012 was 95.5%.

# ON-TIME PERFORMANCE RAIL

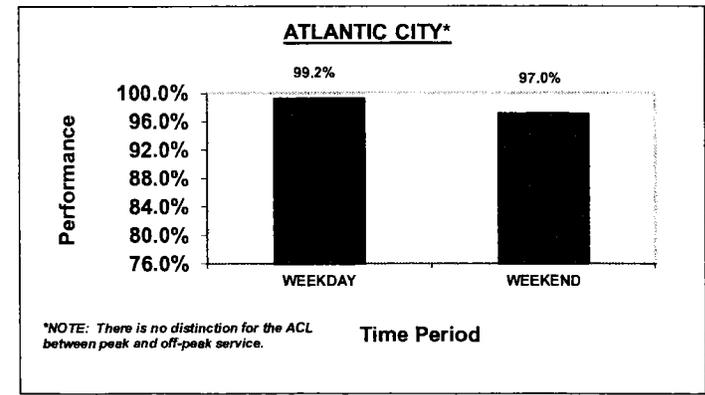
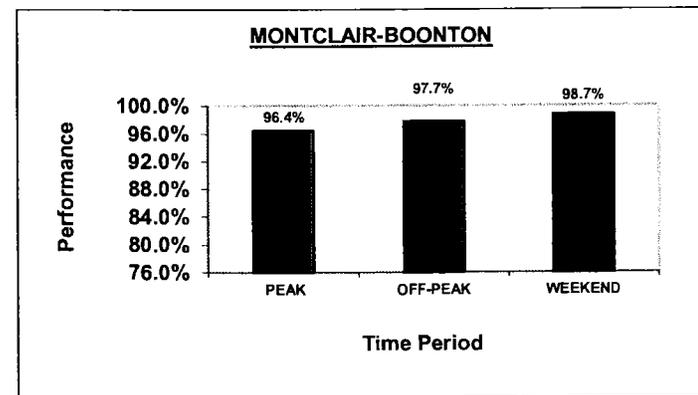
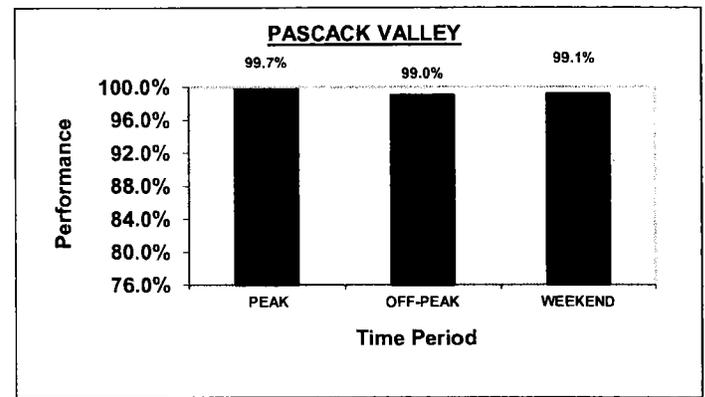
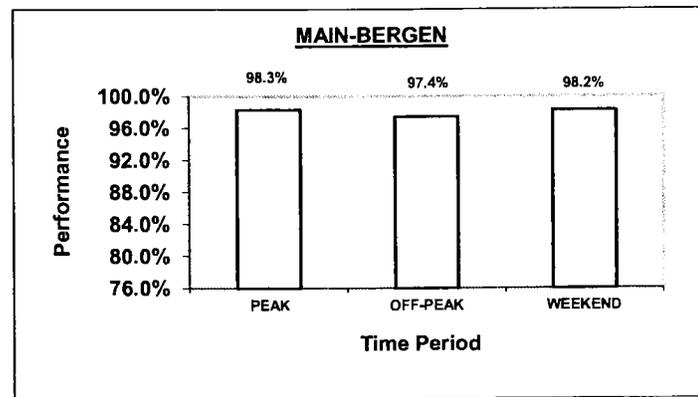
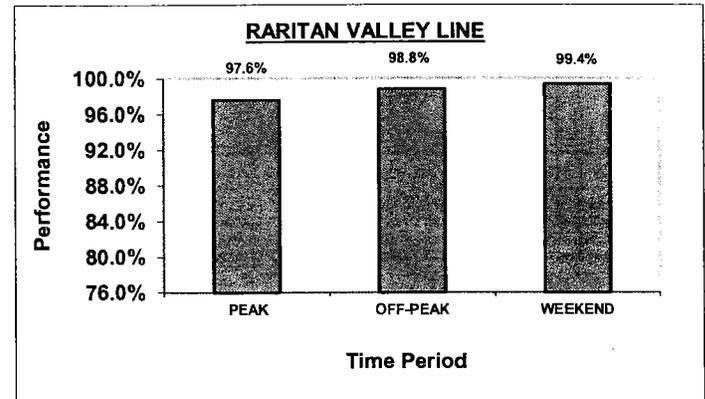
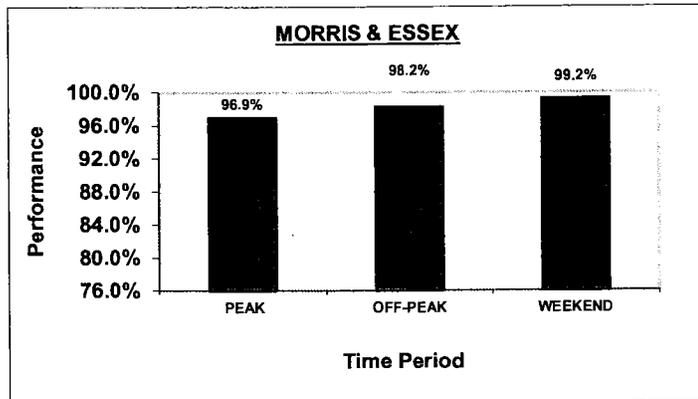
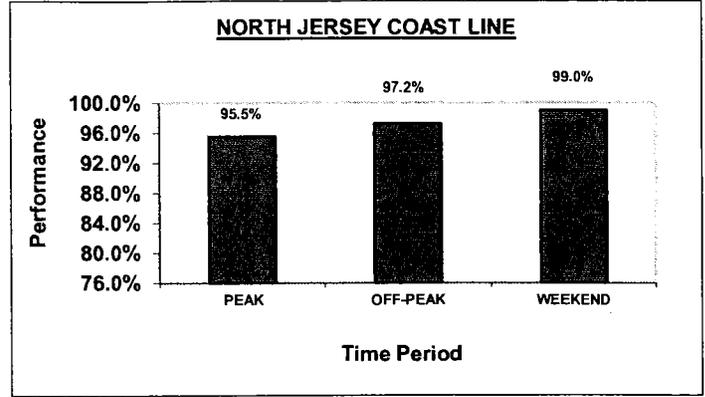
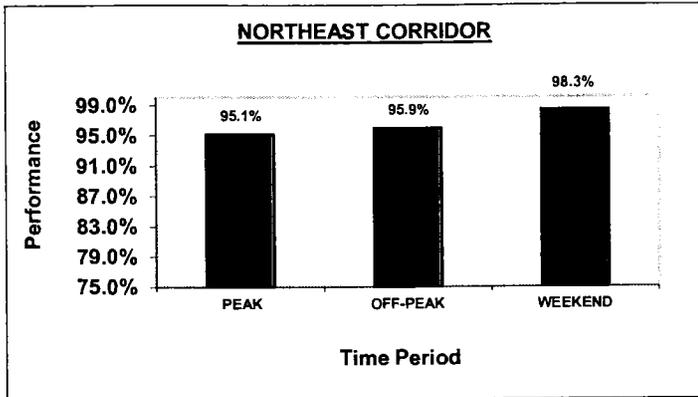
## SUMMARY BY TIME PERIOD APRIL 2012



