

MINUTES OF THE COMMISSION MEETING HELD AUGUST 16, 2011

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:11 a.m., August 16, 2011 at the Central Office located in Highspire, Pennsylvania. Available via phone for the meeting were William K. Lieberman, Chairman; A. Michael Pratt, Esq., Vice Chairman; J. William Lincoln, Secretary Treasurer and Barry J. Schoch, P.E., Secretary of Transportation.

Others present for the meeting were Roger E. Nutt, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Jeffrey L. Garrett, Chief Engineer, Michael Baker, Jr., Inc.; Nikolaus Grieshaber, Chief Financial Officer; Jeffrey L. Hess, Director of Operations/Projects-West; Frank J. Kempf, Jr., Chief Engineer; Doreen McCall, Chief Counsel and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Allen W. Baldwin, Director of Operations, Safety & Incident Response; Michael D. Begler, Director of Operations Review; Elizabeth Benion, Executive Analyst; William J. Capone, Director of Communications/Public Relations; Susan Carson-Casoni, Cash Manager; Carl Defebo, Jr., Manager of Public Information-East; Donald S. Klingensmith, P.E., Manager of Contracts Administration; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Technician of PC/LAN Systems; Lisa Smith, Executive Office Assistant and Kathy Thomas, Administrative Secretary.

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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, NEW HIRES, A RECLASSIFICATION, VACANCIES, AND REQUESTS TO POST AND FILL AND TO FILL POSITIONS IN THE LEGAL, MAINTENANCE, FINANCE AND ADMINISTRATION, OPERATIONS, SAFETY AND INCIDENT RESPONSE, FACILITIES AND INFORMATION TECHNOLOGY DEPARTMENTS.

THE COMMISSIONERS ALSO DISCUSSED THE POTENTIAL LEASE OF REAL PROPERTY IN BERKS COUNTY AND CONTRACT LABOR NEGOTIATIONS, 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 VISITORS TODAY.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held July 19, 2011 be approved and filed-was made by Commissioner Lieberman, seconded by Commissioner Pratt; and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission accepts and files the memos received from the Chief Counsel, the Director of Operations Review and the Manager of Strategic Sourcing & Asset Management-was made by Commissioner Lieberman, seconded by Commissioner Pratt; and passed unanimously.

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PERSONNEL

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

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NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Commissioner Lieberman, seconded by Commissioners Pratt, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that The Pennsylvania Turnpike Commission hereby ratifies the action of the Assistant Chief Financial Officer, with approval of the Consulting Engineer, in directing the Trustee to make the foregoing reinvestments, liquidations and purchases; and

BE IT FURTHER RESOLVED that copies of the Resolution certified by the Assistant Secretary Treasurer shall be forwarded to the Trustee as required in Article VI, Section 602 of the 2001 Amended and Restated Trust Indenture.

The following members voted yea: Commissioners Lieberman, Pratt, Lincoln and Schoch; the motion passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Amendments, Agreements, Lease Agreement and Work Order; and grant approval to solicit cost estimates for the items listed in memos "a-e" and "g-o":

- a. Amendment to our agreement with Green's Road and Towing Service, an authorized service provider covering Toll 576 (exits 1-6); to extend the agreement on a month-to-month basis until a provider is selected via the RFP process;
- b. Amendment to our agreement with Greenhorne & O'Mara, Inc. for Project Collaboration System (Constructware), to exercise our first option to renew the agreement for an additional year; at an addition not-to-exceed cost of \$693,972.67;
- c. Amendment to our agreement with Environmental Products Services for spill response, to exercise our option to renew the agreement for an additional two years;
- d. Amendment to our agreement with McCutcheon Enterprises for spill response, to exercise our option to renew the agreement for an additional two years;
- e. Reimbursement Agreement with Middletown and Hummelstown Railroad to reimburse the Railroad for the costs associated with the replacement of the Swatara Creek Bridge at MP 251.08; at a not-to-exceed amount of \$75,000.00;
- g. Reimbursement Agreement with the Municipal Authority of Westmoreland County to reimburse the Authority for the costs associated with the replacement of Bridge WB-506 at MP 63.06; at a not-to-exceed amount of \$28,419.00;
- h. Amendment to our agreement with Voicenet Communications, Inc. for website consulting services; to increasing the not-to-exceed amount to \$900,000.00 annually;
- i. Solicit cost estimates for design and construction consultants and toll system integrator, to change the toll system classification type currently designed for SR29 All-Electronic Interchange, from an axle based classification system to a weight based classification system;
- j. Lease Agreement with Berks County to permit the County to lease up to 3,600 square feet of space and to construct a communications tower within the PTC Conestoga Radio Tower compound. The term of the lease would be for 15-years and annual remuneration to be negotiated between the Commission and the County;
- k. Settlement Agreement and a Release in the case, *Pennsylvania Turnpike Commission v. Interstate Distributors, Inc.*;

