

**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**

MARCH 13, 2013

FINAL AGENDA

- **CALL TO ORDER**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**
- **PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS**
- **BOARD MEMBER COMMENTS**
- **ADVISORY COMMITTEE REPORT**
- **SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT DUE JUNE 2013)**
- **BOARD COMMITTEE REPORTS**
 - *Administration Committee
 - *Capital Planning, Policy & Privatization Committee
 - *Customer Service Committee
- **EXECUTIVE DIRECTOR'S MONTHLY REPORT**

ACTION ITEMS

1303-07 SUPERSTORM SANDY RECOVERY PROGRAM: AMENDMENTS TO 2009 AND 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAMS AND OTHER EXISTING DESIGN AND CONSTRUCTION CONTRACTS

Authorization to increase the total authorization amount for the 2009 Capital Planning and Programs Task Order Consultant Contracts Program for NJ TRANSIT Contract No. 09-085A with Hill International of Marlton, New Jersey, for Project Oversight in the amount of \$2,000,000 for a maximum authorization amount for the 2009 Task Order Consultant Contracts Program of \$36,700,000, subject to the availability of funds. The maximum task order and contract limits for this contract as previously approved for the 2009 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery Program. Hill International will report directly to the NJ TRANSIT Board of Directors through the Chairman and Vice-Chairman, providing an independent assessment of the implementation of the Superstorm Sandy Disaster Recovery Program being undertaken by NJ TRANSIT staff.

Authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B - \$2,000,000) for Environmental Management; Gannett Fleming (NJ TRANSIT Contract No. 13-006A - \$2,000,000) for Gladstone Catenary Poles; Jacobs Engineering, Inc. (NJ TRANSIT Contract No. 13-006B - \$2,000,000) for the Meadows Maintenance Complex; STV, Inc. (NJ TRANSIT Contract No. 13-006C - \$2,000,000) for the Hoboken Terminal; and HNTB (NJ TRANSIT Contract No. 13-007B - \$5,000,000) for Program Management in the total amount of \$13,000,000 for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program of \$45,050,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery Program.

Authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering services related to the Multilevel rail cars at a cost not to exceed \$1,000,000, for a total contract authorization of \$10,676,110, subject to the availability of funds.

Authorization to amend NJ TRANSIT Contract No. 05-098 with STV, Inc. of New York, New York, for engineering services related to the dual-powered and electric locomotives at a cost not to exceed \$1,000,000, for a total contract authorization of \$14,804,350, subject to the availability of funds.

Authorization to award NJ TRANSIT Contract No. 13-002D to Dewberry Engineers, Inc. of Parsippany, New Jersey, as part of the 2012 Task Order Consultant Contract Program in Environmental Services, to supplement staff for both on-going environmental work as well as Superstorm Sandy Disaster Recovery Program related work, subject to the maximum task and contract limits previously authorized (\$500,000 and \$4,000,000, respectively) and the availability of funds. Dewberry was the next highest-ranked firm during the 2012 Task Order Consultant Contract Program procurement process.

1303-08 ACCESS LINK CONTRACTED SERVICE FOR REGION 3 (ATLANTIC, CAPE MAY, CUMBERLAND AND SOUTH OCEAN COUNTIES)

Authorization to enter into NJ TRANSIT Contract No. 12-067 with Easton Coach Company of Easton, Pennsylvania, to provide ADA paratransit service in Region 3 (Atlantic, Cape May, Cumberland and South Ocean Counties) for an 84-month period from July 7, 2013 to July 11, 2020, a three-year base contract with four one-year options, at a cost not to exceed \$26,370,873.00, plus five percent for contingencies, for a total contract authorization of \$27,689,416.65, subject to the availability of funds and adoption of future NJ TRANSIT Operating Budgets.

**1303-09 BERGEN COUNTY LINE RIGHT-OF-WAY REMEDIATION PROJECT:
CONSTRUCTION CONTRACT AWARD**

Authorization to enter into NJ TRANSIT Contract No. 13-039X with Anselmi & DeCicco of Maplewood, New Jersey, for the environmental remediation of the Bergen County Line between Mileposts 10.2 and 10.6 in the Boroughs of Wallington and Wood-Ridge in the amount of \$3,884,990.00, plus ten percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

**1303-10 EXTENSION OF COVENANT NOT TO COMPETE AGREEMENT ON THE
#300 BUS ROUTE**

Authorization to take all actions necessary to extend the Covenant Not to Compete Agreement with Olympia Trails Bus Company, Inc. (a Coach USA Company) of Elizabeth, New Jersey, for a nine-month period from January 1, 2013 through September 30, 2013 on the #300 Bus Route between Newark Liberty International Airport and the Port Authority Bus Terminal, for a payment of 5.5 percent of the gross revenue, with a minimum payment of \$300,000.

- **EXECUTIVE SESSION AUTHORIZATION**
- **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 February 13, 2013 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 February 14, 2013;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the February 13, 2013 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.

EXECUTIVE DIRECTOR'S REPORT

**THIS REPORT WILL BE PRESENTED
SEPARATELY**

ACTION ITEMS

**ITEM 1303-07: SUPERSTORM SANDY DISASTER RECOVERY PROGRAM:
AMENDMENTS TO 2009 AND 2012 TASK ORDER
CONSULTANT CONTRACTS PROGRAMS AND OTHER
EXISTING DESIGN CONTRACTS**

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.

Although the emergent conditions were mitigated, due to the extensive storm damage, repairs to and protection of NJ TRANSIT's assets are still on-going. NJ TRANSIT considers the repairs and protective measures critical to restore and maintain safe and reliable public transportation to pre-storm conditions. These repairs and protective measures are extensive and are technically complex in nature requiring the procurement of specialized oversight, engineering and design services, and to supplement NJ TRANSIT staff.