## SUMMARY BY LINE APRIL 2012

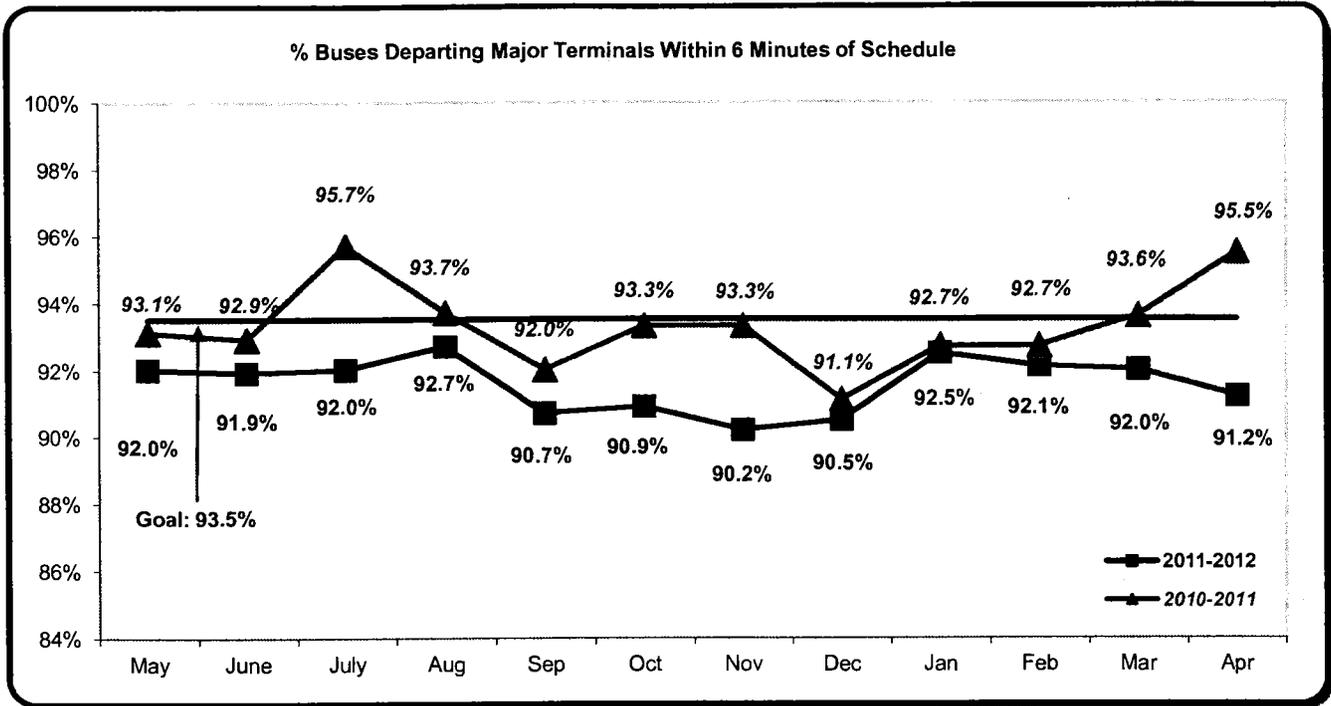


# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD APRIL 2012



\*NOTE: There is no distinction for the ACL between peak and off-peak service.

