

MINUTES OF THE COMMISSION MEETING HELD SEPTEMBER 7, 2010

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:41 a.m. September 7, 2010 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were Allen Biehler, P.E., Chairman/Secretary of Transportation; William K. Lieberman, Vice Chairman; J. William Lincoln, Secretary Treasurer; Pasquale T. Deon, Sr., Commissioner and A. Michael Pratt, Commissioner.

Others present for the meeting were Joseph G. Brimmeier, Chief Executive Officer; George M. Hatalowich, Chief Operating Officer; Robert F. Brady, Director of Operations/Projects-East; Rich DiPiero, Director of Fare Collection; Jeffrey L. Garrett, Chief Engineer, Michael Baker Jr., Inc.; Nikolaus Grieshaber, Chief Financial Officer; Jeffrey L. Hess, Director of Operations/Projects-West; Doreen McCall, Chief Counsel; Craig Shuey, Director of Government Affairs; Joe Suess, Acting Chief Informational Officer 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; William J. Capone, Director of Communications/Public Relations; John Christensen, Manager of Facilities & Energy Management Operations; Carl E. DeFebo, Jr., Manager of Public Information-East; Jason Falchek, Technician of PC/LAN; Gary L. Graham, Assistant Chief Engineer-Design; Derek S. Hansel, Assistant Chief Financial Officer; Donald S. Klingensmith, P.E., Manager of Contracts Administration; Donna Lapano, Executive Assistant; Anthony L. Maniscola, Special Investigator; Jeffrey A. Naugle, Manager of Treasury Operations; Patricia F. Schlegel, Director of Human Resources; Mike Ryan, Michael Baker; Rich Welsh, Wells Fargo and Bruce Hironimus, HPA LLC.

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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 present.

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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, PROMOTIONS, NEW HIRES, SALARY EQUITY ADJUSTMENT,

VACANIES, AND REQUESTS TO ABOLISH AND CREATE AND TO POST AND FILL POSITIONS IN THE MAINTENANCE DEPARTMENT.

THE COMMISSIONERS ALSO 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.

AT THIS TIME WE REQUEST ALL VISITORS TO STAND AND INTRODUCE YOURSELF AND YOUR ORGANIZATION.

RICK WELSH, WELLS FARGO

BRUCE HIRONIMUS, HPA LLC

MIKE RYAN, MICHAEL BAKER

THIS CONCLUDES THE PUBLIC COMMENT SECTION OF THE MEETING.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held August 10, 2010 be approved and filed-was made by Commissioner Lincoln, seconded by Commissioner Deon; and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission accepts and files the memos received from the Chief Counsel and the Director of Operations Review-was made by Commissioner Lincoln, seconded by Commissioner Deon; and passed unanimously.

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PERSONNEL

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

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NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Commissioner Deon, seconded by Commissioner Lincoln, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that The Pennsylvania Turnpike Commission hereby ratifies the action of the Assistance Chief Financial Officer, with the approval of the Chief Executive Officer and 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 Biehler, Lieberman, Lincoln, Deon and Pratt. The motion passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Amendments, a Work Order and an Agreement for the items listed in memos "a" through "c":

- a. Amendment to our agreement with The Gordian Group for their work as our Job Order Contracting program consultant, to exercise our option to renew the agreement for three (3) year; at a total additional cost of \$600,000.00;
- b. Work Order #24 with TransCore to provide labor, material equipment and project management to equip twelve (12) lanes with Fare Collection and E-ZPass equipment at Ramp Plazas M22 and M26 on the Mon/Fayette Expressway; at a not-to-exceed amount of \$2,874,483.00;
- c. Amendment to our agreement with I.B. Abel, Inc. for infrastructure cabling and communication systems, to fund the contract to meet cabling requests for 2010/2011; at an additional cost of \$390,000.00.

-was made by Commissioner Lincoln, seconded by Commissioner Deon.

