

MINUTES OF THE COMMISSION MEETING HELD MAY 7, 2013

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 11:25 a.m., May 7, 2013 at the Central Office located in Highspire, Pennsylvania. Present for the meeting was A. Michael Pratt, Esquire, Vice Chairman. Available via phone for the meeting were William K. Lieberman, Chairman; Pasquale T. Deon, Sr., Secretary Treasurer; and Barry J. Schoch, P.E., Secretary of Transportation.

Other present for the meeting were Mark P. Compton, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Larry Bankert, Chief Engineer, Michael Baker, Jr., Inc.; William J. Capone, Director of Communications/Public Relations; Scott Fairholm, Chief Information Officer; David Gentile, Chief Compliance Officer; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Doreen McCall, Chief Counsel; Myneca Y. Ojo, Director of Diversity and Inclusion; Stacia A. Ritter, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Allen W. Baldwin, Director of Operations, Safety & Incident Response; John Christensen, Director of FEMO; Kelly Horvath, Executive Assistant; Donald S. Klingensmith, P.E., Director of Contracts Administration; Donna Lapano, Executive Office Assistant; Gina M. Murray, Engineering Contracts Supervisor; Robert H. Rosell, Technician of PC/LAN Systems; Cindy Smith, General Accountant 2; Brenda Szeles-Bratina, Director of Toll Revenue Audit and Paul McNamee, KCI Technologies.

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Ms. Edmunds led the Commissioners and staff in the Pledge of Allegiance.

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The Assistant Secretary Treasurer, Ann Louise Edmunds, called the roll and declared a quorum available.

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SUNSHINE ANNOUNCEMENT

MS. EDMUNDS: THE COMMISSIONERS MET IN EXECUTIVE SESSION PRIOR TO TODAY'S FORMAL AGENDA SESSION TO CONSIDER MATTERS OF PERSONNEL, WHICH INCLUDED A TERMINATION, TITLE CHANGE, PROMOTIONS, EQUITY ADJUSTMENTS, TRANSFERS, NEW HIRES, VACANCIES AND REQUESTS TO POST AND FILL; AND TO RECLASS POSITIONS IN THE COMPLIANCE AND INFORMATION TECHNOLOGY DEPARTMENTS.

THE COMMISSIONERS ALSO DISCUSSED A COLLECTION MATTER AND DOCKET NO. 1:11-CV-00283 AND ENGAGED IN NON-DELIBERATIVE INFORMATIONAL DISCUSSIONS REGARDING VARIOUS ACTIONS AND MATTERS, WHICH HAVE BEEN APPROVED AT PREVIOUS PUBLIC MEETINGS.

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PUBLIC COMMENT

MS. EDMUNDS: THE PUBLIC IS WELCOME AT THIS TIME TO ADDRESS THE COMMISSION REGARDING ITEMS LISTED ON THE AGENDA OR OTHER ITEMS NOT LISTED ON THE AGENDA THAT ARE WITHIN THE COMMISSION'S AUTHORITY OR CONTROL.

IN ORDER TO CONDUCT AN ORDERLY, EFFICIENT, EFFECTIVE AND DIGNIFIED MEETING, ALL PERSONS WISHING TO ADDRESS THE COMMISSION SHOULD HAVE SIGNED IN AND REQUESTED TIME TO SPEAK. IF YOU HAVE NOT DONE SO, YOU ARE INVITED TO DO SO.

COMMISSIONERS, WE HAVE NO REQUESTS TO ADDRESS THE COMMISSION. AT THIS TIME WE ASK ALL VISITORS TO STAND AND INTRODUCE YOURSELF. THE FOLLOWING WERE VISTORS TO THE MEETING: Paul McNamee, KCI Technologies, Inc.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held April 16, 2013 be approved and filed as submitted-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission accepts and files the memo received from the Chief Counsel-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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PERSONNEL

Motion-That the Commission approves the Personnel as amended-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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NEW BUSINESS

POLICY LETTER 7.7

Motion-That the Commission adopts the revisions to Policy 7.7, *Interest Rate Swap Management*, to reflect current trends in the use and management of derivatives and to incorporate the requirements of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Agreements, Settlements, a Lease, Amendments and a MOU for the items listed in memos "a-c" and "h-n":

