

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Wednesday, October 16, 2013

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Wednesday, October 16, 2013 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Richard H. Bagger
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

Patrick J. Foye, President
 William Baroni, Jr., Vice-President and Secretary
 Darrell B. Buchbinder, Counsel

Thomas E. Belfiore
 Thomas L. Bosco
 Steven J. Coleman
 Philippe Danielides
 Stephanie E. Dawson
 John C. Denise
 Karen E. Eastman
 Michael A. Fedorko
 Michael B. Francois
 Cedrick T. Fulton
 David Garten
 Linda C. Handel
 Mary Lee Hannell
 Anthony Hayes
 Howard G. Kadin
 Stephen Kingsberry
 Cristina M. Lado
 Patrick Lanza
 Richard M. Larrabee
 John J. Liantonio
 Diana Lopez
 John H. Ma
 Lisa MacSpadden
 Ronald Marsico
 Daniel G. McCarron
 Elizabeth M. McCarthy
 James E. McCoy
 Jared Pilosio
 Alan L. Reiss
 Brian W. Simon
 Gerald B. Stoughton

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Kenneth Lipper
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Basil A. Paterson
 Hon. Rossana Rosado

Ralph Tragale
I. Midori Valdivia
Christopher M. Valens
Lillian D. Valenti
Sheree R. Van Duyne
David M. Wildstein
Peter J. Zipf

Guests:

Nicole Crifo
Janet Ho

Speakers:

Jonathan Bien
Murray Bodin
Margaret Donovan
Richard Hughes
Stephen Sigmund
Cyndi Steiner
Eden Weiss

The public meeting was called to order by Chairman Samson at 1:43 p.m. and ended at 2:10 p.m. The Board met in executive session prior to the public session.

Action on Minutes

Counsel submitted for approval Minutes of the meeting of September 18, 2013. He reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on September 19, 2013. He reported further that the time for action by the Governors of New York and New Jersey expired at midnight on October 3, 2013.

Whereupon, the Board of Directors unanimously approved the Minutes of the meeting of September 18, 2013.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in executive session at its meeting on October 16, 2013, which included discussion of 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, and the report was received.

**PATH – REPAIRS TO ADDRESS LATENT HURRICANE SANDY DAMAGE IN TUNNELS
– PHASE I – PROJECT AUTHORIZATION AND AUTHORIZATION OF
PRIORITY WORK-ORDER PROGRAM**

It was recommended that the Board authorize: (1) the first phase of a project for the removal of salt residue in portions of Port Authority Trans-Hudson Corporation (PATH) Tunnels A, B, E and F resulting from Hurricane Sandy and its associated storm surge, and procurement of replacement power and communication cables, running rail, third-rail, trackside equipment, and other systems and equipment compromised by the salt residue, at an estimated total Phase I project cost of \$50 million; and (2) the President of PATH to enter into contracts and agreements that may be necessary to effectuate the construction required for the project, including the establishment of a work-order program, under which multiple pre-qualified contractors would compete on individual work orders to facilitate the removal of saltwater residue and provide for the necessary repairs or replacement of electrical and mechanical infrastructure within the PATH tunnels, at an estimated amount of \$30 million, the cost of which is included in the total estimated Phase I project amount.

On October 29, 2012, Hurricane Sandy and its associated storm surge resulted in unprecedented flooding of PATH's tunnels and associated infrastructure. For a period of approximately one week, PATH's four tunnels located under the Hudson River were filled with millions of gallons of salt water. Despite the extensive restoration efforts, which included extensive power-washing of the PATH tunnels and related infrastructure, portions of Tunnels A, B, E and F and their infrastructure exhibit signs of latent salt residue and salty solution (brine). Residue salt deposits are known to cause significant and ongoing corrosion to critical mechanical, structural and electrical infrastructure components and their subsystems. Therefore, it is critical that the salt be removed, to reduce the potential for further damage. In addition, mechanical and electrical infrastructure will need to be repaired or replaced, because chlorides are known to have destructive reactions on these types of infrastructure. The proposed Phase I project would serve to remediate the affected tunnel areas and associated infrastructure.

In an effort to expedite the completion of the work, and consistent with the Federal Transit Administration's (FTA) procurement requirements concerning grant-eligible projects, staff intends to create and maintain a roster of pre-qualified firms under contract to compete for these services on a work-order basis, with each work order to be issued to the lowest qualified bidder among the pre-qualified firms. The contracts would conform to FTA grant guidelines for Indefinite Quantity Contracts (IQCs), to ensure maximum cost recovery. Firms would be pre-qualified as general contractors, with subcontractors, where necessary, to perform the required work, including: (1) power-washing tunnel rings, plates and other surfaces; providing protection of critical equipment during power-washing; hand-washing critical elements to remove salt residue; and replacing mechanical infrastructure consisting of the compressed air, fire protection and pump discharge systems; (2) replacing structural components, including direct fixation track bed, corrosion monitoring and mitigation system, running rail and rail clips; and (3) replacing electrical infrastructure equipment, including high-voltage feeders, traction power feeders, cables, third-rail, and low-voltage electrical, lighting systems, signals, communications and the temporary event detection system.

A work order would be issued to the pre-qualified firm that responds to a notice of proposed work order (similar to a request for a proposal) with the lowest responsive bid. This infrastructure work would be staged in a manner to minimize impacts on PATH patrons.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bagger, Lipper, Lynford, Moerdler, Paterson, Pocino, Rechler, Rosado, Samson, Schuber and Steiner voting in favor; Director Sartor recused and did not participate in the consideration of, or vote on, this item. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that Phase I of a project for the removal of salt residue in portions of Port Authority Trans-Hudson Corporation (PATH) Tunnels A, B, E and F resulting from Hurricane Sandy and its associated storm surge, and procurement of replacement power and communication cables, running rail, third-rail, trackside equipment, and other systems and equipment compromised by the salt residue, at an estimated total Phase I project cost of \$50 million, be and it hereby is authorized; and it is further

RESOLVED, that the President, be and he hereby is authorized, for and on behalf of PATH, to enter into contracts and agreements that may be necessary to effectuate the construction required for the foregoing project, including the establishment of a work-order program, under which multiple pre-qualified contractors would compete on individual work orders to facilitate the removal of saltwater residue and provide for the necessary repairs or replacement of electrical and mechanical infrastructure within the PATH tunnels, at an estimated amount of \$30 million; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all agreements, contracts and other documents in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Counsel