The consultants included in this authorization are currently under contract with NJ TRANSIT following the completion of competitive procurement processes and prior approval of the NJ TRANSIT Board of Directors, with the exception of the additional Environmental Services consultant.

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

Staff seeks authorization to increase the total authorization amount for the 2009 Capital Planning and Programs Task Order Consultant Contracts Program for NJ TRANSIT Contract No. 09-085A with Hill International of Marlton, New Jersey, for Project Oversight in the amount of \$2,000,000 for a maximum authorization amount for the 2009 Task Order Consultant Contracts Program of \$36,700,000, subject to the availability of funds. The maximum task order and contract limits for this contract as previously approved for the 2009 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery Program. Hill International will report directly to the NJ TRANSIT Board of Directors through the

Chairman and Vice-Chairman, providing an independent assessment of the implementation of the Superstorm Sandy Disaster Recovery Program being undertaken by NJ TRANSIT staff.

Staff also seeks authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B - \$2,000,000) for Environmental Management; Gannett Fleming (NJ TRANSIT Contract No. 13-006A - \$2,000,000) for Gladstone Catenary Poles; Jacobs Engineering, Inc. (NJ TRANSIT Contract No. 13-006B - \$2,000,000) for the Meadows Maintenance Complex; STV, Inc. (NJ TRANSIT Contract No. 13-006C - \$2,000,000) for the Hoboken Terminal; and HNTB (NJ TRANSIT Contract No. 13-007B - \$5,000,000) for Program Management in the total amount of \$13,000,000 for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program of \$45,050,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery Program.

Staff also seeks authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering services related to the Multilevel rail cars at a cost not to exceed \$1,000,000, for a total contract authorization of \$10,676,110, subject to the availability of funds.

Staff also seeks authorization to amend NJ TRANSIT Contract No. 05-098 with STV, Inc. of New York, New York, for engineering services related to the dual-powered and electric locomotives at a cost not to exceed \$1,000,000, for a total contract authorization of \$14,804,350, subject to the availability of funds.

Staff also seeks authorization to award NJ TRANSIT Contract No. 13-002D to Dewberry Engineers, Inc. of Parsippany, New Jersey, as part of the 2012 Task Order Consultant Contract Program in Environmental Services, to supplement staff for both on-going environmental work as well as Superstorm Sandy Disaster Recovery Program related work, subject to the maximum task and contract limits previously authorized (\$500,000 and \$4,000,000, respectively) and the availability of funds. Dewberry was the next highest-ranked firm during the 2012 Task Order Consultant Contract Program procurement process.

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 and protection projects thereby ensuring they are completed in a timely manner and are eligible for Federal Emergency Management Agency (FEMA) and Federal Transit Administration (FTA) reimbursement. It is anticipated that the work schedule will extend through 2015. The

authorization will greatly reduce the administrative procurement cycle and project lead times. A summary of the contract limits is shown in Exhibit A.

The total authorization for the 2009 Task Order Consultants Contract Program will be \$36,700,000: \$34,700,000 for non-Superstorm Sandy tasks and \$2,000,000 for Superstorm Sandy tasks. The total authorization for the 2012 Task Order Consultants Contract Program will be \$45,050,000: \$32,050,000 for non-Superstorm Sandy tasks and \$13,000,000 for Superstorm Sandy tasks.

BACKGROUND

Public transportation is a critical imperative to minimize traffic congestion, provide commutation and accessibility services, promote commerce, and 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 included coastal storm surges that flooded rail yards, substations, and terminals. Inland the storm resulted in fallen trees, downed power lines, damage to roadways, and disruptions in electrical service. As a result, dangerous conditions throughout NJ TRANSIT's public transportation system and continue to jeopardize the public safety if not fully remediated through long-term repair and protection of critical assets.

Superstorm Sandy Disaster Recovery Program

NJ TRANSIT has developed an interdisciplinary program utilizing both in-house staff and consulting firms to manage the design and construction of the projects identified as critical to restoring and improving NJ TRANSIT's infrastructure and rolling stock. Key consultant roles are listed below.

Project Oversight – Hill International

Hill International, reporting directly to the NJ TRANSIT Board of Directors, Chairman and Vice-Chairman, will provide oversight services, including high-level reporting of an independent assessment of the implementation of the Superstorm Sandy Disaster Recovery Program by NJ TRANSIT staff.

Program Manager – HNTB

The consultant will provide overall project management control, including scheduling, estimating, document control, risk management, budget control, track outage coordination, and force account coordination.

Environmental Manager – BEM Systems, Inc.

The consultant will be responsible for environmental permitting, NEPA planning and documentation, and remediation investigations.

Substations – Gannett Fleming

The consultant will evaluate substation damage and design necessary repairs to return facilities to service as soon as possible. Additionally, the consultant will identify design mitigation measures to prevent future damage and/or service disruption.

Meadows Maintenance Complex (MMC) – Jacobs Engineering, Inc.

The consultant will evaluate damage and design necessary repairs/improvements to make the MMC facilities more resilient to future storms.

Hoboken Terminal – STV, Inc.

The consultant will evaluate damage and design necessary repairs to return Hoboken Terminal facilities to full service.

Gladstone Catenary Poles – Gannett Fleming

The consultant will design improvements to replace the wooden catenary poles with steel poles.

Rail Rolling Stock – LTK Engineering Services and STV, Inc.