# NJ TRANSIT ON-TIME PERFORMANCE BUS MAY 2010 - APRIL 2012



	2011	2012	% Change
April Comparison	95.5%	91.2%	-4.3%

	2010-2011	2011-2012	% Change
12-Month Average May - April	93.3%	91.6%	-1.7%

**Analysis:**

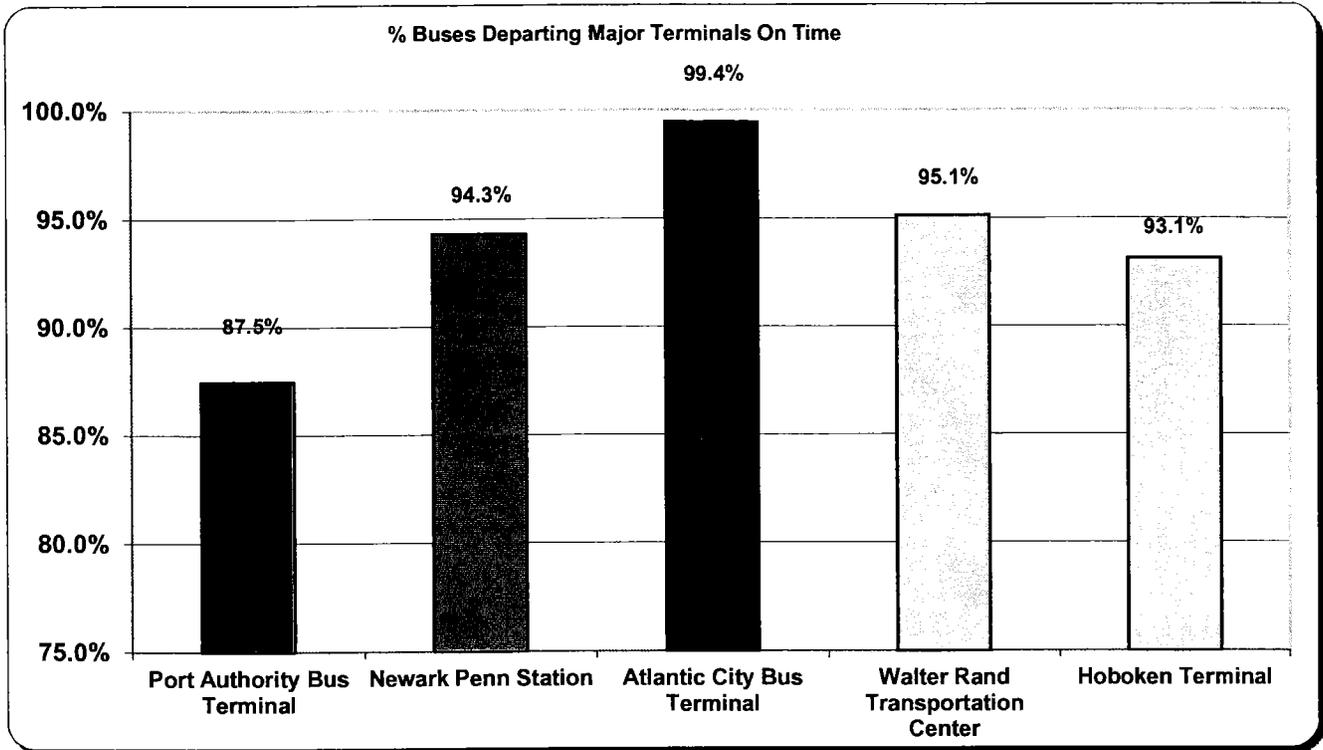
Bus On-Time Performance was 91.2% for April 2012. Of the 39,362 monitored departures, 3,144 (or 8.0%) experienced delays. Key causes included:

- Construction on an entrance ramp delaying Port Authority buses during the month of April.
- A disabled vehicle in the south tube of the Lincoln Tunnel resulting in peak-period delays on April 26.

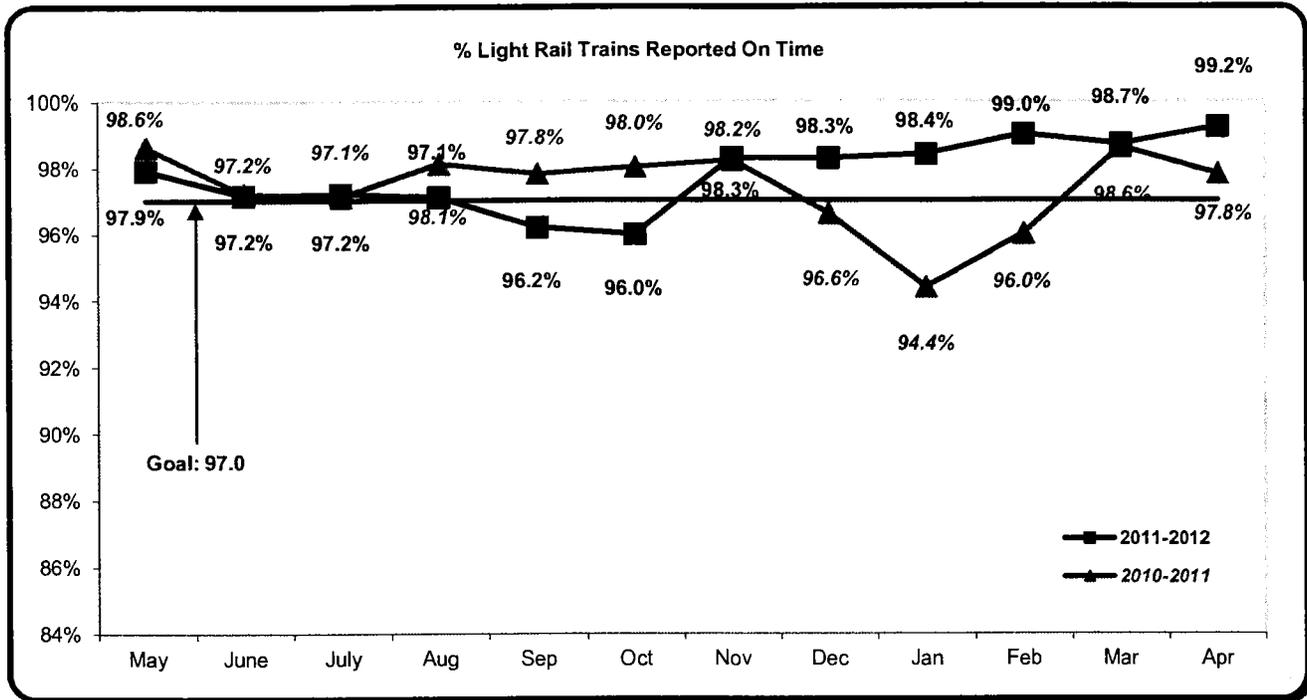
The 12-month average for Bus On-Time Performance for May 2011 - April 2012 was 91.6%.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL APRIL 2012



## NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE MAY 2010 - APRIL 2012



\*Note: Starting May 2007

	2011	2012	# Change
April Comparison	98.6%	98.7%	0.1%

	2010-2011	2011-2012	# Change
12-Month Average May - April	98.5%	97.8%	0.7%

**Analysis:**

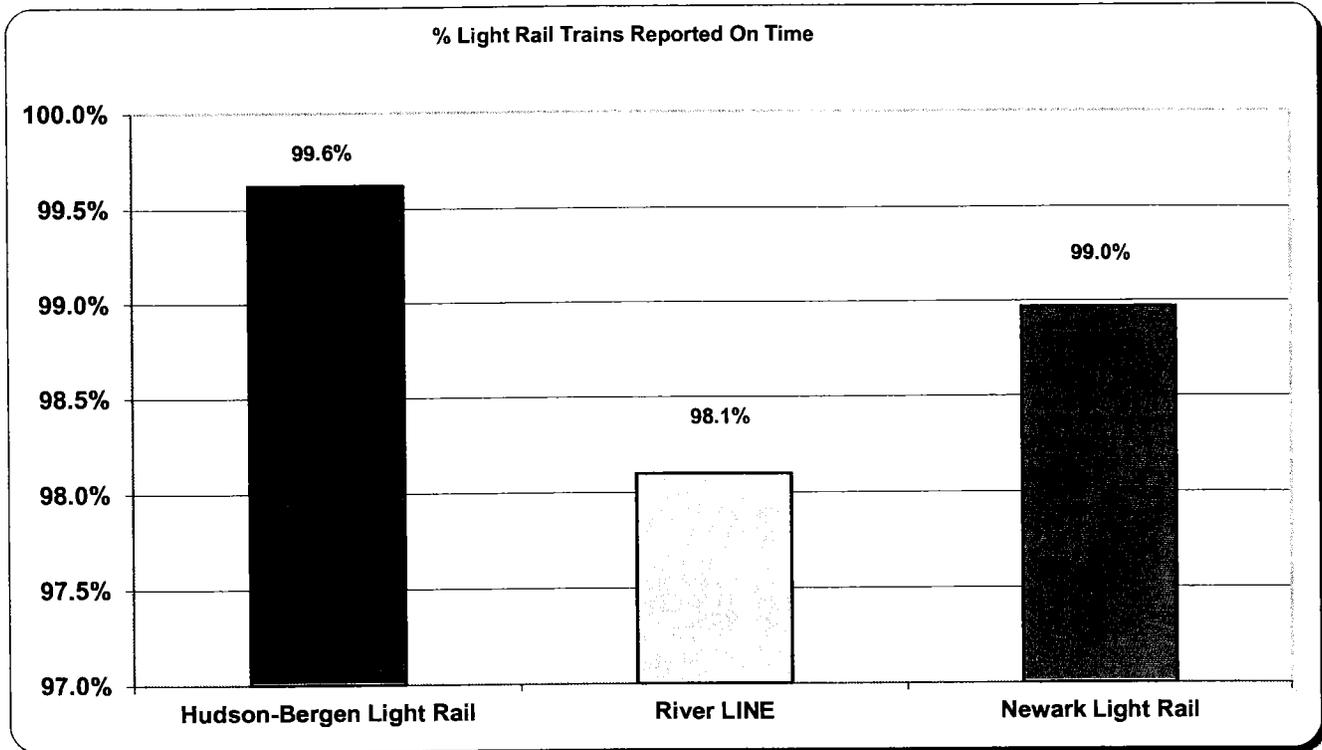
Light Rail On-Time Performance systemwide was 99.2% for the month of April 2012. Of the 25,663 scheduled trains, 200 (or 0.01%) experienced delays. Key causes included:

- A motor vehicle blocking the tracks in Riverton affecting River Line trains on April 10.
- Switch failure affecting Newark Light Rail trains on April 12.

The 12-month average for Light Rail On-Time Performance for May 2011 - April 2012 was 97.8%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE APRIL 2012



# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Nineteen NJ TRANSIT employees retired in April with careers ranging from 11 to 38 years of service:

1. William J. May (Keyport) General Foreman, Atlantic City Rail – 38 years
2. Herschel E. Eaves (Irvington) Bus Operator, Big Tree Garage – 33 years
3. Ramon R. Montanez (Jersey City) Bus Operator, Meadowlands Garage – 32 years
4. Nathan Burnett (Pleasantville) Bus Operator, Egg Harbor Garage – 30 years
5. Michael Finch (South Orange) Bus Operator, Ironbound Garage – 28 years
6. Phyllis Johnston (Newark) Senior Treasury Analyst, Penn Plaza – 28 years
7. Alberta Lomax (Newark) Senior Clerk Revenue Sta., Penn Plaza – 28 years
8. James D. Robbins (Lyndhurst) Repairman "A," Wayne Garage – 26 years
9. Joseph Desrivieres (Hillside) Repairman "A," Hilton Garage – 24 years
10. Cu Nguyen (Belleville) Mechanic "A," CMF – 24 years
11. Mildred Staggers (Newark) Bus Operator, Orange Garage – 24 years
12. William Hurst (Camden) Bus Operator, Newton Avenue Garage – 20 years
13. Krystian Majowski (Garfield) Maintenance Class "A," Oradell Garage – 20 years
14. Douglas Soo (Marlton) Bus Operator, Newton Avenue Garage – 20 years
15. Luis M. Gonzalez (Paterson) Bus Operator, Wayne Garage – 14 years
16. Nixon Roa (East Rutherford) Depot Clerk, Meadowlands Garage – 13 years
17. Jerman Suarez (Absecon) Stock Clerk, Egg Harbor Garage – 13 years
18. Stanley D. Kurley (Clifton) Depot Clerk, Meadowlands Garage – 12 years
19. Nancy A. Williams (Bethlehem, PA) Bus Operator, Hilton Garage – 11 years

# **ACTION ITEMS**

**ITEM 1205-17: SOLE/SINGLE SOURCE VENDORS PURCHASE OF REPLACEMENT PARTS AND SERVICES (BUS, RAIL, LIGHT RAIL AND HEADQUARTERS)**

**BENEFITS**

Materials and services, which are available from only one source of supply, are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and Executive Order No. 37. Sole source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment.

Rail, Bus, and Light Rail rolling stock and equipment are manufactured by a relatively small number of industrial producers using proprietary designs to meet the particular performance requirements and physical environment of individual transit systems and railroads. The equipment is not mass-produced, but manufactured to order.

NJ TRANSIT's equipment is capital intensive, long-lived and, if properly maintained, can operate safely for decades. However, the spare parts, material and technical services needed to maintain this uniquely engineered equipment in many cases is available only from the original equipment manufacturer (OEM), or a successor company with proprietary rights to the original design.

A list of Fiscal Year 2013 sole/single source vendors is set forth in Exhibit A. For the purpose of transparency, this list includes all sole and single source vendors that NJ TRANSIT may need to use in the coming fiscal year, regardless of whether they were used in the previous fiscal year. Should a new vendor need to be added to Exhibit A in Fiscal Year 2013, as a result of a newly identified critical operating need, staff will notify the Board if the aggregate amount exceeds \$250,000.

Staff continually seeks, where feasible, to develop specifications and reduce reliance on sole source vendors and will continue to do so. Examples of items that have been removed from prior authorizations include Comet passenger car brake pads and rotors, non-revenue vehicle repair services, train servicing and traction motor and gear unit repairs. However, staff has demonstrated, through numerous unsuccessful competitive efforts, that there are no qualified and responsible commercial alternatives to many suppliers, and since 1987 the Board has annually authorized this item to ensure efficient and continuous provisioning of our maintenance operations. All items or services purchased on a sole/single source basis are subject to price or cost analysis to ensure the reasonableness of the prices quoted.