- a. Reimbursement Agreement with Canadian Pacific Railroad Corporation to reimburse the Railroad the costs for the engineering, plan review, flagging and protective services necessary for the redecking of Bridge NB-750 at MP A129.70; at a not-to-exceed amount of \$140,125.00;

- b. Reimbursement Agreement with CSX Transportation to reimburse CSX the costs for the engineering and plan review necessary for the replacement of Bridge WB-220W at MP 350.89; at a not-to-exceed amount of \$20,000.00;
- c. Supplemental Agreement with Columbia Gas to reimburse Columbia Gas for the relocation of their gas line necessary for the construction of the Somerset Interchange, for an additional \$43,791.38 due to unforeseen field conditions which necessitated the redesign and rebid for the relocation of the two gas lines; for a total reimbursement of \$113,538.71;
- h. Mutual Release and settlement for all back rent and interest due from New Cingular Wireless for equipment placed on a PTC cell tower in Tredyffrin Township in the amount of \$59,625.00; and approve a lease agreement with New Cingular Wireless to permit them to lease space at the lease rate of \$18,000.00 annually for a term of 5-years;
- i. Memorandum of Understanding with the Pennsylvania Department of Transportation, to renew the agreement that permits PennDOT to operate the King of Prussia Welcome Center located in the King of Prussia Service Plaza for an additional 5-years and the agreement will automatically renew annually;
- j. Waiver Agreement, Deed and subdivision plan with Bensalem Township:
 - Deed conveying 1.63 acres of Commission property to Bensalem Township, which consists of an access road to the township's fire company building;
 - Subdivision Plan showing the 1.63 acres of property that will be conveyed by deed;
 - Agreement regarding waivers of the Township's design standards for local streets as contemplated by the Court approved Stipulation as it relates to the road providing access to the fire facility;
- k. Mutual Release and settlement for the negotiated back rent due from Lamar Advertising Inc. for the billboard located at MP 59.70 WB in the amount of \$8,700.00; and approve a lease agreement with Lamar at the lease rate of \$1,200.00 annually for a term of 5-years;
- l. Amendment to our agreement with Orion Land Services, Inc. for right of way acquisition services for the Southern Beltway Rt. 22 to I-79 project, to extend the term of the agreement to April 30, 2015;
- m. Settlement with the PA Department of Environmental Protection (DEP) for alleged actions at the Blue Mountain Interchange (MP 202-206); authorize the appropriate Commission officials to execute the Consent Assessment of Civil Penalty and authorize payment of \$2,600.00 to the Commonwealth of PA-Dams and Encroachments Fund;
- n. Amendment to our agreement with North American Insurance Management Corporation (NAIMC) for insurance consulting services; to exercise our option to renew the agreement for an additional year (thru May 31, 2014); for a reduced rate of \$18,000.00.

-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

Motion-That the Commission approves the negotiation and execution of the Agreements for the items listed in memos "d-g":

- d. Reimbursement Agreement with PECO Energy Co. to reimburse PECO the costs for the required engineering and facility relocation work necessary for the replacement of Bridge EB-733 at MP 320.11 as part of the total reconstruction project from MP 319.00 to MP 326.00; at a not-to-exceed amount of \$268,671.40;
- e. Reimbursement Agreement with PECO Energy Co. to reimburse PECO the costs for the required engineering and facility relocation work necessary for the replacement of Bridge EB-734 at MP 321.53 as part of the total reconstruction project from MP 319.00 to MP 326.00; at a not-to-exceed amount of \$156,246.48;
- f. Reimbursement Agreement with PECO Energy Co. to reimburse PECO the costs for the required engineering and facility relocation work necessary for the replacement of Bridge EB-737 at MP 323.73 as part of the total reconstruction project from MP 319.00 to MP 326.00; at a not-to-exceed amount of \$77,034.26;
- g. Reimbursement Agreement with PECO Energy Co. to reimburse PECO the costs for the required engineering and facility relocation work necessary for the replacement of Bridge EB-740 at MP 325.17 as part of the total reconstruction project from MP 319.00 to MP 326.00; at a not-to-exceed amount of \$372,292.95;

-was made by Commissioner Deon, seconded by Commissioner Schoch; Commissioner Pratt abstained.

