

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

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

March 4, 2013

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the special telephone 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 Monday, March 4, 2013.

Sincerely,

Original Signed By

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 Special Telephone 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 Monday, March 4, 2013.

**Attending:**

James S. Simpson, Chairman

**By Telephone:**

Bruce Meisel, Vice Chairman

Regina M. Egea, Governor's Representative

Steven Petrecca, Treasurer's Representative

James C. Finkle, Jr., Board Member

Myron P. Shevell, Board Member

Flora M. Castillo, Board Member

James Weinstein, Executive Director

Joyce J. Zuczek, Acting Board Secretary

Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service

Joyce Gallagher, Vice President & General Manager, Bus Operations

Kevin O'Connor, Vice President & General Manager, Rail Operations

Christopher Trucillo, Chief of Police

Kathleen M. Sharman, Chief Financial Officer & Treasurer

Steve Santoro, Assistant Executive Director, Capital Planning & Programs

Alma Scott-Buczak, Assistant Executive Director, Human Resources

Leotis Sanders, Vice President Civil Rights & Diversity Programs

Carlos Ramirez, Assistant Executive Director, Corporate Affairs

Warren Hersh, Auditor General

Kenneth Worton, Deputy Attorney General

Alvin R. Little, Assistant Attorney General (By Telephone)

Acting Board Secretary Joyce Zuczek conducted a roll call of Board Members participating by telephone.

Chairman James S. Simpson convened the Open Session at 11:32 am in accordance with the Open Public Meetings Act.

There were two public comments on the agenda item and one written statement for the record:

**Joseph Clift** said the Board Members should have his statement that he provided to the Secretary. He said it is basically about more transparency. Mr. Clift did not argue about needing equipment contractors to perform the repairs. He said his revised statement listed 10 questions in order to gain a better context of the work and the timing of it. Mr. Clift highlighted two of his questions. The first was about the procurement. He said he thinks they are all based on sole source procurement and he questioned how ORX Railway Corporation qualifies for sole source procurement since there is more than one company that performs this work. His second question was about the timing for restoration of full service. Mr. Clift said the lack of equipment continues to create problems for restoring full service. He said service is running at 94 percent now and he is particularly interested in the restoration date of missing Bay Head train number 2308.

Mr. Clift said this train used to fill a gap in service from Bay Head to Long Branch. Mr. Clift referenced a comment submitted in response to Mike Frassinelli's article. The commenter said he leaves at 6:25 am on the Bay Head shuttle train to Long Branch and then takes the train from Long Branch to get to Newark by 9:00 am. Mr. Clift said this person has to leave 40 minutes earlier because of the gap in the schedule. He said he would like NJ TRANSIT to provide information regarding the output so there is a context of when the work will be done and they can know when trains will be put back into service.

Mr. Clift submitted a written statement for the record. His statement said the item does not meet the level of transparency that he believed Chairman Simpson talked about at the February Board Meeting. Mr. Clift stated this is not a question of the need to repair rolling stock as soon as possible, especially given NJ TRANSIT's 94 percent level of pre-Sandy weekday train service which is in large part a result of insufficient rolling stock. He said this is about NJ TRANSIT management providing the Board and the public with the maximum information. The specific information Mr. Clift believes the Board and public should have been provided prior to the meeting is: 1) Why it is necessary to have a special meeting nine days before the next scheduled Board Meeting; 2) Why the request for contracts approval is being made four months after Sandy; 3) Whether the work is already underway, due to the urgency of rolling stock and infrastructure repairs; 4) If so, when the work began and how many of the listed units have been completed; 5) If not, why the critical work did not begin until a full four months after Sandy; 6) What the basis is for a sole-source contract with ORX Railway Corporation since they are not the only AAR-approved wheel shop; 7) When previous work by Hall Construction was completed under Contract #09-020XR; 8) Whether this is the only flood-related work by Bombardier, ORX and Hall and if not, what is the other work and/or cost; 9) What are the number and type of flood-damaged cars and locomotives repaired and back in service; and 10) Whether there is a date certain for reinstating missing Bay Head morning Train #2308.