**ACTION (Scorecard: Customer Experience, Safety and Security)**

Staff requests authorization to enter into sole/single source, procurement-by-exception contracts for the purchase of parts and services from approved sole/single source vendors set forth in Exhibit A, subject to adjustments and Board notification of new firms whose aggregate spend exceeds \$250,000, at a total cost not to exceed \$20,000,000 for the period July 1, 2012 to June 30, 2013, subject to the availability of funds.

## **PURPOSE**

The need for NJ TRANSIT to exercise sole and single source authority relates to specific areas of procurement, including, but not limited to, the following:

### **Replacement Parts from Original Equipment Manufacturers (OEMs)**

These OEM parts or components are needed to repair and maintain rolling stock and other equipment specifically designed by the OEM manufacturer, where available technical data does not assure that a part or component supplied by another vendor will adequately perform the same function it replaces.

Examples of major sole source vendors include Alstom Transportation, Progress Rail Services (EMD), Knorr Brake Corp., Faiveley Transport Group, Kinkisharyo Inc., WABTEC Passenger Transit, MCI Service Parts, NABI, NeoPart, and Prevost-Nova Bus.

### **Sole Supplier Services**

Certain apparatus can only be serviced and/or tested by sole/single source vendors. For example, Sperry Rail Services is the only industry-recognized source capable of simultaneously testing rail by induction and ultrasound methods; Harsco Track Technologies is the only qualified source to provide Track Laying Machine Services for the automated installation of concrete ties; and Solari Corporation is the only qualified source for the repair of Solari display units.

### **Rail Brake Shoes and Discs**

NJ TRANSIT operates approximately 1,200 passenger rail cars and locomotives daily. Brake shoes, pads and discs are replaced on all in-service equipment through periodic and daily inspections. Electric and Diesel Locomotive and Multilevel Passenger Car brake shoes, pads and discs are specialized equipment and are available from only one source of supply. Based upon past experience and test results, these products alone meet the required acceptable stop distances, wheel heat generation limits and acceptable shoe and wheel wear tolerances.

## **BACKGROUND**

The operation and maintenance of NJ TRANSIT Bus, Rail, Light Rail and support functions requires the purchase of original equipment manufacturer parts, maintenance spares, services, modifications, upgrades and other programs, which can only be obtained from sole and single qualified sources.

As such, it has been determined that the vendors listed within this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and Executive Order No. 37.

This item has been reviewed and recommended by the Board Administration Committee.

**FISCAL IMPACTS:**

<b>Requested Authorization:</b>	\$20,000,000
<b>Total Project Cost:</b>	\$20,000,000
<b>Projected Date of Completion:</b>	June 30, 2013
<b>Anticipated Source of Funds:</b>	FY 2013 Operating Budget Capital Budgets
<b>DBE/SBE Goal:</b>	0% SBE
<b><i>NJ Build</i> Amount:</b>	None
<b>Related Authorizations:</b>	None
<b>Impacts on Subsequent Operating Budgets:</b>	None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT requires maintenance items and services to support the operation of various major equipment; and

**WHEREAS**, it is necessary to obtain these required maintenance items and services from sole or single sources; and

**WHEREAS**, pursuant to N.J.A.C. 16:72 competitive procurement requirements may be waived in instances where only one source of supply is available; and

**WHEREAS**, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into sole/single source, procurement-by-exception contracts for the purchase of parts and services from approved sole/single source vendors set forth in Exhibit A, subject to adjustments and Board notification of new firms whose aggregate spend exceeds \$250,000, at a total cost not to exceed \$20,000,000 for the period July 1, 2012 to June 30, 2013, subject to the availability of funds.

**EXHIBIT A**  
**SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT**  
**FY 2013**

	<b>VENDOR NAME</b>	<b>CITY</b>	<b>STATE</b>
1	<b>ABB c/o Burgoyne Sales</b>	<b>Edison</b>	<b>NJ</b>
2	ABB Power T&D	St Louis	MO
3	ABM-American Building .	New York	NY
4	<b>Activu (formerly Imtech)</b>	<b>Denville</b>	<b>NJ</b>
5	AFL Communications	Duncan	SC
6	Alstom Signaling (GRS)	Rochester	NY
7	Alstom Transport Service NA	Lisle	IL
8	Amerex Corp.	Trussville	AL
9	Anchor Brake Shoe Co.	Park Ridge	IL
10	<b>Anixter, Inc.</b>	<b>Cranbury</b>	<b>NJ</b>
11	Ansaldo STS USA	Batesburg	SC
12	Assetworks, Inc.	Wayne	PA
13	Atlantic Detroit Diesel	Saugerties	NY
14	<b>Atlantic Import &amp; Export Corp.</b>	<b>Branchburg</b>	<b>NJ</b>
15	Axion Technologies	La Pocatiere	Canada
16	Bombardier Inc/Aftermarket	Ontario	Canada
17	CK Composites	Mt. Pleasant	PA
18	Cleaveland Price	Trafford	PA
19	Clever Devices	Syosset	NY
20	<b>CMI-Promex</b>	<b>Pedricktown</b>	<b>NJ</b>
21	Columbus Steel Castings	Columbus	OH
22	Comet Communications, Inc.	Kansas City	MO
23	Contemporary Machine, Inc.	Flager beach	FL
24	Cooper Bearings, Inc.	Georgetown	DE
25	Cubic Transp Systems	Tullahoma	TN
26	<b>Cummins Metropower</b>	<b>Newark</b>	<b>NJ</b>
27	Design Dimensions	Austin	TX
28	Drivecam, Inc.	San Diego	CA
29	Dustcontrol, Inc.	Wilmington	NC
30	<b>Dynatech Systems, Inc.</b>	<b>Burlington</b>	<b>NJ</b>
31	EMA Drives & Automation	Hazleton	PA
32	Faiveley Rail	Exton	PA
33	Federal Metal Products	Ferndale	PA
34	<b>Foley, Inc.</b>	<b>Piscataway</b>	<b>NJ</b>
35	G&B Specialties	Berwick	PA
36	Gar-Ren Tool & Machine Co.	Prospect Park	PA
37	GE Transportation Global Signals	Hingham	MA
38	GE Transportation Parts, LLC	Erie	PA
39	General Electric Energy	Philadelphia	PA
40	Goyal Industries, Inc.	Mansfield	OH