LTK Engineering Services and STV, Inc. will provide technical assistance in the identification of damages to NJ TRANSIT's Multilevel coaches and dual-powered and electric locomotives, and work with NJ TRANSIT staff and equipment manufacturers in identifying and monitoring repairs.

Dewberry Engineers, Inc.

As part of the 2012 Task Order Consultant Contracts Program, three firms were selected for the Environmental Services discipline in accordance with past practice. The projects that have now been identified as a result of the effects of Superstorm Sandy as well as the projects that are already included in the NJ TRANSIT Capital Program require additional consultant support in order to adhere to construction schedules. Dewberry Engineers, Inc. was the fourth-ranked firm in the 2012 Task Order Consultant Contracts procurement process. The contract awarded to them will be subject to the original task limit (\$500,000) and contract limit (\$4,000,000).

Funding

Anticipated source of funds to be used in these procurements include insurance proceeds, Federal Transit Administration 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, FEMA 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.

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

FISCAL IMPACTS

Requested Authorizations:

2009 Task Order Consultants Program

This Authorization \$ 2,000,000
Total Authorization \$ 36,700,000

2012 Task Order Consultants Program

This Authorization \$ 13,000,000
Total Authorization \$ 45,050,000

LTK Engineering Services

This Authorization \$ 1,000,000
Total Authorization \$ 10,676,110

STV, Inc.

This Authorization \$ 1,000,000
Total Authorization \$ 14,804,350

Dewberry Engineers, Inc.

Include in the 2012 Task Order Consultant Contracts Program for Environmental Services

Total Project Cost:

Part of Superstorm Sandy Disaster Recovery Program

Projected Date of Completion: 2015

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

DBE/SBE Goal:
2009 Task Order Consultants 25% DBE/SBE Category 3 overall program goal
2012 Task Order Consultants 25% DBE – Environmental Services
25% DBE – Architectural/Engineering Services
20% DBE – Bridge & Railway Engineering Services
LTK Engineering Services 20% DBE
STV, Inc. 20% DBE

***NJ Build* Amount:** NA

Related/Future Authorizations: Additional consultant 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 and restoration to restore the transportation system to pre-storm conditions; and

WHEREAS, these repairs and protective measures are extensive and are technically complex in nature requiring the procurement of specialized oversight, engineering and design services, and to supplement NJ TRANSIT staff; and

WHEREAS, the consultants included in this authorization are currently under contract to NJ TRANSIT following the completion of competitive procurement processes, or have gone through a Federal competitive procurement process; and

WHEREAS, NJ TRANSIT anticipates a significant portion of the costs associated with this work to be reimbursed from insurance proceeds, the Federal Transit Administration and, possibly, the Federal Emergency Management Agency.

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to increase the total authorization amount for the 2009 Capital Planning and Programs Task Order Consultant Contracts Program for NJ TRANSIT Contract No. 09-085A with Hill International of Marlton, New Jersey, for Project Oversight in the amount of \$2,000,000 for a maximum authorization amount for the 2009 Task Order Consultant Contracts Program of \$36,700,000, subject to the availability of funds. The maximum task order and contract limits for this contract previously approved for the 2009 Task Order Consultant

Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery Program. Hill International will report directly to the NJ TRANSIT Board of Directors through the Chairman and Vice-Chairman, providing an independent assessment of the Superstorm Sandy Disaster Recovery Program; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is also authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with BEM Systems, Inc. (NJ TRANSIT Contract No. 13-002B - \$2,000,000) for Environmental Management; Gannett Fleming (NJ TRANSIT Contract No. 13-006A - \$2,000,000) for Gladstone Catenary Poles; Jacobs Engineering, Inc. (NJ TRANSIT Contract No. 13-006B - \$2,000,000) for the Meadows Maintenance Complex; STV, Inc. (NJ TRANSIT Contract No. 13-006C - \$2,000,000) for the Hoboken Terminal; and HNTB (NJ TRANSIT Contract No. 13-007B - \$5,000,000) for Program Management in the total amount of \$13,000,000 for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program of \$45,050,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply for tasks related to the Superstorm Sandy Disaster Recovery Program; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is also authorized to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering services related to the Multilevel rail cars at a cost not to exceed \$1,000,000, for a total contract authorization of \$10,676,110, 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. 05-098 with STV, Inc. of New York, New York, for engineering services related to the dual-powered and electric locomotives at a cost not to exceed \$1,000,000, for a total contract authorization of \$14,804,350, subject to the availability of funds; and

BE IT FURTHER RESOLVED THAT the Chairman or Executive Director is also authorized to award NJ TRANSIT Contract No. 13-002D to Dewberry Engineers, Inc. of Parsippany, New Jersey, as part of the 2012 Task Order Consultant Contract Program in Environmental Services, to supplement staff for both on-going environmental work as well as Superstorm Sandy Disaster Recovery Program related work, subject to the maximum task and contract limits previously authorized (\$500,000 and \$4,000,000, respectively) and the availability of funds. Dewberry was the next highest-ranked firm during the 2012 Task Order Consultant Contract Program procurement process.

