

**The Port Authority of New York and New Jersey
Committee on Capital Planning, Execution & Asset Management Transcript
May 26, 2016**

[Board Chair J. Degnan] Now I'll call upon the Vice Chairman to convene the Committee on Capital Planning, Execution, and Asset Management. Scott.

[Chair S. Rechler] Thank you, John. Today's meeting of the Committee on Capital Planning, Execution, and Asset Management is being held in public session, in its entirety. At this point, I'd like to ask the Board Secretary advise and Committee members... I don't believe there's any vote, so there can't be any recusal, correct?

[K. Eastman] Correct, there's no recusals. The Committee is composed of yourself as Chair, Chairman Degnan as Vice Chair, and Committee members Fascitelli, Pocino, and Steiner. All Committee members are present.

[Chair S. Rechler] Terrific. And now we'll have a report on the annual Minority, Women's and Small Business Enterprise report from Lash Green. Lash.

[L. Green] Thank you. Today, I am pleased to report on the Port Authority's performance in meeting last year's goals for minority, women and small business enterprise participation in construction, procurement of goods and services, and other business activities. Our 24 percent participation rate was the highest over the past three years. With the Board's support, the Port Authority continues to be among the leaders in providing comprehensive and effective programs that support MWSBE participation as well as activities to strengthen disadvantaged business participation for federally funded projects. Through the end of 2015, the agency has awarded over 800 contracts to MWSBEs and DBEs. The agency, including our tenants at our airports, World Trade Center construction projects, aggressively sought to offer business opportunities which by year end 2015 yielded nearly \$315 million in MWSBE spend or 24.2 percent of the total spend. In addition, our partners involved in the Goethals Bridge Replacement Program and the George Washington Bridge Bus Station, as well as World Trade Center tenants could generate another \$72.5 million in MWBE and DBE spend. I would now like to share with you the details of our 2015 results. The largest portion of the MWSBE spend was \$242 million expended for construction work. The spend on goods and services was over \$24 million and for professional services, \$49 million. The \$242 million in construction total, represented 77 percent of the \$315 million.

[Board Chair J. Degnan] Excuse me. Is there a way to get this up on our screens? >> Sorry. Go ahead and if it comes up on, now we'll turn around.

[L. Green] For the three-year period, 2013 through 2015, the percentage of MWSBE spend trended upward, with respect to the percentage of MWSBE spend against total for each of the three years, it was 17.3 percent in 2013, rising to 18.3 percent in 2014, and increasing to 24.2 percent in 2015. The largest portion of the total spend by source was from Port Authority Prime

and sub-contracts and totaling \$195 million. Another \$66 million was derived from World Trade Center construction projects. Aviation tenants accounted for \$54 million of the spend. I would like to emphasize the importance of the MWSBE spending in our region and its contribution to jobs and economic growth. The regional economic impact estimates of \$315 million on MWSBE spend supported 2,453 job-years, generated more than \$154 million in wages, and produced another \$531 million in regional economic activity. Additional MWSBE and DBE activity from World Trade Center tenants and partners from Goethals Bridge Modernization Program and the George Washington Bridge Bus Station yielded another \$72.5 million in awards. This additional amount was a result of strong MWSBE and DBE participation language in contracts, leases with our partners and tenants, as well as effective compliance monitoring. The \$72.5 million MWSBE and DBE activity awarded to our MWSBE of \$315 million totaled \$387.5 million. We anticipate continued success with our partners New York/New Jersey Link the George Washington Bridge Bus Station Development Venture and The Durst Organization at the World Trade Center. Port Authority continues to manage programs to assist MWSBEs successful on PA projects. In 2015, there were 15 firms participating in our core Mentor-Protege Program, and a total of 67 firms have participated in the program since its inception in 2002. Successes in 2015 include four Proteges winning four Port Authority prime contracts, totaling approximately \$10.4 million. In addition, three proteges were awarded five subcontracts, totaling \$1.9 million, which included work on some of Port Authority's major capital projects. Through our contract with the Regional Alliance for Small Contractors, we developed and offered over 16 construction management courses, OSHA Safety, technical, and business software courses. Approximately, 420 MWSBE owners or their staff participated in these courses in 2015. Attendees of the Regional Alliance courses have continued to post an average 85 percent satisfactory or better approval rating in these course evaluations. As part of our effort to ensure a pipeline of skilled workers, we continue our support for construction pre-apprenticeship training programs offered in New York and New Jersey. These were the Edward J. Malloy Initiative for Construction Skills in New York, and the Newark Construction Careers Program and the Civil Construction Worker Training and Entrepreneurial Development Center administered by the Urban League of Hudson County in New Jersey. Since program inception in 2001, over 2,500 New York and New Jersey residents completed the training curriculum and were placed, many into union apprenticeship programs in both states. Throughout 2015, we co-sponsored or participated in a wide range of outreach and networking activities in New York and New Jersey. Together, these events attracted a combined total of approximately 8,000 firms with many pursuing certification and business opportunities with the agency. This led us to process an additional 753 certifications in 2015 than in 2014. We collaborated with ENR, an industry leader to present the conference "Paving the Way for New Opportunities", focusing on an MWSBE audience. This is one example of the Port Authority's efforts to showcase our major capital projects including the redevelopment of La Guardia Airport, replacement of Goethals Bridge and improvements to the Port Authority Bus Terminal. These projects represent billions of dollars in contracting opportunities for regional companies including Minority and Women-Owned Businesses. The half-day event had a maximum attendance in each of the years that we did this program. Maintaining the integrity of our MWSBE and DBE programs continues to be of utmost importance. Consistent with this objective, our Office of Inspector General has been instrumental in the identification and prosecution of firms that have tried to manipulate or circumvent the integrity of our programs. Our review of certification applications has continued

to be diligent despite a large increase in certification requests due to major capital investments in the region and our outreach activities. The agency has strengthened or enhanced the MWSBE and DBE monitoring, and compliance procedures on Port Authority projects, updated compliance forms to include signed and notarized statements from primes and MWSBE and DBE subcontractors, implemented a new tracking system and decertified several fraudulent firms. With the continuing Board support, we look forward to moving our MWSBE and DBE programs to the next level with increasing opportunities offered by our partners and a growing list of World Trade Center's tenants. We will also continue to monitor compliance on MWSBE and DBE goals and collaborate with all efforts to maximize opportunities and ensure the credibility and viability of our programs. Thank you.

[Chair S. Rechler] Thank you, Lash. Does anyone have any comments or questions for Lash? We appreciate the report. Thank you very much.

[L. Green] Thank you.

[Chair S. Rechler] That concludes the Capital Planning, Execution, and Asset Management meeting.