**EXHIBIT A**  
**SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT**  
**FY 2013**

	<b>VENDOR NAME</b>	<b>CITY</b>	<b>STATE</b>
41	Graham White Sales Corp.	Salem	VA
42	Harris Corp./Intraplex	Mason	OH
43	Harsco Track Tech.	West Columbia	SC
44	Hirail Corporation	Lisbon	IA
45	<b>HiTran Corporation</b>	<b>Flemington</b>	<b>NJ</b>
46	<b>Hoffman Services, Inc.</b>	<b>Newark</b>	<b>NJ</b>
47	Holdsworth USA	Indianapolis	IN
48	<b>Honeywell, Inc.</b>	<b>Marlton</b>	<b>NJ</b>
49	<b>Industrial Machine Corporation</b>	<b>Paterson</b>	<b>NJ</b>
50	<b>Ingersoll-Rand Air Center</b>	<b>Edison</b>	<b>NJ</b>
51	Intelect Technologies	Plano	TX
52	Inter Swiss Ltd.	Chicago	IL
53	Invensys Rail Corporation	Louisville	KY
54	ISE Research Corp.	Poway	CA
55	Jala Equipment Co.	Ft Lauderdale	FL
56	Jamaica Bearings	New Hyde Park	NY
57	JMA Rail Products	Carol Stream	IL
58	<b>Johnson Controls, Inc.</b>	<b>Union</b>	<b>NJ</b>
59	Kim Hotstart Mfg. Co.	Spokane	WA
60	<b>Kinkisharyo International, LLC</b>	<b>Jersey City</b>	<b>NJ</b>
61	Knorr Brake Corp/NYAB	Westminster	MD
62	Kupltec Corporation	Branford	CT
63	Lift-U-Inc.	Escalon	CA
64	Lincoln Service & Equipment	Durham	CT
65	Luminator-A Mark IV Industries	Plano	TX
66	Macton Corporation	Oxford	CT
67	Matrix Railway Corp.	West Babylon	NY
68	MCI Service Parts	Schaumburg	IL
69	<b>Mersen USA BN Corp.</b>	<b>Boonton</b>	<b>NJ</b>
70	Mersen USA Newburyport-MA, LLC	Newburyport	MA
71	Microphor, Inc	Willits	CA
72	Modern Track Machinery	Elgin	IL
73	<b>Moore Wallace NA</b>	<b>Edison</b>	<b>NJ</b>
74	Morbern Inc.	Toronto	ONT
75	Motive Equipment	New Berlin	WI
76	National Railway Supply	Savannah	GA
77	Nordco Rail Services, LLC	Lee's Summit	MO
78	North American Bus Industries	Delaware	OH
79	North American Specialty Glass	Trumbauersville	PA
80	<b>Orgo-Thermit, Inc.</b>	<b>Lakehurst</b>	<b>NJ</b>
81	ORX Railway Corporation	Tipton	PA
82	<b>Pandrol USA</b>	<b>Bridgeport</b>	<b>NJ</b>
83	<b>Panel Components</b>	<b>Stanhope</b>	<b>NJ</b>

**EXHIBIT A**  
**SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT**  
**FY 2013**

	<b>VENDOR NAME</b>	<b>CITY</b>	<b>STATE</b>
84	Parkeon Transit Limited	Dorset	England
85	Penn Machine Company	Carnegie	PA
86	Portec Inc. RMP	Pittsburgh	PA
87	Precision Transmission	Colmar	PA
88	Prevost-Novabus Parts	Elgin	IL
89	Pyle Connector Corporation	Sidney	NY
90	Qual-Tran Corporation	Blue Bell	PA
91	Quantum Engineering, Inc.	Orange Park	FL
92	Qvester Tangent	Saanichton, B.C.	Canada
93	RSI, Inc.(EMD/Progress Rail)	Houna	LA
94	Railroad Friction Prod	Laurinburg	NC
95	<b>Rails Company</b>	<b>Maplewood</b>	<b>NJ</b>
96	<b>RFL Industries</b>	<b>Boonton</b>	<b>NJ</b>
97	Rosbro Group	Blainville, QC	Canada
98	RTR Technologies, Inc.	Stockbridge	MA
99	Safetran Systems	Louisville	KY
100	Saft America, Inc.	Cockeysville	MD
101	Scantron Corporation	Irvine	CA
102	Schunk Graphite Technology	Menomonee Falls	WI
103	Siemens Building Tech.	Pine Brook	NJ
104	Siemens Energy & Automation	Elgin	IL
105	Siemens Industry, Inc.	Elgin	IL
106	Simmons Machine Tool Corp.	Albany	NY
107	<b>Simplex Grinnell</b>	<b>Rockaway</b>	<b>NJ</b>
108	Sixnet, LLC.	Ballston Lake	NY
109	Sperry Rail Service	Danbury	CT
110	Standard Steel, LLC	Burnham	PA
111	<b>Stavola Construction Materials</b>	<b>Bound Brook</b>	<b>NJ</b>
112	Technologies LBBA	Quebec	Canada
113	Tessco Technologies, Inc.	Hunt Valley	MD
114	Transtech of SC	Charolette	NC
115	<b>Transtechnik Corp USA</b>	<b>Oakland</b>	<b>NJ</b>
116	TSS, Inc. (Bonatrans)	Lakewood	FL
117	Turtle & Hughes	Bridgewater	NJ
118	United Knitting Machine	Kulpsville	PA
119	VAE Nortrak, Inc.	Cheyeene	WY
120	Vapor Rail	Plattsuburgh	NY
121	Wabtec Passenger Transit	Columbia	SC
122	Wabtec/Stone Air	Elmsford	NY
123	Warner Radiator	Paducah	KY
124	Whiting Corp.	Chicago	IL

**ITEM 1205-18: NEWARK PENN STATION – SUBLEASE OF INTERSTATE BUS SERVICE SPACE TO GREYHOUND LINES, INC.**

**BENEFITS**

By awarding this competitively bid sublease to Greyhound Lines, Inc., NJ TRANSIT will help ensure that interstate bus service is provided out of Newark Penn Station for the next 10 years. Through this sublease to Greyhound Lines, Inc., NJ TRANSIT will help to maintain Newark Penn Station as one of the country's premier multimodal transportation facilities and will further NJ TRANSIT's statutory purposes including the provision of an efficient, coordinated, safe and coherent public transportation system which promotes mobility, conserves limited energy resources and serves the needs of the transit dependent, while also encouraging the participation of private enterprise.