VICE CHAIRMAN PRATT: MR. CHAIRMAN, I ABSTAIN ON THESE ITEMS BECAUSE PECO IS A CLIENT OF MY FIRM.

The motion passed.

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RIGHT-OF-WAY REQUEST

Motion-That the Commission approves the Right-of-Way Requests for the items listed in memos "a" through "f":

- a. Acquisition of Parcel 17, a partial take parcel necessary for the replacement of Bridge WB-506 at MP 63.06, by authorizing payment of fair market value in the amount of \$1,000.00 to Clifford Baughman; authorize the appropriate Commission officials to execute the agreement of sale, and other documents that may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon his delivery of a deed of easement as prepared by the Legal Department;
- b. Acquisition of Right-of-Way #14079-T, a total take parcel necessary for the reconstruction of Bridge WB-451 at MP 49.00, by authorize payment of fair market value, pro-rated taxes and recording fees in the amount of \$56,017.79 to James J. Pecora, Esquire, escrow agent; authorize the appropriate Commission officials to execute the agreement of sale and other documents as may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon her delivery of a deed as prepared by the Legal Department;
- c. Acquisition of Right-of-Way #14213-C, a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00, by authorizing the payment of fair market

value and pro-rated taxes in the amount of \$4,348.50 to Clarence R. and Gloria J. Parkinson; authorize the appropriate Commission officials to execute the agreement of sale and other documents as may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;

- d. Acquisition of Right-of-Way #6474-F, a partial take parcel necessary for the total reconstruction project from MP A20.00 to MP A30.00, by authorizing the payment of fair market value in the amount of \$1,900.00 to Eugene M. and Susan M. Kelly; authorize the appropriate Commission officials to execute the required settlement documents; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owners is contingent upon their delivery of an executed temporary construction easement as prepared by the Legal Department;
- e. Acquisition of Right-of-Way #6461-A, a partial take parcel necessary for the total reconstruction project from MP A20.00 to MP A30.00, by authorizing payment of fair market value in the amount of \$3,000.00 to Betty L. Moore; authorize the appropriate Commission officials to execute the required settlement documents; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon her delivery of an executed temporary construction easement as prepared by the Legal Department;
- f. Acquisition of Right-of-Way #1023-A1, a partial take parcel necessary for the total reconstruction project from MP 99.00 to MP 109.00, by authorizing payment of fair market value and pro-rated taxes in the amount of \$6,291.50 to Valerie M. Moy; authorize the appropriate Commission officials to execute the agreement of sale; authorize the payment of statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owner is contingent upon her delivery of a deed prepared by the Legal Department.

-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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POOL FOR TITLE ABSTRACTING/REAL ESTATE CLOSING SERVICES

Motion-That the Commission approves amending the pool for qualified title abstracting and real estate closing services to include Puzak Law Offices in the pool -was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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AWARD OF BIDS AND ISSUANCE OF PURCHASE ORDERS

Motion-That the Commission approves the Award of Bids, Rescission of an Award, Change Orders and the Issuance of Purchase Orders for the items listed in memos "a" through "j":

- a. F5 load balancers for disaster recovery and application failover, utilizing the Commonwealth's contract with ePlus; at a total award of \$296,804.30;

- b. Herbicide spraying service (May 1, 2013 – December 31, 2013), to DeAngelo Brothers Inc.; at a total award of \$1,430,000.00;
- c. Solar salt (evaporated crystal sodium chloride), exercising our option to renew the agreement for an additional year (June 1, 2013 – May 31, 2014) with International Salt Co. LLC; for \$100,000.00;
- d. Delineation and roadside reflective markers, exercising our option to renew the agreement for an additional year (June 1, 2013 – May 31, 2014) with PIBH; for \$150,000.00;
- e. Sodium Chloride, exercising our option to renew the agreement for an additional year (September 1, 2013 – May 31, 2014):

Cargill Inc.	\$4,000,000.00
American Rock Salt Co.	<u>\$1,500,000.00</u>
RENEWAL AMOUNT	<u>\$5,500,000.00</u>

- f. Two (2) Change Orders for SAP HCM functional business analyst with Computer Aid, to extend the agreements through June 30, 2014:

