

**The Port Authority of New York and New Jersey**  
**WTC Redevelopment Subcommittee Meeting Transcripts**  
**November 15, 2012**

[Chair A. Sartor] The WTC Redevelopment Subcommittee is being held in public session, after which the Subcommittee will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals. 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 via the Internet. We have two items in the public session. Mr. Plate, One World Trade Center Building Construction Services Work-order Program.

[S. Plate] Good morning, Commissioners. The first item I have--the first item is for One World Trade Center, and it involves general construction associated with site work and tenant fit-out. And what this is about is, working closely with the Durst Organization, we decided to have several contractors available on-call to provide us support as the tenants move in like Condé. Bless you, I'm sorry. Specifically what we use them for is let's say they want an enhancement like you've seen at law firms like connecting stairs as opposed to using elevators, they can connect two floors. If they want additional power, they can go in and make modifications to the building to accommodate whatever needs they have. We went through a bidding process under Lillian Valenti's group, and she watched it very carefully and brought it through to completion. [Chair A. Sartor] She always does. >> [S. Plate] Yes, always does, absolutely. We had 9 bidders, and we picked the top 3 bidders. Why did we pick 3? It's because we wanted to be able to go back to them and say here's a piece of work, in a weeks' time or couple days' time give us a price for that and then we can negotiate, so we have a list of readily available contractors compounded with the ability to get a competitive price. If you look at some of the percentages, if you look at the numbers, obviously, they're doing this at very low prices. If it's a lump sum, for example, Holt will do it for 2.94% on top of the base cost of the T&M, so it's essentially-- say they do a \$100 worth of work, they get \$102.94. That covers their administration cost, their operating cost, as well as their profit, so obviously very, very minimal cost. Frankly, these firms are looking to keep their people busy. And then you go to John O'Hara, even less at 1.48, and Hunter Roberts and Ferreira at 4%, so it's very low percentages. We know all these firms, they've all done major work for the Port Authority as well as for other firms. Holt, for example, just did work at our building. They're doing work on VSC. Ferreira is doing work at the World Trade Center Hub as well as Retail. Hunter Roberts, Goldman Sachs and a whole host of firms. They do major work for fit-outs and this type of work. John O'Hara actually just finished 2 Montgomery Street in Jersey City. The amount of money you'll be authorizing is not to exceed \$15 million in total and we look to have this for a 5-year term with two 1-year options.

[Chair A. Sartor] Any questions from the Commissioners? I just want to comment, I think this is something that's absolutely necessary. I'll entertain a motion to move it to the full Board.

[Comm. S. Rechler] Motion. >>

[Chair A. Sartor] Done. Next item, Steve, site-wide operations and maintenance services. [S. Plate] Yes, basically this is--obviously, we do a lot of capital construction, but we also have an operating facility, so we have to do things like site cleaning, snow removal, trash removal, and all procurement of all necessary materials. What they do is--besides doing that, they also operate

the Chiller working with the World Trade Redevelopment Group as well as they provide 24/7 operation. During the storm they also were helping us provide electrical support and pumping support, so they're really part of the team. And this group, Able, was purchased again with Lillian's guidance. We used a federal contract. It was a very aggressive contract as far as the prices. We're presently paying about \$10 million for the same services. This Board asked us to look at ways of saving money, and this was another opportunity we exploited. We end up saving, by the math, we're spending \$10 million a year. We'll be spending now \$7.5 million, so a true savings this firm. I can go on and on about what they do. They do Governor's Island, they do Park Avenue Tower, they do 850 3rd Avenue. Each one of those places are operations and maintenance associated with, in some cases, millions of square feet of operations and maintenance of space, so they're well familiar. They work in the New York area, we've dealt with them before, and they're a very strong and robust company.

[Chair A. Sartor] Any questions on this item? [Comm. P. Schuber] Move it. >> [Chair A. Sartor] Second? >> [Comm. R. Rechler] I second it. >> [Chair A. Sartor] Done. This concludes the public portion of today's meeting. The Subcommittee will now adjourn to executive session to discuss matters involving ongoing negotiations or review of contracts or proposals.