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RIGHT-OF-WAY REQUESTS

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

- a. Approve an Agreement of Sale and a temporary construction easement between the Commission and CGR Properties for each to transfer property (due to discrepancy in the property boundaries), necessary for construction of the wetlands mitigation site as part of the I-95 Interchange Project; authorize the appropriate Commission officials to execute the agreement, deed and all other closing documents that may be required;
- b. Authorize the settlement of Right-of-Way #6416-E, a temporary construction easement, necessary for the total reconstruction project from MP A20.00 to MP A30.00, by issuing settlement payment in the amount of \$10,000.00 plus Section 710 damages; representing additional funds needed to settle; authorize the appropriate Commission officials to execute the temporary construction easement, authorize payment of settlement funds to the property owner is contingent upon the delivery of an executed settlement agreement and general release as prepared by the Legal Department;
- c. Authorize the settlement of Right-of-Way #6416-G, a temporary construction easement, necessary for the total reconstruction project from MP A20.00 to MP A30.00, by issuing settlement payment in the amount of \$4,000.00 plus Section 710 damages; representing additional funds needed to settle; authorize the appropriate Commission officials to execute the temporary construction easement, authorize payment of settlement funds to the property owner is contingent upon the delivery of an executed settlement agreement and general release as prepared by the Legal Department;
- d. Authorize the settlement of Right-of-Way #6416-F, a temporary construction easement, necessary for the total reconstruction project from MP A20.00 to MP A30.00, by issuing settlement payment in the amount of \$7,000.00 plus Section 710 damages; representing additional funds needed to settle; authorize the appropriate Commission officials to execute the temporary construction easement, authorize payment of settlement funds to the property owner is contingent upon the delivery of an executed settlement agreement and general release as prepared by the Legal Department;
- e. Adopt the proposed Property Acquisition Resolution for Right-of-Way #6492-A, a partial take parcel, necessary for the total reconstruction project from MP A20.00 to MP A30.00; authorize payment of Estimated Just Compensation in the amount of \$258,000.00, payable to Stevens & Lee, 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 #6070-J, a total take parcel, necessary for the roadway and bridge reconstruction project from MP 319.00 to MP 326.00; authorize payment of Estimated Just Compensation in the amount of \$625,000.00, payable to Buckley, Brion, McGuire, Morris & Sommer, LLP, Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- g. Adopt the proposed Property Acquisition Resolution for Right-of-Way #6059-D, a total take parcel, necessary for the roadway and bridge reconstruction project from MP 319.00 to MP 326.00; authorize payment of Estimated Just Compensation in the amount of \$385,000.00,

- payable to Buckley, Brion, McGuire, Morris & Sommer, LLP, 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 #17944, a total take parcel, necessary for construction of the Southern Beltway Project (US 22 to I-79), by issuing payment in the amount of \$211,237.62, payable to Urban Settlement Company, Escrow Agent; representing fair market value, prorated taxes, housing supplement and recording fees; 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 owners is contingent upon the delivery of a deed prepared by the Legal Department;
 - i. Authorize the acquisition of Right-of-Way #17940, a total take parcel, necessary for construction of the Southern Beltway Project (US 22 to I-79), by issuing payment in the amount of \$243,961.84, payable to Urban Settlement Company, Escrow Agent; representing fair market value, prorated taxes and recording fees; 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 prepared by the Legal Department;
 - j. Authorize the acquisition of Right-of-Way #6078-L, a total take parcel, necessary for the roadway and bridge reconstruction from MP 319.00 to MP 326.00, by issuing payment in the amount of \$669,374.54, payable to City Line Abstract Co., Escrow Agent; representing fair market value, prorated taxes, recording fees, housing supplement and closing costs; 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 owners is contingent upon the delivery of a deed prepared by the Legal Department;
 - k. Adopt the proposed Property Acquisition Resolution for Right-of-Way #6066-C, a total take parcel, necessary for the roadway and bridge reconstruction project from MP 319.00 to MP 326.00; authorize payment of Estimated Just Compensation in the amount of \$275,000.00, payable to Buckley, Brion, McGuire, Morris & Sommer, LLP, Escrow Agent; 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 Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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ADVERTISING

Motion-That the Commission approves advertising and authorizes the execution of the agreements for the items listed in memos "a" and "b":

- a. Engineering Feasibility Study for the conversion of the toll collection system to an All Electronic Toll (AET) system;
- b. Two (2) on-call drilling subsurface and sampling contracts to perform drilling services systemwide, at a not-to-exceed amount of \$600,000.00 each or three (3) years, whichever occurs first; and authorize the preparation and execution of the agreements.

