

The Port Authority of New York and New Jersey
WTC Redevelopment Subcommittee Meeting Transcripts
April 29, 2010

[Comm. A. Sartor] I'm sorry for the late delay. The first portion of today's meeting of the World Trade Center Redevelopment Subcommittee 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. 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. First of all I'd like to welcome our new Commissioner, Jeff Moerdler, to your first meeting of the World Trade Center Subcommittee.

[Comm. J. Moerdler] Thank you.

[Comm. A. Sartor] I beat Chairman Coscia to that.

[laughter]

[C. Ward] So it's only down to 48. [laughter].

[Comm. V. Bauer] Enjoy it. They'll never say it again.

[off camera speaker] If I could

[inaudible].

[laughter] Also we have a representative from the Director of the Authorities Unit-- Deborah Gramiccioni. I hope I pronounced it correctly. I'm Italian, I should be able to do it. I'm sorry. Welcome Yeah, I know, I know.

[inaudible]. I blew it

[laughter]

[D. Gramiccioni] Thank you.

[Comm. A. Sartor] Welcome. And I think this would have been the first meeting for Bill Baroni. I don't see him at the table just yet but--

[Comm. R. Pocino] He was here. I think he just stepped out.

[Comm. A. Sartor] He was here but just left. Okay. With that, Steve, you have a compressed time schedule here right now. So that usually bodes well for you, but we'll see what happens. Construction trade contract, Steve Plate.

[S. Plate] All right. Commissioners, construction has steadily progressed across all of the

World Trade Center site-wide projects. And today I will request your approval for several actions necessary to continue our critical redevelopment efforts. In my own words. For our first item I would like to recommend the assignment of a memorial construction trade contract for Plaza architectural metals. Our staff estimate for this work was \$8.3 million. The contract was competitively bid with Skyline Steel Corporation being the lowest responsive bidder at a cost of \$7.1 million, excluding extra work. The total contract also includes a payment to Bovis in the amount of approximately \$700,000 for construction management services. The scope of work includes a furnishing and installation of all architectural metals for the Plaza including stainless steel railings, manhole covers, tree support system, bike racks and paver retention angles necessary to support the completion of the Plaza in time for the 9/11/11 commitment. The Port Authority's share of this trade contract is \$881,670 including extra work and Bovis' general conditions, with the balance to be paid by the Memorial Foundation. The award of this contract will bring us to nearly 93% of Memorial Trade awarded to date.

[Comm. A. Sartor] Do we have any questions on this item? Steve, when you say the staff estimate was \$8.3 does that include the extra work and all this--

[S. Plate] No, it's apples and apples.

[Comm. A. Sartor] It is apples and apples? Okay.

[S. Plate] Yes sir.

[Comm. A. Sartor] Thank you.

[Comm. A. Sartor] All right, seeing none we'll move that on. Next item.

[S. Plate] I would now like to recommend to award a construction trade contract for a common scaffolding associated with the lobbies and mechanical plenums at One World Trade Center, as well as sidewalk sheds. Our staff estimate for this work was \$15.6 million. The contract was competitively bid with Atlantic Hoist and Scaffolding being the lowest responsive bidder at a cost of \$14.6 million, excluding extra work. The scope of work under this trade contract includes engineering, furnishing installation, modification and removal of the common scaffolding within the lobbies, mechanical plenums and mechanical shafts of One World Trade Center to provide for proper coordination of work performed in these areas. In addition, sidewalk sheds will be built over the perimeter of One World Trade Center Plaza to provide for overhead protection to contractors in accordance with industry standard construction safety practices. Commissioners, the award of this contract will provide for 97% of One World Trade Center trades awarded to date.

[Comm. A. Sartor] Any questions on this item?

[silence] Seeing none, move on, Steve.

[S. Plate] Our next item requests additional funding to the existing electrical contract with Five Star Electric for the pre-purchase of equipment for the revised power supply design for One

World Trade Center that is required due to the delay of commercial office space development in the East Bath tub, at a total estimated cost of \$5.5 million, excluding extra work. Our staff estimate for this work was approximately \$5.3 million. As you will recall on October of '08 the Board authorized \$20 million for design services in support of an alternative construction option independent of Towers Two, Three and Four. As part of this effort a redesign of certain aspects of One World Trade and other public infrastructure was performed. Originally, primary power equipment was to be located in East Bath tub with power distributed from Tower Two. The redesign provides for primary switchgear equipment to distribute power directly from Con Edison in lieu of Tower Two, namely to One World Trade. Power would also be distributed to secondary switchgear located beneath the World Trade Center Memorial, Central Chiller Plant, and World Trade Center Transportation Hub. This request is the first construction authorization associated with the power supply re-design work. A portion of the requested amount will be offset through re-allocated funds initially budgeted for the electrical infrastructure in Tower Two. Construction authorization will be sought in the future for the installation of the primary switchgear equipment.