- l. Settlement Agreement and a Release in the case, *Hempt Brothers, Inc. f/t/u/a/b/o Green Acres Contracting v. Pennsylvania Turnpike Commission*; and authorize payment for the settlement amount;
- m. Work Order #28 with TransCore to procure spare violation enforcement equipment from Science Applications International Corporation; at a not-to-exceed amount of \$286,939.00;
- n. Recommendations from the Professional Services Procurement Committee (PSPC) with the first two (2) firms listed, to provide open-end Engineering Design Services systemwide; at a not-to-exceed amount of \$850,000.00 each:
 - Borton-Lawson Engineering, Inc.
 - The EADS Group, Inc.
 - McMahon Associates, Inc.
 - Greenhorne & O'Mara, Inc.
 - TIE
 - Sucevic, Piccolomini & Kuchar Engineering, Inc.
- o. Recommendation from the Professional Services Procurement Committee (PSPC) with the first firm listed, to provide mechanical/electrical service at the CAB, TIP and Steelton Warehouse; at a not-to-exceed amount of \$454,435.00 annually and \$60,000.00 annually for equipment repair/replacement:
 - G.R. Sponaugle
 - Johnson Controls, Inc.

-was made by Commissioner Lieberman, seconded by Commissioner Pratt.

Motion-That the Commission approves the negotiation and execution of the Agreement listed in memo "f":

- f. Agreement with Wal-Mart, Inc. to market E-ZPass in their Pennsylvania stores.

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

COMMISSIONER PRATT: MR. CHAIRMAN, I ABSTAIN ON THE BASIS THAT THE COMPANY SET FORTH IN THESE AGENDA ITEMS IS A CLIENT OF THE FIRM OF WHICH I AM A PARTNER. I ASK THAT THE SECRETARY PLEASE HAVE THE MINUTES OF THE MEETING REFLECT MY ABSTENTION ON THIS VOTE.

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-f" and "h-q":

- a. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R04, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$58,000.00, payable to

- Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- b. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R20, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$163,000.00, payable to Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
 - c. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R09, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$500.00, payable to Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
 - d. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R05, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$226,000.00, payable to Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
 - e. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R08, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$69,000.00, payable to Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
 - f. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1031-R16, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project; authorize payment of Estimated Just Compensation in the amount of \$143,700.00, payable to Hollinshead, Mendelson, Bresnahan & Nixon, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
 - h. Authorize the acquisition of Right-of-Way #1023-G, a partial take parcel, necessary for the total reconstruction project from MP 99.00 to MP 109.00; by issuing payment in the amount of \$2,313.58, payable to David Stahl, representing fair market value and pro-rated taxes; authorize the appropriate Commission officials to execute the agreement of sale and other required closing documents; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;

- i. Authorize the acquisition of Parcel 39, a partial take parcel, necessary for the total reconstruction project from MP 99.00 to MP 109.00; by issuing payment in the amount of \$500.00, payable to Frank & Rhonda Steele, representing fair market value; authorize the appropriate Commission officials to execute the temporary construction easement; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owners is contingent upon the delivery of a deed as prepared by the Legal Department;
- j. Authorize the acquisition of Right-of-Way #3189-A, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00; by issuing payment in the amount of \$16,594.65, payable to Coon & Company, Escrow Agent, representing fair market value and pro-rated taxes; authorize the appropriate Commission officials to execute the agreement of sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- k. Authorize the acquisition of Right-of-Way #9564-RF, a partial take parcel, necessary for Bridge NB-736 reconstruction project; by issuing payment in the amount of \$500.00, payable to Shady Lane Realty Corp., representing fair market value; authorize the appropriate Commission officials to execute the Temporary Construction Easement; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- l. Authorize the acquisition of Right-of-Way #8995-R14, a partial take parcel, necessary for the Rt. 903 Slip Ramp project; by issuing payment in the amount of \$4,014.40, payable to Emrich & Cynthia Stellar, representing fair market value and pro-rated taxes; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owners is contingent upon their delivery of a deed as prepared by the Legal Department;
- m. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1008-D, a partial take parcel, necessary for the total reconstruction project from MP 99.00 to MP 109.00; authorize payment of Estimated Just Compensation in the amount of \$2,100.00, payable to McDonald, Snyder & Lightcap, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- n. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #14214-B, a partial take parcel, necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$14,800.00, payment made at a later date upon selection of counsel; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;

