

**Port Authority of New York and New Jersey**  
**Committee on Capital Planning, Execution and Asset Management Meeting Transcripts**  
**October 16, 2013**

[Vice-Chair S. Rechler] Committee on Capital Planning, Execution, and Asset Management. This is the first portion of today's meeting. is being held in public session, after which the Committee will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals and matters in which the release of information could impair a right to receive funds from the United States or other grantor. In addition, the public portion of this meeting is being broadcast live on the Port Authority's website for those interested in viewing today's proceedings over the Internet. At this point, I'd like to ask the Board Secretary to advise the Committee of any commissioner recusals on the matter before the committee at today's public session. Karen?

[K. Eastman ] Thank you. Commissioners Moerdler and Sartor would be recused on the LaGuardia Runway Safety Enhancement and Redevelopment project, the agreement with construction management services.

[Vice-Chair S. Rechler] Thank you. We have one item on the public session, which is LaGuardia Runway Safety Enhancement. Peter Zipf, I turn it over to you.

[Peter Zipf] Good morning, commissioners. Included in the October report on actions is an agreement for construction management services to support the engineering department with the large construction program currently underway at LaGuardia airport. By way of background, I just wanted to point out the major construction that will be taking place at LaGuardia. We basically have 13 construction contracts and 3 major programs. The first one is a runway safety enhancement program, which is a deck extension at runways 13 and 22 as well as an arrestor system to prevent aircraft overruns. In addition, we have a capital infrastructure program which is composed of replacing aging infrastructure— primarily the electrical system outside the airfield, the water and trunk sewer lines in front of the terminal building, as well as a parking garage and a substation. In addition, we have the central terminal building replacement program in the planning stages at this point. All of this work will be provided support services by this agreement. They'll report to the engineer of construction within engineering, and that's Manny Ciminiello, who is here today. The services will help Manny provide all the support needed to coordinate the construction. As you can see, there's a significant amount of construction in a very tight zone, so it's really critical for the airport operations as construction proceeds that we really have a good construction coordination between the multiple contracts as well as ongoing operations. The services primarily will include contract administration, inspections, constructability, value engineering, schedule management, 3-dimensional building information modeling, safety oversight, coordination with all the contractors as well as ongoing facility operations, and lastly commissioning and turning over construction. In addition for the central terminal building modernization the services would include primarily audits, inspections as well as coordination with ongoing construction and operations at the airport. In terms of dollars, the overall construction estimate is in a range of \$2.6 billion composed of the three programs. For the CM services, we're looking at \$9 million for the runway safety enhancement, which is about 8% of the construction dollars, and we found that that's a going average in the industry—8% to

10% to 12%. For the capital infrastructure, it's \$53 million, which is about 6%. Lastly for the CTB modernization is \$18 million, which is about 1%. Again, very different type services, mostly audits. So the total is the \$80 million. What's being requested at this point is \$9 million for the safety runway enhancement. Those contracts have been awarded, so we're ready to start the administration now. The next one is at \$21 million of the \$53 for the capital infrastructure. That would include contracts currently awarded, which would include the substation, the east garage, the utility infrastructure, and demolition projects, and in the future, for the central terminal building modernization. So the overall agreement we estimate at \$80 million, and we're requesting \$30 million right now for the call-in type services. The agreement was publicly advertised through an RFP on June 17. Three proposals were received on July 22. The proposals were reviewed for three criteria: the experience and qualifications of the staff as well as the experience and qualifications of the firm themselves, and the management approach. The selected firm, recommend firm, is STV/Tishman, a joint venture. They're multiplier, each separate one, is 2.08 for STV and 2.2 for Tishman. The agreement duration is 8 years, and the total estimated agreement amount is the \$80 million. Commissioners, I request your concurrence on this action.

[Vice-Chair S. Rechler] Do you have any comments or questions? Mr. Steiner? Do you feel good about this? Okay. Anyone else? Okay. Okay, so we'll move this to the full calendar. All right. Good. Terrific. Thank you. This ends our public session for the Committee on Capital Planning, Execution, and Asset Management, and we'll jump into executive session.