Mr. Clift's statement also said it would have been useful if NJ TRANSIT had provided the detailed rolling stock information that Chairman Simpson requested at the February Board Meeting. Mr. Clift said it would have been extremely useful if NJ TRANSIT had provided and posted fleet statistics regarding the fleet flooded and provided an example of one he created from news reports.

**Orrin Getz** said he supports the item on the agenda and thinks the work is very important. He said the Chairman had previously asked for the status of the fleet. Mr. Getz said the only real information he received was from Metro North that morning. He said there are no real schedules of when the equipment will be phased in; they only know it will be sometime in 2014. Mr. Getz said they need to know the progress so they can monitor and scrutinize. He said this is an opportunity to come back bigger and better. Mr. Getz said Metro North is expanding their service. He suggested NJ TRANSIT could fix up the Comet 3 trains to expand service to the unused rail lines that used to have service. Mr. Getz said Metro North bought NJ TRANSIT trains a few years ago and overhauled them for use on the Pascack Valley & Port Jervis Lines. He suggested Board Member Meisel may want to observe them on the Pascack Valley Line. Mr. Getz believes NJ TRANSIT should follow Metro North's example in getting better life from their equipment.

Chairman Simpson said he appreciated the public comments. He said both public speakers have a sense of what is going on at NJ TRANSIT. Chairman Simpson said he asked for the Special Board Meeting because a day without the fleet is a day too long. He wants to get back to full service. Chairman Simpson said staff has been working feverishly to facilitate repairing the equipment. He said there have been many meetings including briefing Board Members, and the Chairman has been at NJ TRANSIT working feverishly.

**Murray Bodin** submitted a written statement for the record. Mr. Bodin would like to have someone think about retrofitting some of the cars to be similar to articulated buses, where a passenger can go from one car to another without the barrier of closed doors at the end of the car. This is a mature concept used in Europe, but new to the United States. Passengers would find it easier to move to seats that are available, but not in view because they cannot see into the next car.

Executive Director Weinstein presented the following Action Item for approval:

**1303-06: SUPERSTORM SANDY DISASTER RECOVERY PROGRAM:  
SOLE/SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER  
FOR THE PURCHASE OF MATERIALS AND SERVICES AND  
AMENDMENT TO EXISTING CONSTRUCTION CONTRACT**

In order to restore the State's public transportation system to pre-Superstorm Sandy conditions as expeditiously as possible, authorization is requested to enter into sole/single source procurement-by-exception contracts with the following firms:

Bombardier Transit Corporation a rolling stock original equipment manufacturer, for the purchase of materials and services for the repair of Multilevel Passenger Cars in an amount not to exceed \$16,000,000, subject to the availability of funds; an

ORX Railway Corporation, an Association of American Railroads approved wheel shop, for the overhaul, repair and assembly of passenger car and locomotive wheel set assemblies and gear units in an amount not to exceed \$3,000,000, subject to the availability of funds.

Authorization to amend a contract with Hall Construction for construction services related to the restoration of Hoboken Terminal vendor space, the main waiting room, and public restrooms at a cost not to exceed \$1,000,000, for a total contract authorization of \$31,948,750, subject to the availability of funds.

Board Member Myron P. Shevell moved the resolution, Vice Chairman Bruce m. Meisel seconded it and it was unanimously adopted.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Board Member Flora M. Castillo, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

The meeting was adjourned at approximately 11:48 am.

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

**MARCH 4, 2013**

**MINUTES**

**PAGE**

- **CALL TO ORDER** -
- **PUBLIC COMMENTS ON AGENDA ITEM** -

**ACTION ITEM:**

<b>1303-06</b>	<b>SUPERSTORM SANDY DISASTER RECOVERY PROGRAM: SOLE/SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER FOR THE PURCHASE OF MATERIALS AND SERVICES AND AMENDMENT TO EXISTING CONSTRUCTION CONTRACT</b>	<b>45281</b>
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To achieve the goal of restoring the State's public transportation system to pre-Superstorm Sandy conditions as expeditiously as possible, staff seeks authorization to enter into sole/single source procurement-by-exception contracts with the following firms:

Bombardier Transit Corporation, Horsham, Pennsylvania, a rolling stock original equipment manufacturer (OEM), for the purchase of materials and services for the repair of Multilevel Passenger Cars in an amount not to exceed \$16,000,000, subject to the availability of funds.