- o. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #14071-B, a partial take parcel, necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$10,700.00, payment made at a later date upon selection of counsel; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- p. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #14211-RD, a partial take parcel, necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$1,600.00, payment made at a later date upon selection of counsel; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- q. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #14210-A, a partial take parcel, necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$10,500.00, payment made at a later date upon selection of counsel; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer.

-was made by Commissioner Lieberman, seconded by Commissioner Pratt.

Motion-That the Commission approves the Right-of-Way Request for the item listed in memo "g":

- g. Transfer 0.021 acres of drainage easement and 0.016 acres of slope easement to the Pennsylvania Department of Transportation, necessary for the DOT's construction, operation and maintenance of State Route 29, Section AL2, Chester County; and authorize the execution of an Interagency Agreement and the deed as prepared by the Legal Department;

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

COMMISSIONER SCHOCH: MR. CHAIRMAN, I ABSTAIN ON THE BASIS THAT AS AN EX-OFFICIO MEMBER OF THE COMMISSION AND SECRETARY OF THE DEPARTMENT OF TRANSPORTATION, I WOULD BE VOTING ON AN AGREEMENT BETWEEN TWO PARTIES, BOTH OF WHICH I HAVE A RELATIONSHIP WITH.

The motion passed.

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APPROVE ADVERTISING

Motion-That the Commission approves advertising for the items listed in memos "a" through "d":

- a. Authorized Service Provider for coverage MP 188.70 to MP 226.30;
- b. Authorized Service Provider for coverage from MP 292.60 to MP 312.00;

- c. Authorized Service Provider for coverage on the Beaver Valley Expressway from MP B27.50 to MP B44.80;
- d. Advertise for two (2) on-call Drilling Subsurface and Sampling Contracts to perform drilling services systemwide.

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

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AWARD OF BIDS AND ISSUANCE OF PURCHASE ORDERS

Motion-That the Commission approves the Award of Bids and the Issuance of Purchase Orders for the items listed in memos "a" through "h":

- a. Sodium Chloride (October 1, 2011-May 31, 2012), to the lowest responsive and responsible bidders:

Cargill Inc.-Deicing Tech.	\$ 9,500,000.00
American Rock Salt Co. LLC	<u>\$ 2,000,000.00</u>
TOTAL	\$11,500,000.00
Plus 25% contingency:	<u>\$ 2,875,000.00</u>
TOTAL AWARD:	\$14,375,000.00
- b. One (1) 3-cubic yard loader with attachments, utilizing the Commonwealth's contract with Groff Tractor & Equipment, Inc.; for a total award of \$156,073.80;
- c. One (1) Boom Arm Mower, utilizing the Commonwealth's contract with Tiger Corporation; for a total award of \$107,348.30;
- d. Q1 Labs QRadar SIEM (Security Incident and Event Monitoring), utilizing the Commonwealth's contract with Eplus; for a total award of \$137,271.98;
- e. Two (2) Road Sweeper Vacuums, utilizing the Commonwealth's contract with US Municipal Supply; for a total award of \$460,636.60;
- f. One (1) Mechanical Road Sweeper, utilizing the Commonwealth's contract with H A Dehart & Sons; for a total award of \$223,949.19;
- g. Ten(10) React Attenuator Units for Pocono Interchange, to M. H. Corbin, Inc.; at a total award of \$389,430.00;
- h. One (1) Altec AM60E Bucket Truck; utilizing the Commonwealth's contract with Altec Industries; at a total award of \$171,288.00.