[Comm. A Sartor] Steve, this will be a permanent place for this?

[S. Plate] Yes, we're basically moving it from Tower Two where it was going to be located in the basement of Tower Two. In light of the fact that that didn't move forward according to the original schedule we are now in the process of re-locating it to Tower One so we don't miss a beat.

[Comm. A. Sartor] So there will be a subsequent credit back at some point?

[S. Plate] Yes.

[Comm. A. Sartor] Okay.

[S. Plate] Yes. We're actually in active negotiations with Silverstein Properties who actually may purchase some of the switchgear that we have.

[Comm. A. Sartor] Okay. Any questions on this? Seeing none, move it forward.

[S. Plate] Okay. Next, I request your authorization to supplement the existing structural steel contract with DCM Erectors for steel painting and perimeter safety system work associated with the construction of One World Trade Center at an estimated cost of \$16 million, excluding extra work. Our staff estimate for this work was \$21 million. The perimeter safety system will provide for a full-building enclosure that includes horizontal and vertical cables and fabric mesh that will be fastened to the steel members of One World Trade to provide added, full protection for both contractors at the perimeter of the building, and added protection to the public and workers against potential falling construction debris. This state-of-the-art system will also provide for increased productivity during periods of high winds and mitigate shut-downs and weather delays. This scope of work includes the engineering, fabrication, delivery, installation, maintenance and removal of the perimeter of safety systems. It was determined that DCM was best-suited to perform this work in order to coordinate the installation and maintenance of the

system with steel erection and decking floors to avoid delays and safety concerns. Furthermore, at the time of the structural steel contract award to DCM, discussions were ongoing to determine the type of paint and quantity required for application prior to fireproofing the structural steel located within the plenum spaces of One World Trade Center. Work under this authorization includes the application of primer to certain structural steel members to prevent against moisture building up on the steel prior to spray fireproofing. The additional funding under this proposed supplement remains within the One World Trade Center project budget.

[Comm. A. Sartor] Any questions on this item? These are all part of our base contract, right Steve?

[S. Plate] Yes, sir.

[Comm. A. Sartor] All right. Seeing none, move on.

[S. Plate] Commissioners, I would now like to request additional funding on the existing agreement with the Louis Berger group for--

[Comm. D. Steiner] Let's let the record note that the chairman has left the meeting.

[S. Plate] Thank you. Sorry, sir. --with the Louis Berger group for continued project management, program management support services, including technical support, through April 2012 at an amount not to exceed \$30 million. Louis Berger was initially retained as the highest rated proposer pursuant to a publicly advertised Request for Qualifications/Request for Proposals in May 2004 in the amount of \$25 million with an option to extend the contract. Through subsequent authorizations, the total value of the agreement increased to \$47.5 million to provide for these services, and the contract was extended through March of 2010. Services under this authorization include program and project management support to assist staff in advancing final design and construction efforts at World Trade Center site including project control management, program and project schedule management, schedule integration, cost control, risk analysis, resolution of claims and changes, earned value analysis, and Port Authority and FTA document control and reporting. The proposed authorization will provide for these services for the next 2-year period in support of our critical efforts to complete the final design and construction of various World Trade Center redevelopment projects. This funding is within current project budgets and will be allocated across the various World Trade Center projects.

[Comm. D. Steiner] Any questions? Do we need a motion?

[K. Eastman] No.