ORX Railway Corporation, Tipton, Pennsylvania, an Association of American Railroads (AAR)-approved wheel shop, for the overhaul, repair and assembly of passenger car and locomotive wheel set assemblies and gear units in an amount not to exceed \$3,000,000, subject to the availability of funds.

Authorization to amend NJ TRANSIT Contract No. 09-020XR with Hall Construction of Farmingdale, New Jersey, for construction services related to the restoration of Hoboken Terminal vendor space, the main waiting room, and public restrooms at a cost not to exceed \$1,000,000, for a total contract authorization of \$31,948,750, subject to the availability of funds.

**ACTION ITEM**

**ITEM 1303-06: SUPERSTORM SANDY DISASTER RECOVERY PROGRAM: SOLE/SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER FOR THE PURCHASE OF MATERIALS AND SERVICES AND AMENDMENT TO EXISTING CONSTRUCTION CONTRACT**

**BENEFITS**

Beginning on October 28, 2012, and continuing through October 30, 2012, Superstorm Sandy struck the State of New Jersey with high winds and torrential rains producing unprecedented severe weather conditions, including enormous storm surges and devastating flooding. Superstorm Sandy caused significant damage to a large portion of NJ TRANSIT's transportation assets, impacting NJ TRANSIT's ability to provide public transportation in accordance with its legislated mission.

Within days of the storm NJ TRANSIT restored substantially all of its public transportation services and mitigated the dangerous conditions that had jeopardized public safety by obstructing safe transportation in New Jersey making it difficult or impossible for citizens to obtain the necessities of life, limiting access to essential emergency services and restricting restoration of business and commerce vital to the region's economy.

Due to the sheer magnitude of the storm damage, repairs and reparations to NJ TRANSIT's public transportation system and rolling stock are still on-going. These infrastructure and equipment repairs are technically complex in nature requiring the procurement of specialized engineering, construction, and other services and materials. NJ TRANSIT considers this Superstorm Sandy Disaster Recovery Program an exigent public need, paramount to restoring and maintaining safe and reliable operation of the State's public transportation system.

**ACTION (Scorecard: Corporate Accountability, Safety and Security, Customer Experience, Financial Performance)**

To achieve the goal of restoring the State's public transportation system to pre-Superstorm Sandy conditions as expeditiously as possible, staff seeks authorization to enter into sole/single source procurement-by-exception contracts with the following firms:

Bombardier Transit Corporation, Horsham, Pennsylvania, a rolling stock original equipment manufacturer (OEM), for the purchase of materials and services for the repair of Multilevel Passenger Cars in an amount not to exceed \$16,000,000, subject to the availability of funds.

ORX Railway Corporation, Tipton, Pennsylvania, an Association of American Railroads (AAR)-approved wheel shop, for the overhaul, repair and assembly of passenger car and locomotive wheel set assemblies and gear units in an amount not to exceed \$3,000,000, subject to the availability of funds.

Staff also seeks authorization to amend NJ TRANSIT Contract No. 09-020XR with Hall Construction of Farmingdale, New Jersey, for construction services related to the restoration of Hoboken Terminal vendor space, the main waiting room, and public restrooms at a cost not to exceed \$1,000,000, for a total contract authorization of \$31,948,750, subject to the availability of funds.

## **PURPOSE**

Authorization of these contract amendments will provide for the timely acquisition of critical services associated with NJ TRANSIT's asset repairs. This will provide NJ TRANSIT with the ability to fast-track the various repair projects thereby ensuring they are completed in a timely manner. The authorization will greatly reduce the administrative procurement cycle and repair completion dates.

### Rolling Stock Repairs

The parts, materials and technical services needed to replace or repair this uniquely-engineered equipment are available only from the OEM, a successor company with proprietary rights to the original design, or firms possessing AAR certifications for wheels, axles and gear units. Utilizing the OEM and other approved sole/single sources ensures compatibility of equipment and technical design and functionality, and maintains existing OEM equipment warranties.

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/single source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment.

### Infrastructure Repairs

Hoboken Terminal was significantly damaged during Superstorm Sandy. Water levels rose to approximately seven feet above floor level causing severe flood damage to the waiting room, vendor spaces and restrooms. As a result, NJ TRANSIT is currently losing lease revenue from the vendor space and has had to provide temporary alternative restroom facilities, which are rented.