-was made by Commission Lieberman, seconded by Commissioner Pratt; the motion passed unanimously.

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AWARD OF CONTRACTS

Motion-That the Commission approves the Award of Contracts for the items listed in memos “a” and “b”:

- a. Contract #A-120.40R001-3-02 for bituminous resurfacing between MP A120.40 and MP 125.10, to the lowest responsive and responsible bidder, Pennsy Supply, Inc.; at a total award of \$2,489,116.20 and a contingency amount of \$100,000.00;
- b. Contract #A-025.67R001-3-02 for bituminous resurfacing between MP A25.67 and MP A31.13, to the lowest responsive and responsible bidder, Reading Site Contractors; at a total award of \$2,073,192.92 and a contingency amount of \$100,000.00.

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

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PROPERTY DAMAGE, LEGAL REQUEST AND POLICY LETTER

Motion-That the Commission approves the Property Damage Claim write-off and legal request; adopt the revised Policy Letters; authorize the Bond Resolution for the items listed in memos “a” through “f”:

- a. Write-off of \$27,053.95 for Property Damage Claim #05-040-342;
- b. Settlement Agreement, Release and the issuance of a check in the case, Docket No. 1:10-cv-00494;
- c. Revised *Policy Letter, 2.2, Equal Opportunity*, to include Genetic Information Nondiscrimination Act (GINA) information;
- d. Revised *Policy Letter 10.1, Right-to-Know Law*, to ensure consistency with current law and to update operating procedures;
- e. Revised *Policy Letter, 7.1, Investment Policy and Guidelines*, to allow continued purchases of Government Sponsored Enterprise securities in the wake of the recent S&P downgrading;

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

Item F-7f was pulled from the agenda.

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CHANGE ORDER, CHANGE ORDER/FINAL PAYMENT & SUPPLEMENT

Motion-That the Commission approves the Change Order, Change Order/Final Payment and a Supplement for the items listed in memos “a” through “c”.

- a. Change Order #8 for Contract #T-031.20T003-3-01 with Joseph B. Fay Company for roadway and bridge reconstruction from MP 31.04 to MP 37.82; for an increase of \$378,245.07;

- b. Change Order #4 and Final Payment for Contract #T-154.42F003-3-02 with Clark Contractors, Inc. for Fare Collections Warehouse/Office Building at the Everett Maintenance Facility, for a decrease of \$21,452.45; making the final contract value \$3,851,364.34 and the final amount due of \$78,987.29;
- c. Supplemental Agreement with Adesta, LLC for the installation of Intelligent Transportation Systems, for an increase of \$390,310.37; increasing the not-to-exceed amount to \$9,002,330.26.

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

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SETTLEMENT AGREEMENT

Motion-That the Commission approves the Settlement Agreement and Release with the Department of Transportation regarding lease payments and authorizes Commission officials to execute it with the concurrence of Commission Pratt and Commissioner Deon-was made by Commissioner Lieberman, seconded by Commissioner Pratt; and passed unanimously.

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SETTLEMENT AGREEMENT

Motion-That the Commission approves the negotiation and execution of a Settlement Agreement and Release in the case, *Patricia Giorno v. Pennsylvania Turnpike Commission et al.*, and authorizes the issuance of payment for the settlement amount-was made by Commissioner Lieberman, seconded by Commissioner Pratt; and passed unanimously.

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NEXT MEETING

MS. EDMUNDS: WE HAVE NO POST-FORMAL MEETING TODAY. THE NEXT FORMAL COMMISSION MEETING WILL BE HELD TUESDAY, SEPTEMBER 20, 2011 BEGINNING AT 10:00 A.M. COMMISSIONERS, I HAVE NO ADDITIONAL ITEMS FOR CONSIDERATION. I REQUEST A MOTION FOR ADJOURNMENT.

ADJOURNMENT

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned at 11:20 a.m.-was made by Commissioner Lieberman, seconded by Commissioner Pratt; and passed unanimously.

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PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

08-16-11

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1
COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL,
DIRECTOR OF OPERATIONS REVIEW AND
THE MANAGER OF STRATEGIC SOURCING AND ASSET MANAGEMENT