**EXHIBIT A
2009 AND 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM
TASK AND CONTRACT LIMITS**

TASK ORDER CONTRACT AMENDMENTS

	Vendor	Contract No.	Superstorm Sandy Disaster Recovery Program Tasks Task Limit	Superstorm Sandy Disaster Recovery Program Tasks Contract Limit	Non-Superstorm Sandy Disaster Recovery Program Tasks Task Limit	Non-Superstorm Sandy Disaster Recovery Program Tasks Contract Limit
2009 Task Order Consultant Contracts Program	Hill International	09-085A	None	\$ 2,000,000	\$ 600,000	\$ 5,500,000
2012 Task Order Consultant Contracts Program	BEM Systems	13-002B	None	\$ 2,000,000	\$ 500,000	\$ 4,000,000
	Gannett Fleming	13-006A	None	\$ 2,000,000	\$ 500,000	\$ 3,500,000
	Jacobs Engineering	13-006B	None	\$ 2,000,000	\$ 500,000	\$ 3,500,000
	STV	13-006C	None	\$ 2,000,000	\$ 500,000	\$ 3,500,000
	HNTB	13-007B	None	\$ 5,000,000	\$ 600,000	\$ 2,000,000

Dewberry Engineers, Inc. will be added to the 2012 Task Order Consultant Program in the Environmental Services discipline, subject to the original task and contract limits (\$500,000 per task and \$4,000,000 total contract).

NON-TASK ORDER CONTRACT AMENDMENTS

Vendor	Contract No.	Additional Authorization
LTK Engineering	05-078	\$ 1,000,000
STV	05-098	\$ 1,000,000

ITEM 1303-08: ACCESS LINK CONTRACTED SERVICE FOR REGION 3 (ATLANTIC, CAPE MAY, CUMBERLAND AND SOUTH OCEAN COUNTIES)

BENEFITS

In July 1990, the Americans with Disabilities Act (ADA) was signed into law requiring public entities operating fixed-route transportation systems to provide paratransit services for individuals with disabilities who cannot use the fixed-route service. NJ TRANSIT provides paratransit service (known as Access Link) everywhere in the State where fixed-route local bus transportation systems operated by NJ TRANSIT, or by private carriers under contract to NJ TRANSIT, are offered.

NJ TRANSIT contracts with vendors to provide service in different regions throughout the State. In Region 3, which includes Atlantic, Cape May, Cumberland and South Ocean Counties, 2,540 people are certified to use Access Link and approximately 190 average weekday passenger trips are provided.

ACTION (Scorecard: Corporate Accountability, Customer Experience, Safety & Security)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 12-067 with Easton Coach Company of Easton, Pennsylvania, to provide ADA paratransit service in Region 3 (Atlantic, Cape May, Cumberland and South Ocean Counties) for an 84-month period from July 7, 2013 to July 11, 2020, a three-year base contract with four one-year options, at a cost not to exceed \$26,370,873.00, plus five percent for contingencies, for a total contract authorization of \$27,689,416.65, subject to the availability of funds and adoption of future NJ TRANSIT Operating Budgets.

PURPOSE

Authorization of this contract will ensure that NJ TRANSIT remains in compliance with its federal obligation to provide the ADA paratransit service to residents and visitors. It will ensure that those who are unable to use NJ TRANSIT's fixed-route local bus services have the opportunity to become more independent and increase their community participation. The existing contract with First Transit, Inc. of Cincinnati, Ohio, for Access Link paratransit service in Region 3 expires on July 6, 2013.

BACKGROUND

History

The public transit provisions of the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 1210 et seq.) call for mandatory accessible fixed-route systems and comparable complementary paratransit services for individuals with disabilities who cannot use accessible fixed-route systems. NJ TRANSIT provides paratransit service (known as Access Link) everywhere in the State where fixed-route local bus transportation

systems are operated by NJ TRANSIT, or by private carriers under contract to NJ TRANSIT. NJ TRANSIT contracts with private vendors to provide service in five separate regions throughout the State.

The current Access Link contracts are as follows:

- | | |
|----------|--|
| Region 2 | Burlington, Camden, Salem and Gloucester Counties
Service provider: First Transit, Inc.
Contract period: 07/14/12 – 07/12/19 |
| Region 3 | Atlantic, Cumberland, Cape May and Southern Ocean Counties
Service provider: First Transit, Inc.
Contract period: 12/01/05 – 07/06/13 (includes 8-month extension) |
| Region 4 | Mercer, Middlesex, Monmouth and Northern Ocean Counties
Service provider: First Transit, Inc.
Contract period: 03/07/07 – 05/07/14 |
| Region 5 | Essex, Union, Somerset, Morris and Western Hudson Counties
Service provider: First Transit, Inc.
Contract period: 06/13/09 – 04/09/16 |
| Region 6 | Bergen, Hudson and Passaic Counties
Service provider: First Transit, Inc.
Contract period: 06/10/06 – 06/07/13 ¹ |

Each current contract has a three-year base period. Contracts for Regions 2, 3 and 5 have four one-year option periods, and contracts for Regions 4 and 6 have two two-year option periods.