-was made by Commissioner Lincoln, 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, the Renewal of an award and the Issuance of Purchase Orders for the items listed in memos “a” through “e”:

- a. Sodium Chloride, to the lowest responsive and responsible bidders:

Cargill Inc-Deicing Technology	\$ 9,156,000.00
American Rock Salt Co LLC	<u>\$ 1,378,000.00</u>
Bid Award	\$10,534,000.00
Plus 25% contingency	<u>\$ 2,633,500.00</u>
TOTAL AWARD:	\$13,167,500.00
- b. Exercising our option to renew for one year, the purchase order for motor oil and lubricants with PPC Lubricants, Inc.; at an additional annual cost of \$155,500.00;
- c. Antenna Lane Kits and Badger Readers to Mark IV IVHS, Inc., the vendor selected by the Interagency Group (IAG), for a total award \$152,754.93. This pricing reflects the seven-year pricing structure agreed upon with Mark IV, IVHS, Inc.;
- d. Twenty-nine (29) Omron STI Light Curtains to Omron Scientific Technologies, Inc.; at a total award of \$178,321.00;
- e. E-ZPass equipment (FPT interior and exterior tags), to Mark IV IVHS, Inc., the vendor selected by the Interagency Group (IAG), for a total award of \$5,417,190.00. This pricing reflects the seven-year pricing structure agreed upon with Mark IV, IVHS, Inc.

-was made by Commissioner Lincoln, seconded by Commissioner Deon; and 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” through “d”:

- a. Contract #C-000.00R001-3-02 for bituminous resurfacing from MP C0.00 to C1.51, to the lowest responsive and responsible bidder, New Enterprise Stone & Lime Co., Inc.; at a not-to-exceed amount of \$1,589,598.24, with a contingency amount of \$75,000.00;

- b. Contract #T-355.00P001-3-03 for the replacement of Bridge DB-234 and DB-247 at MP 352.97 and MP 357.10, respectively; to the lowest responsive and responsible bidder, James J. Anderson Construction Co., Inc.; at a not-to-exceed amount of \$9,739,600.30, with a contingency amount of \$500,000.00;
- c. Contract #EN-00088-03-11 for roadway and miscellaneous repairs between MP 75.39 and MP 179.44, to the lowest responsive and responsible bidder, New Enterprise Stone and Lime Co. Inc.; at a not-to-exceed amount of \$2,000,000.00;
- d. Contract #EN-00088-03-12 for milling and paving between MP 187.31 and MP 187.80, to the lowest responsive and responsible bidder, New Enterprise Stone & Lime Co., Inc.; at a not-to-exceed amount of \$348,904.00, with a contingency amount of \$20,000.00.

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

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PAYMENT OF INVOICES

Motion-That the Commission authorizes payment for the invoices as listed in memos "a" and "b":

- a. 2010 Notice of Assessment from the Bureau of Workers' Compensation at the Department of Labor and Industry, for the Uninsured Employers Guaranty Fund, in the amount of \$2,538.00;
- b. Reimbursement to the New Jersey Turnpike Authority (NJTA), to reimburse the Authority for the construction and construction management services for perimeter security on the Delaware River Bridge. The Commission would be responsible for the costs on the Pennsylvania side of the Bridge only; at a not-to-exceed amount of \$700,000.00.

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

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PROPERTY DAMAGE WRITE-OFF

Motion-That the Commission approves the write-off of the balance of \$28,170.10 for Property Damage Claim #DC-984-was made by Commissioner Lincoln, seconded by Commissioner Deon; and passed unanimously.

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ITEMS ADDED TO THE FORMAL AGENDA

FINAL SELECTIONS

Motion-That the Commission approves the consultant selection recommendations from the Technical Review Committee and authorizes the negotiation and execution of a contract with the first firm listed for the items in memo "a":

- a. Construction inspection/project management services and as-directed pre-construction services for roadway and bridge reconstruction between MP 215.00 and MP 227.00; at a not-to-exceed amount of \$15,000,000.00

Reference #3-210

ALCM, LLC

Trumbull Construction Management Services

TIE

TRC Engineers, Inc.

Erdman Anthony

-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; Chairman Biehler voted "No".

Motion-That the Commission approves the consultant selection recommendations from the Technical Review Committee and authorizes the negotiation and execution of a contract with the first firm listed for the items in memos "b" and "c":

- b. Traffic and revenue/traffic engineering related services on an open-end basis systemwide, at a not-to-exceed amount of \$2,000,000.00

Reference #3-211

Wilbur Smith Associates, Inc.

Jacobs Engineering Group, Inc.

Stantec Consulting Services, Inc.