Hall Construction had been contracted previously through a competitive bid process (Contract No. 09-020XR) by NJ TRANSIT to perform construction services for the rehabilitation of the Hoboken Ferry Terminal. Hall Construction is mobilized and presently on-site. Hall Construction is familiar with Hoboken Terminal and is technically qualified to perform the necessary repairs. The construction services required to repair Hoboken Terminal to pre-Superstorm Sandy conditions are similar in nature, craft and specification to the work that Hall Construction is presently providing under contract.



## BACKGROUND

Public Transportation is a critical imperative to minimize traffic congestion, to provide commutation and accessibility services, to restore commerce, to enable citizens to obtain the necessities of life, as well as access to essential services such as police, fire, and first aid and to preserve much needed resources such as fuel.

The damage caused from Superstorm Sandy to NJ TRANSIT's equipment was extensive and repairs are on-going. The operation and maintenance of NJ TRANSIT's Rail rolling stock requires the purchase of OEM parts and services from sole/single qualified sources such as Bombardier Transit Corporation and ORX Railway Corporation.

### ***Rolling Stock - Bombardier***

Bombardier will perform repairs to the Multilevel Passenger Cars at its Kanona, New York facility. Major repairs include in-car water damage restoration and replacement of damaged truck parts. Bombardier will provide the necessary OEM material such as traction drive units, axle bearings and miscellaneous truck parts. NJ TRANSIT intends to perform locomotive repairs at its Meadows Maintenance Complex (MMC) in Kearny, New Jersey, using in-house forces.

Bombardier will repair 77 Multilevel Passenger Cars and nine spare Multilevel Passenger Car trucks that were flooded during Superstorm Sandy, including:

- Lower-level removal and reinstallation of
  - Passenger seats
  - Floor heaters (cleaning required)
  - Floor covering
  - Floor panels
  - Insulation behind heater and below floor panels
  - Disinfect and clean all flooded areas
- Insulation behind bulkhead walls and stairs
- Clean the High Voltage Tray under the car
- Trucks
  - Cleaning by power washing
  - Replace ground brush assembly
  - Repair piping as required
  - Replacement of primary suspension
  - Replacement of damaged parts
  - Car leveling
- Clean interior of car
- Test
  - Air brakes
  - Heaters

***Rolling Stock – ORX Railway Corporation***

ORX Railway Corporation will perform storm-related repairs to passenger car and locomotive gear units and wheel-and-axle assemblies that cannot be performed by NJ TRANSIT in-house forces. ORX Railway Corporation is technically-approved and is AAR-certified to perform these repairs.

ORX will be utilized for work on the following equipment:

- 150 Arrow III Multiple Unit gear units
- 308 MultiLevel Passenger Car wheel-and-axle assemblies
- 48 PL-42 gear cases and journal bearings
- 24 ALP-46 gear cases and journal bearings
- 200 Comet wheel-set assemblies

***Hoboken Terminal Emergency Repairs – Hall Construction***

Hall Construction will undertake emergency repairs to restore the Hoboken Terminal vendor space, main waiting room area, and public restrooms. Damage from Superstorm Sandy has rendered the vendor space and customer restrooms unusable, and the main waiting area only recently re-opened with limited amenities.

**Funding**

Anticipated source of funds to be used in these procurements include insurance proceeds, Federal Transit Administration (FTA) and Transportation Trust Fund dollars, and possibly Federal Emergency Management Agency (FEMA). However, NJ TRANSIT anticipates a significant portion of the costs associated with this work to be reimbursed from insurance proceeds and FTA.

On February 4, 2013, the U.S. Department of Transportation (USDOT) announced the availability of \$2 billion through the FTA's new Emergency Relief Program to help protect, repair, reconstruct, and replace public transit equipment and facilities that were badly damaged by Superstorm Sandy. The funds are the first installment of up to \$10.9 billion appropriated to the FTA through the Disaster Relief Appropriations Act of 2013, which President Obama signed into law on January 29.