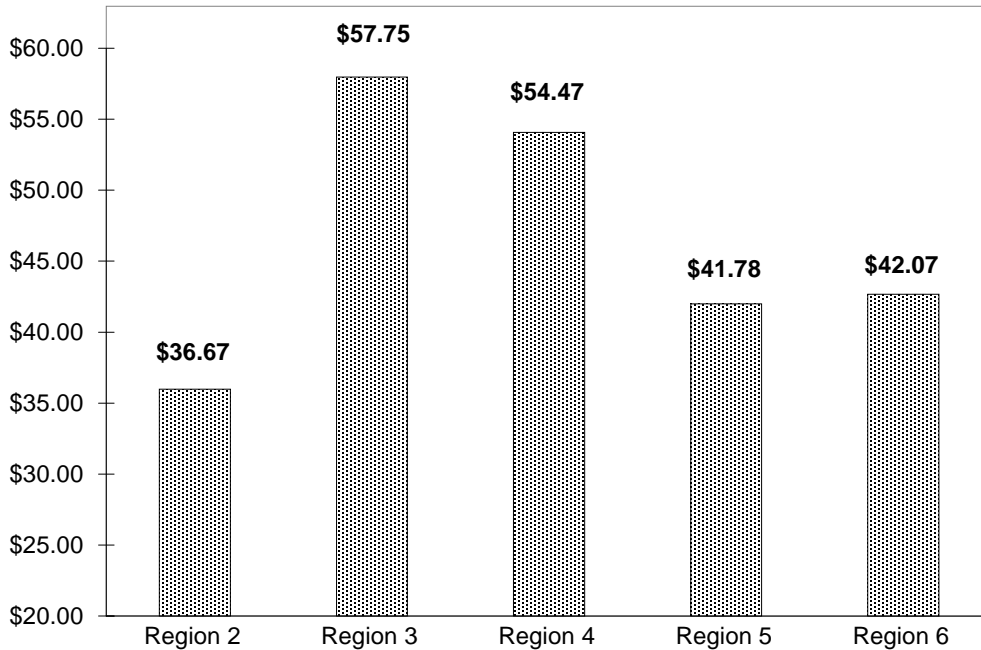
From June 2006 through June 2012, 402,186 ADA passenger trips in Region 3 only were delivered, at a cost of approximately \$52.92 per trip (assumes an average fare of \$1.35 per passenger), with an average growth of two percent per year.

As of November 1, 2012, 29,198 people are eligible to ride Access Link statewide, 2,540 of which live in the Region 3 service area: Atlantic (1,921), Cape May (241), Cumberland (226) and South Ocean (152) counties. On average, Access Link provides 190 weekday trips to this region.

The following chart illustrates the actual cost per trip (including fuel costs and excluding NJ TRANSIT administration costs) for FY2012 by Access Link Region.

¹ In December 2012, the NJ TRANSIT Board of Directors authorized a new contract with First Transit, Inc. to provide ADA paratransit service in Region 6 for an 84-month period from June 2013 to June 2020 (Item 1212-56).

Access Link FY 2012 Cost per Trip (Actual) by Region



Procurement

On August 13, 2012, NJ TRANSIT advertised a Request for Proposals (RFP) for paratransit service in Region 3 in *The Star-Ledger* and *The Trenton Times*. A Pre-Proposal Conference was held on August 29, 2012 at NJ TRANSIT Headquarters.

The RFP required prospective carriers to provide a proposed price for both the base contract period (three years) and the four one-year option periods. Proposals were due on October 9, 2012 and NJ TRANSIT received responses from four companies: Easton Coach Company, First Transit, Inc., MV Transportation, Inc., and Ride Right, LLC. The responses included a Technical Proposal and a Cost Proposal.

The Technical Proposals were reviewed by the Technical Evaluation Committee (TEC) comprised of:

- CP&P ADA Services (four members)
- CP&P Local Programs & Minibus Support (one member)

The Technical Proposals were evaluated on the basis of Technical Evaluation Criteria that included project understanding, management plan, driver quality, safety and training, vehicle maintenance, start-up plan, and references and qualifications.

The Technical Proposals submitted by MV Transportation, Inc. and Ride Right, LLC were deemed non-responsive due to the inadequacy of their proposed facilities. Both proposers were afforded the opportunity to submit alternative locations but failed to do so. Therefore, their proposals were deemed non-responsive.

The Technical Proposals from First Transit, Inc. and Easton Coach Company were deemed to be responsive and were scored. The two firms were then invited to make Oral Presentations highlighting:

- Project understanding
- Presentation by the proposed General Manager
- Discussion of Start-up Plan
- Discussion of Driver Safety, Training & Accident Investigations
- Discussion of Vehicle Maintenance

Upon completion of the Oral Presentations, the Technical Proposal evaluations were re-scored. The Cost Proposals were reviewed and scored by Procurement staff. The scores for the Technical Proposals and the Cost Proposals were then combined for a total score. The final scores are shown in the following table.

SCORE	EASTON COACH COMPANY	FIRST TRANSIT, INC.
Technical	1,100.00	950.00
Cost	956.00	948.75
Total	2,056.00	1,898.75

Best and Final Offers (BAFO) were submitted by Easton Coach Company and First Transit, Inc. on November 12, 2012.

Contract Year 1 for Easton Coach Company will be \$3,420,154 as compared to \$4,139,353 in Contract Year 7 for First Transit for the current contract.

Contract Performance Standards

The contract contains performance standards for Access Link regarding customer service, system efficiency, performance incentives, operator development, vehicle maintenance, and quality safeguards. These performance standards are shown below:

Customer Service – Customer Service initiatives include monthly financial awards earned by the Service Provider when there are no confirmable customer complaints and financial awards payable to vehicle operators who go one year working full time without being involved in a confirmed complaint or preventable accident. Also included are standards for customer pick-ups, drop-offs, securement and requirements for the use of the electronic external vehicle arrival announcement feature

System Efficiency – System Efficiency is fostered through the establishment of minimum staffing levels to ensure adequate service control, constant monitoring of Provider service schedules, the use of Mobile Data Terminals (MDT) on all vehicles, annual computer system proficiency certification requirements for operations staff and a Productivity Incentive that financially rewards Providers for achieving efficiency goals

Performance Incentives/Assessments – Performance Incentives include Operator Excellence Incentives, Productivity Incentives and On-time Performance Incentives. Performance Assessments, which are included in the contract to enable NJ TRANSIT to recoup funds paid for services not rendered per specifications, cover a myriad of circumstances including missed trips, late trips, improperly maintained vehicles, customer complaints, unsafe operation, missing or incomplete reports, etc. Assessments associated with the Performance Incentives are levied in terms of multipliers of the Provider’s variable rate. For example, the assessment for the most egregious violation could result in a payment of up to 25 times the variable rate, per incident, depending on the operational impact and severity of the incident. For a provider whose hourly variable rate is \$35, that could mean \$875.