[S. Plate] The next item requests additional funding on the existing agreement with Parsons Brinckerhoff and URS Corporation for construction management services in support of the various projects at the World Trade Center site through December 2011 at an amount not to exceed \$20 million. In addition, this item requests approval to exercise the first 1-year option to extend the contract from October 2011 to October 2012. PB-URS was initially retained as the

highest rated proposer pursuant to a competitive Request for Proposal procurements process in October 2005. The World Trade Center Redevelopment Subcommittee authorized these services with three 1-year options to extend the contract at an amount not to exceed \$90 million, including an allowance of \$10 million for potential additional services subject to your approval. The estimated cost at the time of award was \$79.1 million. The proposed authorization provides for the \$10 million allowance and an additional increase of \$10 million to continue these services. This funding is within current project budgets and will be allocated across the various World Trade Center projects. The original scope of work included two primary projects: the World Trade Center Transportation Hub and the World Trade Center Vehicular Security Center. Since 2005, PB-URS took on additional tasks including construction management services for One World Trade Center and World Trade Center Memorial projects, logistics and transportation planning, traffic management, World Trade Center Transportation Hub preconstruction commissioning and sustainability planning, and work associated with construction analyses required to support the October 2008 World Trade Center Assessment Report. As a result of the retention of new construction management teams Tishman Construction Corporation and Tishman/Turner JV to assist with this scope for the Hub, VSC, and streets projects, PB-URS has begun to considerably reduce their staffing levels, which is reflected in the proposed funding request. The scope of work includes construction auditing, inspection support for tenant construction work on Tower Four, site construction coordination, and progress reporting in concert with site logistics and site safety planning.

[Comm. D. Steiner] Any questions? If not--

[inaudible]

[S. Plate] Yes. I think he can come in on this one.

[Comm. A. Sartor] Steve, your last item on tap.

[S. Plate] Yes, sir. The last item supports a proactive approach toward the effective--

[Chair A. Coscia] I'm sorry. I need to interrupt you. As it relates to a number of these modifications to the Trade Center agreements and increases in amounts, I know we talked among ourselves about getting an update on where we are on spending. And I know that Chris and the staff and Steve and David have done a lot of work on it. We had sort of originally planned to have an update on where we are relative to spending at this meeting, but there are a lot of things that are sort of in motion. So I think we're now aiming at May. Is that still accurate? I think Chris and the staff have done a very good job of getting their hands around the costs and then I think being able to give us in May what is a sort of accurate, current representation of where we are relative to spending and authorization, etc. So I know as we see more numbers going up on the board and increases in certain amount of contracts, the comment I get from all of you all the time is, "Where are we relative to the big picture?" Because we can die a death of a thousand cuts very easily. Hopefully in May we'll sort of get an ability to assess exactly where we are relative to our authorizations and what we then expect things to be. So to some degree, we had thought we might be doing that earlier, but I think it's actually wise to wait until we're at a resting point, that the information is pretty comprehensive. So I didn't want anyone to think

we sort of let that slip. Thanks.

[S. Plate] Okay. Our last item supports a proactive approach towards the efficient transportation of construction materials to and from World Trade Center Transportation Hub project. This item requests temporary easement agreements between the Port Authority and Lester M. Entin Associates, a warehouse operator located in Harrison, New Jersey, that would permit the PA to utilize property at PATH's Harrison Car Maintenance Facility for the construction of an access road as part of the PA's overall plan to develop a work transfer yard. As the current PATH Hall operator is building the roof first, the only remaining access for contractors to transport materials is through the PATH tunnels. Staff has explored opportunities for potential sites for a work train transfer yard and plans to utilize a portion of undeveloped property at the Harrison facility. However, access to this parcel requires the construction of a roadway at the facility. The agreement will permit the PA to utilize 7,000 square feet of Entin's property located on the site in blue for construction of the access road which would connect the entrance of the Harrison facility to the planned transfer yard. In turn, Entin would be permitted to utilize 15,000 square feet of PATH property outlined in yellow for the ongoing warehouse operations. The agreement would be for an initial 10-year term with renewal options that would extend the term up to 99 years. There are no costs associated with the easement. Following the completion of the Hub contract project, the yard would support ongoing PATH maintenance and capital construction requirements in the future. The yard will directly support the staging and support of materials for the PATH Hall contractor. Future authorization would be sought, however, to fund the construction of the rail transfer yard and access road, which is estimated at approximately \$10 million. Commissioners, I request you advance these items to the full board for their approval.

[Comm. A. Sartor] With respect to the \$10 million, you're coming back to this board for that authorization, correct?

[S. Plate] Yes.

[Comm. A. Sartor] Thank you. Are there any questions on the easement agreement?

[silence] Seeing none, please move with it. Are there any other items that we're going to take in open session? If not, this session is over, and we'll move into executive session to discuss matters involving ongoing negotiations or review of contracts or proposals.