

**The Port Authority of New York and New Jersey
Committee on Construction Meeting Transcripts
May 18, 2010**

[Chair R. Pocino] Committee on Construction. Today's meeting of the Committee on Construction will be held in Public Session in its entirety. In addition, this meeting is being broadcast live on the Port Authority's website, for those interested in viewing today's proceedings via the Internet. For discussion, we have one item, the Port Newark Berth 8, and part of Berth 10 wharf, a reconstruction project re-authorization. William Ellis will run us through that, William.

[W. Ellis] Commissioners, today your authorization is requested to provide additional funding that will provide for the successful completion of a wharf construction project at Port Newark, which will restore full serviceability, and provide a 50-year renewed service life to the wharf structure. As background, condition surveys and evaluation reports of the 40-year-old wharf structures at Berths 8 and 10 at Port Newark, which are circled in red here on the slide, reveal that the supporting timber elements of the wharf structures have progressively deteriorated due to increased marine borer activity. Subsequent analysis of the supporting timber elements determined that future operating loads on the wharf structure would exceed the capacity of the wharf and would allow for only limited use of the deck during cargo handling and off-loading operations. In light of those results, and the anticipated on-going costs for continuing inspections, maintenance, and repair of the wharf structures, staff determined that a full reconstruction of the structures would be the most cost efficient course of action over the long term. Staff further recommended that the new wharf structures be designed and constructed to allow the berths along the southern portion of Port Newark channel to be deepened from the current depth of 40 feet to 45 feet, which would allow for deeper draft vessels to call at Port Newark in the future. In July of 2007, the Board authorized a project to reconstruct the wharf structures at Berth 8 and Berth 10 at a total estimated project cost of \$36 million. A contract was subsequently awarded to implement the improvements, which included the removal of existing low-level relieving platform, concrete deck, and timber piles, and the relocation of utilities, construction of -- this is the existing conditions up here -- and then construction of a new concrete deck supported on steel piles was recommended with the dredging to 45 feet. Transportation and disposal of dredged materials was also required in that contract. Again, the existing conditions and the new steel construction piles, the former deck construction was all timber. That was the standard of construction at the time. Two critical issues occurred during construction that had adverse schedule impacts. First, acquiring the Army Corps of Engineers approval of soil sampling results to ensure that all contaminated dredge material had been removed took an additional 9 months to obtain, and it delayed the approval for the disposal work. The second schedule impact was due to unforeseen soil movement that occurred when the existing timber piles were removed. As a result, modifications to the steel piles and sheet pile wall were required. These modifications required additional bracing and reinforcement to these steel piles, as shown on the bottom photos here. Those two issues really delayed the construction schedule by about 13 months. Today, Commissioners, I request that you re-authorize the project to reconstruct the wharf at Berth 8 and part of Berth 10 at Port Newark, at a total estimated cost of \$39.6 million. The original authorization was \$36 (million). The increase of the value of the \$3.6 million additional funding needed was due to additional

construction contract increase of about \$.8 million from \$29.4 (million) to \$30.2 (million), and included in all of that was extra work allowances that were increased by \$1.4 million. The reallocation of some unspent, un-utilized network funds to the extra work allowance, and the settling of a contractor claim for damages due to the project delays that I just spoke to you about. Lastly, there were some additional planning and engineering costs associated with the redesign and the delay. Completion of this wharf construction project is expected to occur in July of this year, so we're almost there, and it will result in improved operational efficiency and added load capacity for the safe cargo handling at Port Newark. Commissioners, I request that you advance this item to the full Board for approval today. Thank you very much.

[Chair R. Pocino] Commissioners have any comments or questions?

[Comm. S. Grayson] The 9-month delay by the Army Corps of Engineers, was that anticipated and was a result of this particular project or, could you shed a little light on that?

[W. Ellis] Yeah, there was some unique conditions. What we normally do in advance of a project like this is we put a permanent application in, and we get an approval by the Corps of what the soil sampling plan would be. They did approve that plan, but as we submitted the results that were coming from the sampling plan, they requested additional documentation and additional sampling. This actually went on for 3 different successive times, over and above the amount. They wanted to be absolutely assured that there was no contaminated material in any of the disposal items, so that was very --

[Comm. S. Grayson] Was there, in fact, any contamination?

[W. Ellis] Oh, there was, yes, and a large portion of the contaminated material had to go to upload disposal at an added cost, and that is standard procedure.

[F. Lombardi] Just to add to that, if you go back to the schedule, Commissioner, you can see the demarkation. The other one, Linda, where the test -- you see the differentiation between the green and the tan? The soil samples, you see that's for ocean disposal, as opposed to above the green, was for upland. That's why they want to make sure that they had that definition of that boundary, to insure that no hazardous material gets included into the ocean disposal.

[Chair R. Pocino] Do you have a number on the damages for the delay from the contractor? Do you have an amount?

[W. Ellis] \$1.6 million.

[Chair R. Pocino] Commissioners have any other comments or questions. If not, I'll have a motion for moving the project?

[Comm. S. Grayson] I'll move it.

[Chair R. Pocino] All in favor?

[All Commissioners] Aye.

[Chair R. Pocino] Always the Ayes have it. That's it, in terms of our agenda. Thank you very much. I appreciate it.

[D. Tweedy] Short and sweet, Bill.