Operator Development – Basic driver skills are developed and maintained through 104 hours of vehicle operator training, Behind-the-Wheel (BTW) Driver Trainer certification and the use of the Drive-Cam system utilization standards

Vehicle Maintenance – Fleet condition is ensured through daily reporting of vehicle availability status, the capabilities for NJ TRANSIT staff to access the Provider’s computerized vehicle maintenance system and random audits of fleet condition and maintenance records.

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

FISCAL IMPACTS

Requested Authorization: \$ 26,370,873.00 + 5% contingency

Total Project Cost: \$ 26,370,873.00

Projected Date of Completion: July 2020

Anticipated Source of Funds: NJ TRANSIT FY2014 to FY2020 Operating Budget

DBE/SBE Goal: 3% SBE Category 3

NJ Build Amount: None

Related/Future Authorizations: Purchase of Access Link Vehicles

**Impacts on Subsequent
Operating Budgets:**

FY2014	\$ 3,420,154.00
FY2015	\$ 3,540,377.00
FY2016	\$ 3,668,306.00
FY2017	\$ 3,717,367.00
FY2018	\$ 3,849,717.00
FY2019	\$ 3,934,869.00
FY2020	<u>\$ 4,240,083.00</u>
Total	\$26,370,873.00

RESOLUTION

WHEREAS, in July 1990, the Americans with Disabilities Act (ADA) was signed into law requiring public entities operating fixed route transportation systems to provide paratransit services for individuals with disabilities; and

WHEREAS, the existing contract for Access Link paratransit service in Region 3 (Atlantic, Cape May, Cumberland and South Ocean Counties) is expiring; and

WHEREAS, providing uninterrupted Access Link service is an ongoing requirement of the Federal Government; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Easton Coach Company submitted the proposal that provides the best value and is in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 12-067 with Easton Coach Company of Easton, Pennsylvania, to provide ADA paratransit service in Region 3 (Atlantic, Cape May, Cumberland and South Ocean Counties) for an 84-month period from July 7, 2013 to July 11, 2020, a three-year base contract with four one-year options, at a cost not to exceed \$26,370,873.00, plus five percent for contingencies, for a total contract authorization of \$27,689,416.65, subject to the availability of funds and adoption of future NJ TRANSIT Operating Budgets.

**ITEM 1303-09: BERGEN COUNTY LINE RIGHT-OF-WAY REMEDIATION
PROJECT: CONSTRUCTION CONTRACT AWARD**

BENEFITS

A section of the Bergen County Line right-of-way between mileposts 10.2 and 10.6 is contaminated with polychlorinated biphenyls (PCBs) from the adjacent Industrial Latex Superfund Site that was remediated by the U.S. Environmental Protection Agency (USEPA) in the late 1990s. Results of soil investigations recently conducted indicate similar contamination in the area of the new Wesmont station. Staging of Wesmont Station provides NJ TRANSIT with the opportunity to remove levels of PCBs that are in excess of USEPA clean-up standards and cap the affected area with clean soil. A Site Vicinity Map is shown as Exhibit A.

To minimize the impact to customers, the remediation will be done in two phases. The first phase will be to remediate the area of the right-of-way immediately north of existing Track 2. Following completion of this phase, Track 2 will be relocated to the newly-remediated and capped area. The second phase will include removal of the former Track 2 and remediation of PCB-contaminated soil under the former track. By phasing the project in this manner, NJ TRANSIT will be able to maintain a two-track operation throughout the remediation.

ACTION (Scorecard: Safety and Security)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 13-039X with Anselmi & DeCicco of Maplewood, New Jersey, for the environmental remediation of the Bergen County Line between Mileposts 10.2 and 10.6 in the Boroughs of Wallington and Wood-Ridge in the amount of \$3,884,990.00, plus ten percent for contingencies, subject to the availability of funds.

PURPOSE

This contract includes excavation and disposal of PCB-contaminated soil within the Bergen County Line right-of-way between mileposts 10.2 and 10.6 in the Boroughs of Wallington and Wood-Ridge. The contractor will drive necessary sheeting to protect Track 2, then excavate and properly dispose of PCB-contaminated soil above the USEPA-approved clean-up standard of 10 parts per million to the north of Track 2. The contractor will then supply clean backfill to restore the excavation and prepare the subgrade for relocation of Track 2 to its new location. NJ TRANSIT will construct and install the new Track 2 on the clean subgrade. Once the new Track 2 is in service, the contractor will remove the old Track 2, drive sheeting to protect Track 1, excavate and dispose of PCB-contaminated soil above the USEPA clean-up standard, and backfill the area with clean fill, leaving it ready for construction of the platform for Wesmont station.

BACKGROUND

History

The Bergen County Line right-of-way between mileposts 10.2 and 10.6 is adjacent to the former Industrial Latex Corporation site in Wallington. Industrial Latex operated on this site from 1951 to 1980, manufacturing a variety of adhesives and natural and synthetic rubber compounds. PCBs were often added to their products as a fire-retardant.

When Industrial Latex ceased operations in 1980, they left a legacy of chemical contamination on the site, including drums of solvents and PCBs. Throughout the 1980s, the NJ Department of Environmental Protection (NJDEP) took steps to protect public health by removing abandoned drums and tanks from the site. However, a large amount of soil contamination remained. The site was placed on the National Priority List (Superfund) in 1989 and USEPA took over responsibility for the final clean-up of the site. As no responsible party could be identified, USEPA proceeded to pay for the clean-up with public funds.