Purchase Order:	<u>#4400003718</u>	<u>#4400003488</u>
Original Contract	94,000.00	\$94,000.00
Previous Changes	94,000.00	141,000.00
Current Change Orders	<u>188,000.00</u>	<u>188,000.00</u>
REVISED TOTALS	<u>\$376,000.00</u>	<u>\$423,000.00</u>

- g. Rescind the award to MH Corbin for one hundred (100) radar speed display signs that was approved at the March 5, 2013 Commission Meeting (item F-5b) in error, and award the contract to the lowest responsive and responsible bidder, All Traffic Solutions; at a total award of \$239,900.00;
- h. To complete video collaboration endpoints and room solution for various locations, utilizing the Commonwealth's contract with Visual Sound; at a total award of \$889,480.00;
- i. Unleaded gasoline and ethanol (June 1, 2013 – May 31, 2014), to the lowest responsive and responsible bidders:

Petroleum Traders	\$1,100,000.00	Homewood, Gibsonia, Jefferson Hills, Harrison City, Searights
		Ethanol: Searights, New Cumberland
Mansfield Oil Co.	800,000.00	Kegg, Everett, Slatington, Wyoming Valley
Glassmere Fuel Co.	160,000.00	Donegal
Export Fuel	430,000.00	Greensburg, Somerset
Bedford Valley Petroleum	230,000.00	Burnt Cabins
Talley Petroleum	900,000.00	Newville, New Cumberland, Mt. Gretna, Bowmansville
Riggins Inc.	<u>800,000.00</u>	Devault, Plymouth Meeting, Trevoise, Quakertown
TOTAL AWARD:	<u>\$4,420,000.00</u>	

- j. Aggregates (stone, slag & gravel), to the lowest responsive and responsible bidders:

Hansen Aggregates	24,000.00	Homewood, Gibsonia, Searights, Greensburg, Harrison City, Jefferson Hills
Newville Terminal Services	22,500.00	Homewood, Gibsonia
Glacial Sand & Gravel Co.	2,500.00	Homewood, Gibsonia, Greensburg, Harrison City, Donegal
New Enterprise Stone & Lime	30,000.00	Donegal, Somerset, Kegg, Everett, Burnt Cabins
Valley Quarries	5,000.00	Newville
Hempt Bros.	7,000.00	New Cumberland, Mt. Gretna

Martin Limestone	8,500.00	Mt. Gretna, Bowmansville
Silver Hill Quarry	3,500.00	Bowmansville
Glasgow	4,000.00	Devault, Plymouth Meeting
Hanson Aggregates- Allentown	5,000.00	Devault
Douglassville Quarry	4,000.00	Devault, Plymouth Meeting
Highway Materials	8,000.00	Plymouth Meeting, Quakertown
Eureka Stone Quarry	2,500.00	Trevoise
Miller Materials/Naceville	5,000.00	Trevoise
Naceville Materials	2,000.00	Quakertown
Martin Stone Quarries	2,000.00	Quakertown
Eastern Industries	5,000.00	Slatington
Lehigh Asphalt & Paving	5,000.00	Slatington
Locust Ridge (H&K)	5,000.00	Pocono
Wilkes-Barre Materials	5,000.00	Wyoming Valley
Pennsy Supply-Slusser Bros.	<u>1,000.00</u>	Wyoming Valley
TOTAL AWARD	\$156,500.00	

-was made by Commissioner Deon, seconded by Commissioner Schoch; and passed unanimously.

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AWARD OF CONTRACTS

Motion-That the Commissioner approves the Award of Contracts for the items listed in memos “a” through “f”:

- a. Contract #T-355.00P001-3-07 for construction of the mainline toll facility from MP 351.43 to MP 354.18 and Open-Road Toll facility (ORT) for the Delaware River Bridge from MP 357.96 to MP 358.32, to the lowest responsive and responsible bidder, Road-Con, Inc.; at a not-to-exceed amount of \$59,244,245.95 and a contingency of \$3,000,000.00;
- b. Contract #T-355.00P001-3-08 for plumbing work for construction of the mainline toll facility from MP 351.43 to MP 354.18 and Open-Road Toll facility (ORT) for the Delaware River Bridge from MP 357.96 to MP 358.32, to the lowest responsive and responsible bidder, Guy M. Cooper Inc.; at a not-to-exceed amount of \$281,500.00 and a contingency of \$20,000.00;
- c. Contract #T-355.00P001-3-09 for electrical work for the construction of the mainline toll facility from MP 351.43 to MP 354.18 and Open-Road Toll facility (ORT) for the Delaware River Bridge from MP 357.96 to MP 358.32, to the lowest responsive and responsible bidder, Philips Brothers Electrical Contractors Inc.; at a not-to-exceed amount of \$967,777.00 and a contingency of \$50,000.00;
- d. Contract #T-355.00P001-3-10 for HVAC work for the construction of the mainline toll facility from MP 351.43 to MP 354.18 and Open-Road Toll facility (ORT) for the Delaware River Bridge from MP 357.96 to MP 358.32,, to the lowest responsive and responsible bidder, Guy M. Cooper Inc.; at a not-to-exceed amount of \$925,000.00 and a contingency of \$50,000.00;
- e. Contract #T-040.00T001-3-06 for the replacement of Bridge WB-427 at MP 42.65, to the lowest responsive and responsible bidder, The Lane Construction Corporation; at a not-to-exceed amount of \$11,415,417.75, and a contingency of \$500,000.00;

- f. Contract #T226.00R001-3-02 for inlet repairs between MP 226.85 and MP 235.52, to the lowest responsive and responsible bidder, Hempt Bros., Inc.; at a not-to-exceed amount of \$309,397.50 and a contingency of \$25,000.00.

-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

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PSPC AWARD

Motion-That the Commission approves the award of service and authorize the negotiation and execution of an agreement with the selected firm for Ref #5-089, open-end material inspection and testing from MP 200.00 to MP 358.11 and the Northeast Extension:

1. Advantage Engineers, LLC-AWARDED
2. ACA Engineering, Inc.
3. Specialized Engineering

-was made by Commissioner Lieberman, seconded by Commissioner Deon; and passed unanimously.

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CHANGE ORDERS AND CHANGE ORDER/FINAL PAYMENT

Motion-That the Commission approves the Change Orders for the items listed in memos "a" through "c":

- a. Change Order #3 for Contract #T-299.00R001-3-02 with Reading Site Contractors for bituminous resurfacing between MP 299.30 and MP 306.38, for an increase of \$455,929.94 to balance items to the actual work completed, for roadway safety patrols during Hurricane Sandy and construction of a PSP pad at MP 302.00;
- b. Change Order #2 for Contract #EN-00116-03-02 with JPS Construction Co., Inc. for bridge repairs between MP 0.00 and MP 109.91, Toll I-376, Turnpike 576 and Turnpike 66, for a 35-day time extension due to temperature requirement for weather sensitive work;
- c. Change Order #1 for Contract #T-020.47S001-3-02 with The Lane Construction Corporation for the rehabilitation of six bridges between MP 21.16 and MP 27.60, for an additional \$280,706.21 to balance contract items to the actual work completed to date, additional costs for concrete repairs and additional work for landslide remediation;

-was made by Commissioner Pratt, seconded by Commissioner Deon; and passed unanimously.

Motion-That the Commission approves the Change Order and Final Payment for the item listed in memo "d":

- d. Change Order #1 and Final Payment for Contract #T-258.37S001-3-02 with Mosites Construction Company for the rehabilitation of three bridges between MP 258.37 and MP 365.65, for a decrease of \$3,364.93 to balance contract items to the actual work completed and

additional changes for concrete repairs; for a final contract value of \$472,410.07 and final amount due to the contractor of \$58,300.89.

-was made by Commissioner Deon, seconded by Commissioner Schoch; Commissioner Lieberman abstained.

CHAIRMAN LIEBERMAN: I ABSTAIN ON THIS ITEM BECAUSE I HAVE THE POTENTIAL OF DOING BUSINESS WITH MOSITES CONSTRUCTION COMPANY.

The motion passed.

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NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of The Pennsylvania Turnpike Commission will be held on Tuesday, May 21, 2013 beginning at 10:00 am.

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ADJOURNMENT

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned was made at 11:31 a.m. -made by Commissioner Deon, seconded by Commissioner Pratt; and passed unanimously.

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PREPARED BY:

APPROVED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.
Secretary Treasurer

ATTACHMENT NUMBER 1

COMMUNICATIONS: MEMOS RECEIVED FROM THE CHIEF COUNSEL