FTA's new Emergency Relief Program was established under the two-year surface transportation law, *Moving Ahead for Progress in the 21st Century* (MAP-21). The funds will be awarded through the program on a rolling basis, in the form of grants to states, local governments, transit agencies and other organizations that own or operate transit systems damaged by the storm.

Following the storm, the USDOT developed a rapid-response strategy to assist transit providers in the near-term, while laying the foundation for the responsible administration of federal-aid transit funds available now. Notably, FEMA and FTA have conducted continuing damage assessments and cost-validation work for both operating and capital costs associated with restoring and rebuilding transit in the impacted areas. These early joint efforts support FTA's ability to compensate the affected transit agencies promptly while ensuring that taxpayer dollars are being spent responsibly.

Consistent with the requirements of the supplemental appropriations, the remaining disaster relief funds will be made available after FTA issues interim regulations. For the most part, the FTA will cover 90 percent of the cost of transit-related operating and capital projects undertaken in response to Superstorm Sandy.

**FISCAL IMPACTS**

**Requested Authorization:**

Bombardier This Authorization \$ 16,000,000

ORX Railway Corporation This Authorization \$ 3,000,000

Hall Construction This Authorization \$ 1,000,000

Total Authorization \$ 31,948,750

**Total Project Cost:** Part of Superstorm Sandy Disaster Recovery Program

**Projected Date of Completion:** 2014

**Anticipated Source of Funds:** Insurance Proceeds  
Federal Transit Administration  
Transportation Trust Fund  
Federal Emergency Management Agency (possible)

**Diversity Goal:**

Bombardier None – Specialized Work

ORX Railway Corporation None – Specialized Work

Hall Construction 20% DBE

**NJ Build Amount:** None

**Related/Future Authorizations:** Other OEM Services

**Impact on Subsequent Operating Budgets:** \$0

## RESOLUTION

**WHEREAS**, NJ TRANSIT serves a vital role in the State's transportation network and in the State's economy; and that Superstorm Sandy jeopardized the public safety and welfare by obstructing safe transportation in New Jersey thereby making it difficult or impossible for citizens to obtain the necessities of life, limiting access to essential emergency services and restricting restoration of business and commerce vital to the region's economy; and

**WHEREAS**, Superstorm Sandy damaged NJ TRANSIT's transportation assets requiring continued repair to restore the transportation system to pre-storm conditions; and

**WHEREAS**, pursuant to N.J.A.C. 16:72-1.5, competitive procurement requirements may be waived in instances where only one source of supply is available; and

**WHEREAS**, Hall Construction is currently under contract to NJ TRANSIT for pre-Superstorm Sandy Hoboken Terminal upgrades following the completion of a competitive procurement;

**WHEREAS**, it has been determined that Bombardier and ORX Railway Corporation are certified to be the sole/single source suppliers for the purchase of materials and services in accordance with N.J.A.C. 16:72-1.5 and Executive Order No. 37; and

**WHEREAS**, procurement-by-exception waiver authorizations are required to expeditiously support repairs, replacement, and improvements to NJ TRANSIT's rail rolling stock required as a result of Superstorm Sandy;

**NOW, THEREFORE, BE IT RESOLVED** that, to achieve the goal of restoring the State's public transportation system to pre-Superstorm Sandy conditions as expeditiously as possible, the Chairman or Executive Director is authorized to enter into sole/single source procurement-by-exception contracts with the following firms required as a result of Superstorm Sandy:

Bombardier Transit Corporation, Horsham, Pennsylvania, an OEM rolling stock manufacturer, for the purchase of materials and services for Multilevel Passenger Cars in an amount not to exceed \$16,000,000, subject to the availability of funds;

ORX Railway Corporation, Tipton, Pennsylvania, an AAR-approved wheel shop, for the overhaul, repair and assembly of passenger car and locomotive wheel set assemblies and gear units in an amount not to exceed \$3,000,000, subject to the availability of funds; and

**BE IT FURTHER RESOLVED THAT** the Chairman or Executive Director is also authorized to amend NJ TRANSIT Contract No. 09-020XR with Hall Construction of Farmingdale, New Jersey, for construction services related to the restoration of vendor space, the main waiting room, and public restrooms at a cost not to exceed \$1,000,000, for a total contract authorization of \$31,948,750, subject to the availability of funds.