Between 1998 and 2000, approximately 54,000 cubic yards of PCB-contaminated soil were excavated and heat-treated to remove PCBs, and then the treated soil was returned to the excavation. At that time, USEPA also proposed to excavate a lengthy section of PCB-contaminated soil from the drainage ditch in front of the former Industrial Latex site, as well as several thousand feet of drainage ditch extending northward within the NJ TRANSIT right-of-way. However, excavation was limited to the portion of the ditch adjacent to the former Superfund site and not within the Bergen County Line right-of-way. USEPA completed the on-site clean-up and removed the site from the National Priority List in 2003.

With the proposed relocation of Track 2 to accommodate a center-island platform for Wesmont Station, NJ TRANSIT is now afforded the opportunity to complete remediation (to USEPA standards) of PCB-contaminated soil on its right-of-way without impacting rail service.

Procurement Status

The E-Bid Invitation for Bid was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, and in local newspapers on December 18, 2012. A Pre-Bid Conference was held on January 4, 2013 at the Wood-Ridge Maintenance-of-Way Facility located in the Borough of Wood-Ridge. Bids were received electronically and opened on February 12, 2013 at 2:00 p.m.

The Office of Business Development assigned an 18 percent SBE Category 6 goal for this project. The Engineer's Estimate for this scope of work is \$6,066,175.00.

E-BID 13-039X RESULTS

Company	Total Bid Price
Anselmi & DeCicco Maplewood, New Jersey	\$ 3,884,990.00
Barbella Construction Services Somerville, New Jersey	\$ 4,943,183.00
Union Paving and Construction Union, New Jersey	\$ 5,743,860.00
Rencor, Inc. Somerville, New Jersey	\$ 5,775,110.00
IEW Construction Group Trenton, New Jersey	\$ 6,198,578.00
Creamer Environmental Services Hackensack, New Jersey	\$ 6,384,380.00
D'Annunzio & Sons, Inc. Clark, New Jersey	\$ 6,747,000.00
DMR Construction Services Waldwick, New Jersey	\$ 8,388,641.00
Tomco Mt. Arlington, New Jersey	Unresponsive

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

FISCAL IMPACTS

Requested Authorization: \$ 3,884,990.00 + 10 percent for contingencies

Total Project Cost: \$ 5,800,000

Projected Date of Completion: October 2013

Anticipated Source of Funds: Transportation Trust Fund

DBE/SBE Goal: 18% SBE Category 6

NJ Build Amount: \$ 19,425

Related Future Authorizations: None

Impacts on Subsequent Operating Budgets: None

RESOLUTION

WHEREAS, disposal of non-hazardous contaminated soil must be conducted in a manner that satisfies regulatory requirements and manages NJ TRANSIT's long-term environmental risk; and

WHEREAS, polychlorinated biphenyl (PCB) contamination exists on the Bergen County Line right-of-way between mileposts 10.2 and 10.6; and

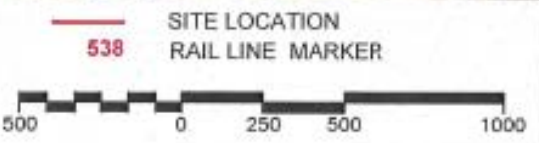
WHEREAS, the construction staging of the Wesmont Station project provides an opportunity to remediate PCB contamination without impacting rail service; and

WHEREAS, following a competitive procurement process, Anselmi & DeCicco submitted the lowest responsive, responsible bid for the project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 13-039X with Anselmi & DeCicco of Maplewood, New Jersey, for the environmental remediation of the Bergen County Line between Mileposts 10.2 and 10.6 in the Boroughs of Wallington and Wood-Ridge in the amount of \$3,884,990.00, plus ten percent for contingencies, subject to the availability of funds.

**EXHIBIT A
SITE VICINITY MAP**

P:\ACAD\Standards\HMM - BORDERS\Millburn\H - BORDER - 8.5X11BOT.dwg 2/5/07 10:52 am



538 SITE LOCATION
RAIL LINE MARKER

**Hatch Mott
MacDonald**
Certificate No. 240A25015600

27 Sloker Street
Millburn, New Jersey 07041

NJ TRANSIT
WCS-0817 STATION
RAIL LINE RIGHT-OF-WAY
WALLINGTON AND WOOD-RIDGE, NJ
SITE VICINITY MAP
FIGURE 3

Designed	Drawn	Checked	Approved	Date

CONSENT CALENDAR

ITEM 1303-10: EXTENSION OF COVENANT NOT TO COMPETE AGREEMENT ON THE #300 BUS ROUTE

BENEFITS

The extension of the existing Covenant Not to Compete Agreement on the #300 Bus Route with Olympia Trails Bus Company, Inc. (a Coach USA Company) will maintain this unique opportunity to maximize revenues while reducing costs. This Agreement extension ensures NJ TRANSIT a payment of 5.5 percent of the gross revenue, with a minimum payment of \$300,000, from Olympia. Olympia has been operating the #300 Bus Route under the current Covenant Not to Compete Agreement since 1997. The #300 Bus Route carries approximately 2,400 passengers daily. NJ TRANSIT receives NTD allocation for this route.

ACTION (Scorecard: Financial Performance, Customer Experience)

Staff seeks authorization to take all actions necessary to extend the Covenant Not to Compete Agreement with Olympia Trails Bus Company, Inc. (a Coach USA Company) of Elizabeth, New Jersey, for a nine-month period from January 1, 2013 through September 30, 2013 on the #300 Bus Route between Newark Liberty International Airport and the Port Authority Bus Terminal, for a payment of 5.5 percent of the gross revenue, with a minimum payment of \$300,000.