As a secondary benefit, this competitively bid sublease will generate \$3.697 million in revenue to NJ TRANSIT over the next ten years. The sublease provides for 2.5 percent annual increases per year over Greyhound Lines, Inc. existing rental payments to NJ TRANSIT. In addition to making annual rent payments, Greyhound Lines, Inc. will also make capital improvements and upgrades to the 3,629 square foot customer waiting area in the amount of \$70,000.

Accordingly, this sublease meets the Scorecard goals of: (1) enhancing customer service through the continuation of intercity bus service at Newark Penn Station and the requirement for capital improvements to the premises; and (2) increasing financial performance by providing additional non-farebox revenue.

**ACTION (Scorecard: Financial Performance and Customer Experience)**

Staff seeks authorization to sublease to Greyhound Lines, Inc. its existing location within Newark Penn Station. This sublease will continue the long history of intercity bus service provided as part of Newark Penn Station's multimodal transportation facility.

If the sublease is authorized, Greyhound Lines, Inc. will pay annual rent of \$330,000 for the 3,629 square foot premises (approx. \$91/sq. ft.), plus 2.5 percent annual increases for each year of the ten-year term, representing total sublease term revenue of \$3.697 million. Annual increases will result in rental amounts as follows:

Year 1: \$330,000.00  
Year 2: \$338,250.00  
Year 3: \$346,706.25  
Year 4: \$355,373.91  
Year 5: \$364,258.26  
Year 6: \$373,264.72  
Year 7: \$382,698.84  
Year 8: \$392,266.31

Year 9: \$402,072.97

Year 10: \$412,124.79

## **PURPOSE**

NJ TRANSIT seeks to improve customer service levels while maximizing the value of its real estate assets. This authorization provides for the sublease of an existing interstate bus service facility within Newark Penn Station to Greyhound Lines, Inc., which was selected through a competitive bid process. The sublease term is ten years. Greyhound Lines, Inc. will provide \$70,000 in capital improvements and upgrades to the customer waiting area. The improvements include: replacement of entrance doors at the Raymond Plaza West entrance, replacement of all ceiling tiles and repainting of air grilles, replacement or refinishing of suspended ceiling grid, replacement of light fixtures as needed, patching and repair to walls in the Customer Seating Area, installation of a new ticket counter with associated millwork and installation of automated ticketing machines.

## **BACKGROUND**

### Procurement

On November 10, 2011, NJ TRANSIT advertised the premises for sublease by an experienced, financially sound entity to operate interstate bus services. The premises are 3,629 square feet consisting of a waiting room, windowed ticket sales booth, baggage area and back office space. Greyhound Lines, Inc. was the only bidder.

### History

Newark Penn Station was designed and built to function as a multimodal transportation facility for interstate rail, interstate bus and local public transit. Historic plans for Newark Penn Station reveal that Greyhound has been a tenant at Newark Penn Station since at least 1941. Founded in 1914, Greyhound is the largest provider of interstate bus transportation, serving more than 2,300 destinations with 13,000 daily departures across North America. The Greyhound active fleet consists of 1,775 buses with an average age of 9.4 years. According to Greyhound, one Greyhound bus takes an average of 19 cars off the road and achieves 170 passenger miles per gallon of fuel.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

## **FISCAL IMPACTS**

### **Requested Authorization:**

Authorization to enter into a sublease with Greyhound Lines, Inc. for property consisting of 3,629 square feet located within Newark Penn Station at an annual rent of \$330,000

plus 2.5 percent annual increases for each year of the ten (10) year term, representing total sublease term revenue of \$3.697 million. Greyhound Lines, Inc. will use the property to continue to provide interstate bus service.

**Total Project Cost:** None

**Projected Date of Completion:** Greyhound Lines, Inc. currently provides interstate bus service from within the subleased premises. Capital improvements are projected to be completed on or about October 29, 2012.

**Anticipated Source of Funds:** None

**DBE/SBE Goal:** None

***NJ Build* Amount:** None

**Related/Future Authorizations:** None

**Impacts on Subsequent Operating Budgets:** Revenue of \$330,000 for Sublease Year One plus 2.5 percent annual increases for each year of the ten-year term, representing total sublease term revenue of \$3.697 million.

**RESOLUTION**

**WHEREAS**, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to sublease, purchase and sell, or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

**WHEREAS**, NJ TRANSIT controls Newark Penn Station; and

**WHEREAS**, Greyhound Lines, Inc. was selected as the tenant for the sublease of interstate bus services at Newark Penn Station through a competitive bid process;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to sublease to Greyhound Lines, Inc., 3,629 square feet of space within Newark Penn Station for the operation of interstate bus services at Newark Penn Station at an annual rent of \$330,000, plus 2.5 percent annual increases for each year of the ten-year term, representing a total sublease term revenue of \$3.697 million.

**ITEM 1205-19: FRANK R. LAUTENBERG STATION INTERMODAL FACILITY IMPROVEMENTS: WETLANDS MITIGATION**

**BENEFITS**

The vehicular ground transportation at the Frank R. Lautenberg Station currently consists of four curbside bus berths that were constructed during the construction of the station in 2003. As part of New Jersey's overall transportation infrastructure, the station is served by five NJ TRANSIT intrastate and interstate bus routes (Nos. 2, 78, 124, 129, 329), one local community bus shuttle, two corporate bus shuttles, three inter-city/inter-regional bus routes and five to ten private corporate shuttle operators.

The expansion of the existing four curbside berths to 14 curbside berths will improve the efficiency and capacity of the ground transportation facility for NJ TRANSIT buses, regional carrier buses and local bus shuttles. In addition, capacity for special events, emergency situations and regional contingency planning will be greatly increased.

**ACTION (Scorecard: Customer Experience, Safety and Security)**

Staff seeks authorization to enter into an agreement to purchase from Kane Mitigation, LLC of Sacramento, California, the Wetlands Credits required to permit the construction of the Frank R. Lautenberg Intermodal Facility at a cost not to exceed \$1,693,350, subject to the availability of funds.

**PURPOSE**

This contract is for the purchase of 2.13 acres of Wetland Credits required for this project, as mandated by the Army Corp of Engineers Wetlands Permit for this project.

**BACKGROUND**

History

The Frank R. Lautenberg Station opened to customers on August 4, 2003 and serves as an interconnecting node for all NJ TRANSIT commuter rail lines serving Northern New Jersey. The station permits rail customers to transfer between the Main, Bergen County, Pascack Valley, and Port Jervis Lines and the Northeast Corridor. As part of the rail station, four curbside bus berths were constructed along the South Road at the Frank R. Lautenberg Station to serve NJ TRANSIT buses and shuttle transports.