HDR Engineering, Inc.

- c. Various geotechnical-engineering services on an open-end basis systemwide, at a not-to-exceed amount of \$500,000.00

Reference #3-212

Geo Mechanics, Inc.

American Geotechnical & Environmental Services, Inc.

Geo Structures, Inc.

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

The motion passed.

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SUPPLEMENTS

Motion-That the Commission approves the Supplemental Agreements as listed in memos “a” and “b”:

- a. Supplemental Agreement #8 with KCI Technologies, Inc. for environmental services for the I-95/I-276 Interchange project, for an increase of \$900,000.00; increasing the not-to-exceed amount to \$14,780,347.06;
- b. Supplemental Agreement with GAI Consultants for storage tank program services, for an increase of \$500,000.00; increasing the not-to-exceed amount to \$2,000,000.00.

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

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CHANGE ORDER

Motion-That the Commission approves Change Order #5 for Contract #02-073-RC2H with Wohlsen Construction Company for the Trevoise Maintenance Facility relocation project, for an increase of \$125,833.94; increasing the not-to-exceed amount to \$18,190,248.37-was made by Commissioner Pratt, seconded by Commissioner Lincoln; and passed unanimously.

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CHANGE ORDERS AND FINAL PAYMENTS

Motion-That the Commission approves the Change Orders and Final Payments for the items listed in memos “a” through “d”:

- a. Change Order #1 and Final Payment for Contract #A-087.00P001-3-02 with Loftus Construction, Inc. for design/build project for the partial replacement of Bridge NB-605 at MP A87.07, for a decrease of \$47,257.91; making the final contract value \$2,189,742.09, and the final amount due of \$67,062.09;
- b. Change Order #2 and Final Payment for Contract #T-184.66S001-3-02 with Kinsley Construction Co., Inc. for the elimination of Bridges B-548 and B-560W, for a decrease of \$32,313.50; making the final contract value \$1,318,374.10, and the final amount due of \$22,018.00;
- c. Change Order #1 and Final Payment for Contract #EN-00049-03-03 with Eastern Industries, Inc. for roadway and miscellaneous repairs between MP 241.87 and MP 298.33, for a decrease of \$311,009.68; making the final contract value \$688,990.32, and the final amount due of \$23,477.02;

- d. Change Order #1 and Final Payment for Contract #EN-00029-03-03 with Green Acres Construction Co., Inc. for median barrier replacement between MP 101.59 and MP 108.95, for a decrease of \$28,609.40; making the final contract value \$3,429,413.85, and the final amount due of \$86,117.03.

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

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FINANCIAL ADVISOR

Motion-That the Commission approves the negotiation and execution of an agreement for financial advisory services to PFM-was made by Commissioner Pratt, seconded by Commissioner Lincoln; Commissioner Deon abstained; Commissioner Lieberman voted "No".

COMMISSIONER DEON: I ABSTAIN DUE TO PFM'S RELATIONSHIP WITH SEPTA.

The motion passed.

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AMENDMENT

Motion-That the Commission approves an amendment to our agreement with Phoenix Capital Partners for financial advisory services; to extend the agreement for an additional three (3) months at the terms in the existing agreement-was made by Commissioner Lieberman, seconded by Commissioner Lincoln; and passed unanimously.

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NEXT MEETING

MS. EDMUNDS: THE NEXT COMMISSION MEETING WILL BE HELD TUESDAY, SEPTEMBER 21, 2010.

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ADJOURNMENT

MS. EDMUNDS: COMMISSIONERS, I HAVE NO OTHER ITEMS FOR CONSIDERATION.

MR. BRIMMEIER: I WOULD LIKE TO TAKE THIS TIME TO CONGRATULATE GEORGE HATALOWICH ON BEING ELECTED CHAIRMAN OF THE IAG GROUP. THE IAG GROUP CONTROLS THE 14 STATES THAT CONTROL THE E-ZPASS OPERATION OF ALL THE AGENCIES AND I'M PROUD THAT GEORGE WAS ELECTED CHAIRMAN, SO I KNOW WE WILL HAVE A BETTER VOICE THERE.

MS EDMUNDS; IF YOU HAVE NOTHING FUTHER, I REQUEST A MOTION FOR ADJOURNMENT.

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned at 11:49 a.m.-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

09-07-10

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1

COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL,
DIRECTOR OF OPERATIONS REIVEW