PURPOSE

Authorization of this item will extend the Covenant Not to Compete Agreement with Olympia Trails Bus Company, Inc. (a Coach USA Company) for the #300 Bus Route, ensuring continued service between Newark Liberty International Airport and the Port Authority Bus Terminal in New York City for a nine-month period while NJ TRANSIT explores various options which may include NJ TRANSIT operating the service, issuing a new Request For Proposal, or extending the agreement with the existing carrier.

BACKGROUND

In June 1996, NJ TRANSIT advertised a Request for Proposal (RFP) seeking to sublease NJ TRANSIT's Port Authority (PABT) Air/Trans Center Space and Port Authority Platform Space, along with a Covenant Not to Compete Agreement with NJ TRANSIT on the #300 Bus Route, for the period from April 5, 1997 through April 6, 2002.

NJ TRANSIT established a minimum acceptable bid of \$11,460,000, representing the Agency's anticipated revenues less direct expenses for the five-year period. Two carriers, Olympia Trails Bus Company, Inc. (Olympia) and Academy Bus Tours (Academy) submitted bid proposals to NJ TRANSIT. Academy's proposal was less than the minimum bid requirement and was disqualified. Olympia's bid of \$16,000,250 exceeded the minimum requirement and was accepted. NJ TRANSIT's Board of

Directors approved the Sublease and #300 Bus Route Covenant Not to Compete Agreement at the February 1997 Board Meeting (Item 9702-16).

In August 1999, the NJ TRANSIT Board of Directors authorized a 10.75-year extension (from April 6, 2002 until December 31, 2012) with Olympia to continue the terms and conditions of the Covenant Not to Compete Agreement for an annual payment of 5.5 percent of Olympia's actual gross revenue for all Olympia's bus routes between Newark Liberty International Airport and the Borough of Manhattan, with a minimum annual payment of \$400,000 (Item 9908-120). During that time NJ TRANSIT was paid \$4,704,987, resulting in \$404,987 of additional revenue above the anticipated \$4,300,000 from the minimum annual payment. The lower value of the contract resulted from the decreased ridership on the #300 Bus Route after the opening of the Newark International Airport (now Newark Liberty International Airport) Station in 2001.

During the contract extension period, Olympia expanded the #300 Bus Route to begin at Grand Central Terminal in New York City, making stops at Bryant Park and the PABT before traveling to Newark Liberty International Airport. In addition, the PABT Air Transportation Center has since been closed; Olympia has returned the PABT gates to NJ TRANSIT for other routes and now picks up passengers on the street outside the PABT.

Olympia currently operates the #300 Bus Route seven days a week between the hours of 4:45 a.m. and 2:35 a.m. The one-way fare is \$16 and the round-trip fare is \$28. Olympia also offers Senior Citizens/Persons with Disabilities half-fare program. Olympia's gross revenue from the #300 Bus Route averages \$745,000 per month (\$8,940,000 annually). NJ TRANSIT currently leases Olympia five buses under NJ TRANSIT's Bus Allocation Program, which are used for the existing service. Olympia's total peak bus requirement for the #300 Bus Route is nine buses. As a result, Olympia utilizes parts of its own fleet in order to operate the full #300 Bus Route schedule.

Olympia is currently operating on a month-to-month basis under the same terms and conditions of the expired Covenant Not to Compete Agreement until a new longer-term Agreement is authorized and executed. Olympia has satisfied all the terms and conditions of the #300 Bus Route Covenant Not to Compete Agreement with respect to timely payment, reporting requirements and payment of PABT commission ticket sale fees to NJ TRANSIT.

Under the terms of the Covenant Not to Compete Agreement, upon expiration NJ TRANSIT, at its discretion, has the option to assume operation of the #300 Bus Route, to solicit proposals for the operation of the #300 Bus Route or to negotiate an extension to the existing Covenant Not to Compete Agreement.

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

FISCAL IMPACTS

Requested Authorization: Extension of the existing Covenant Not to Compete Agreement on the #300 Bus Route

Total Project Cost: N/A

Projected Date of Completion: September 2013

Anticipated Source of Funds: N/A

DBE/SBE Goal: N/A

***NJ Build* Amount:** N/A

Future Related Authorizations: None

Impact on Subsequent Operating Budgets: \$300,000 in Revenue (9 months)

RESOLUTION

WHEREAS, in February 1997, the NJ TRANSIT Board of Directors authorized the award of a 60-month Covenant Not to Compete Agreement on the #300 Bus Route effective April 5, 1997 to Olympia Trails Bus Company, Inc.; and

WHEREAS, in August 1999, the NJ TRANSIT Board of Directors authorized an extension of the Covenant Not to Compete Agreement for an additional term which expired on December 31, 2012; and

WHEREAS, the extension of the current Covenant Not to Compete Agreement on the #300 Bus Route would provide NJ TRANSIT with minimum and maximum annual revenue based on Olympia Trails Bus Company, Inc.'s gross revenue from all of its services between Newark Liberty International Airport and Manhattan; and

WHEREAS, the continued operation of NJ TRANSIT's #300 Bus Route, as performed by Olympia Trails Bus Company, Inc., would continue to provide the public with Newark Liberty International Airport bus access to and from New York City;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to extend the Covenant Not to Compete Agreement with Olympia Trails Bus Company, Inc. (a Coach USA Company) of Elizabeth, New Jersey, for a nine-month period from January 1, 2013 through September 30, 2013 on the #300 Bus Route between Newark Liberty International Airport and the Port Authority Bus Terminal, for a payment of 5.5 percent of the gross revenue, with a minimum payment of \$300,000.