The proposed expansion of the vehicular ground transportation facility with 14 sawtooth berths around an island configuration will improve the efficiency, capacity, and safety of the facility for routine operations, special events, emergency situations, and provide for regional contingency planning.

### Project Justification

The proposed project has been sized to accommodate routine day-to-day operations, as well as to provide the flexibility for ground transportation operators to respond to special event and contingency situations. The 14 modified sawtooth berths included in the project will more efficiently process the existing ground transportation services as defined below:

#### *Routine Operations*

- NJ TRANSIT fixed route intrastate and interstate bus routes
- One (1) Local community shuttle
- Two (2) TMA corporate shuttles
- Three (3) inter-city/inter-regional routes
- Five to ten (5-10) private corporate/residential/hotel shuttle operations

#### *Special Events*

Special event service is required to support operation of the Meadowlands Sports Complex (MetLife Stadium, IZODCenter). This may occur on weekends or weekdays, depending on the event. In the case of these events, plans could be implemented for more intense use of the sawtooth berths. Mega events such as Super Bowl XLVIII and the Formula 1 Grand Prix are currently scheduled. The project has been sized to balance transportation needs with environmental impacts and cost.

#### *Emergency Situations/Regional Contingency Planning*

NJ TRANSIT has been a leading participant in trans-Hudson evacuation planning, large-scale effort involving multiple law enforcement agencies, first responders, transit agencies and others. This planning effort includes consideration of situations when various components of the trans-Hudson transportation system are shut down.

Frank R. Lautenberg Station is used to divert NJ TRANSIT and Private Bus Carrier interstate commuter bus routes from New York City (generally, the Port Authority Bus Terminal) when operations via Interstate Route 495 and the Lincoln Tunnel are compromised due to an accident on approach roads, inside the Lincoln Tunnel or in New York. A delay of 90 minutes or greater triggers use of the Frank R. Lautenberg Station diversion plan. In these situations, as with special event services, the proposed project would further accommodate existing services in the most efficient manner possible with a larger facility. Again, the facility has been sized with consideration of these situations in mind, balanced with environmental and cost implications.

In addition to highway closures, planning has also occurred to consider shut down of the North River rail tunnels between New York and New Jersey. In such a case, Frank R. Lautenberg Station may be used to provide bus access across the river, and feed rail service within New Jersey.

More broadly, Frank R. Lautenberg Station is the critical staging/operating location to support the evacuation of New York City in the event of a national or regional emergency that may or may not require use of the NJ TRANSIT rail and Amtrak rail assets.

*Future Operations*

Although future ground transportation operations at Frank R. Lautenberg Station are not known at this time, the proposed project has been sized to plan for potential future activity levels. This activity could include up to five new local/intrastate NJ TRANSIT bus routes planned to support NJ TRANSIT rail and NJ TRANSIT light rail networks, and to respond to growth associated with facilities such as the Meadowlands Sports Complex.

In addition, current planning contemplates improved ground transportation options in surrounding communities and counties. This may result in up to three future Bus Rapid Transit or Bus Rapid Transit-like routes that would be required for interregional mobility needs (Hudson-Hudson, Hudson-Essex, Hudson-Passaic, Hudson-Bergen County market segments).

Procurement

Wetlands Credits are considered intangible property required to satisfy compensatory mitigation associated with U.S. Army Corps of Engineers and New Jersey Department of Environmental Protection permit requirements, as compensation for unavoidable impacts to wetland, stream, or other aquatic resources. Wetland Credits are only available from Wetland “Banks” with a service area that includes the permit applicant’s project, and where wetlands have been established, or enhanced in accordance with EPA and US Army Corps of Engineers’ regulations. Each bank has a formal agreement that identifies the number of credits available for sale and requires the use of ecological assessment techniques to certify that those credits provide the required ecological functions.

As such, there were only two sources of wetland credits within the designated mitigation zone for this project. Invitations for Proposals were sent to the two Wetlands Banks. Kane Mitigation, LLC of Sacramento, California, was the only qualified Wetlands Bank with available credits approved by the US Army Corps. of Engineers. They submitted a proposal agreeing to sell 2.13 credits at a cost of \$795,000 per credit for a total price \$1,693,350.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$1,693,350
<b>Total Project Cost:</b>	\$7,770,000

<b>Projected Date of Completion:</b>	December 2013
<b>Anticipated Source of Funds:</b>	Federal Transit Administration Transportation Trust Fund
<b>DBE/SBE Goal:</b>	None
<b><i>NJ Build</i> Amount:</b>	None
<b>Related Future Authorizations:</b>	Construction
<b>Impacts on Subsequent Operating Budgets:</b>	None for wetlands mitigation

**RESOLUTION**

**WHEREAS**, NJ TRANSIT seeks to enhance the accessibility of its facilities; and

**WHEREAS**, Frank R. Lautenberg Station is a major transfer location between NJ TRANSIT Rail services and NJ TRANSIT Bus services; and

**WHEREAS**, the project will expand the existing four curbside berths to 14 curbside berths to provide for enhanced bus service and capacity for special events and emergency situations; and

**WHEREAS**, Frank R. Lautenberg intermodal facility will enhance customer ability to transfer between the NJ TRANSIT Rail and NJ TRANSIT Bus lines; and

**WHEREAS**, the filling of 2.13 acres of existing wetlands is required to build the project in a way that fully provides for the intended benefits; and

**WHEREAS**, the procurement of 2.13 acres of wetlands mitigation credits is required by the environmental permitting agencies for this project; and

**WHEREAS**, upon completion of a procurement process, it was determined that Kane Mitigation, LLC was only qualified source for the Wetlands Mitigation Credits required for this project; and

**WHEREAS**, staff seeks authorization to enter into an agreement to purchase wetlands credits, as mandated by the Army Corp of Engineers Wetlands Permit, required to mitigate 2.13 acres of wetland impacts;

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the Chairman or Executive Director is authorized to enter into an agreement to purchase from Kane Mitigation, LLC of Sacramento, California, the Wetlands Credits required to permit the construction of the Frank R. Lautenberg Intermodal Facility at a cost not to exceed \$1,693,350, subject to the availability of funds.

**EXECUTIVE SESSION AUTHORIZATION**

**BE IT HEREBY RESOLVED** pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss contract negotiations and attorney-client, litigation and personnel matters; and

**BE IT FURTHER RESOLVED** that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.