

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Tuesday, September 14, 2010

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Tuesday, September 14, 2010 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Stanley E. Grayson, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey A. Moerdler
 Hon. Henry R. Silverman

Christopher O. Ward, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Assistant Director, Media Relations
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Deputy Director, Tunnels, Bridges and Terminals
 Richard Gladstone, Director, World Trade Center Redevelopment
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
 Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
 Howard G. Kadin, Esq., Law
 John P. Kelly, Director, Media Relations
 Kevin J. Kirchman, Director, Marketing and Special Events
 Cristina M. Lado, Director, Government and Community Affairs
 Conor Lanz, Special Assistant to the Executive Director
 Francis J. Lombardi, Chief Engineer
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Sanjay S. Mody, Advisor to the Chairman
 Steven P. Plate, Director, World Trade Center Construction
 Monika A. Radkowska, Board Management Support Specialist, Office of the Secretary
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Stephen H. Sigmund, Chief, Public and Government Affairs
 Gerald B. Stoughton, Director, Financial Analysis
 David B. Tweedy, Chief, Capital Programs
 Lillian D. Valenti, Director, Procurement
 Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 Andrew S. Warshaw, Chief of Staff to the Executive Director
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
 William Young, Client Manager, Government and Community Affairs

Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

Guest:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public

Margaret Donovan, Twin Towers Alliance

Richard Hughes, Member of the Public

Robert Moore, Communications Workers of America

The public meeting was called to order by Chairman Coscia at 11:42 a.m. and ended at 12:08 p.m.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on September 14, 2010, which included discussion of several contracts and agreements in connection with the continued development of the World Trade Center site and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Moment of Silence

In observance of the ninth anniversary of the September 11, 2001 terrorist attacks on The World Trade Center, the Chairman requested a moment of silence in memory of the 84 Port Authority employees lost on that day, as well as for all those who perished as a result of the senseless acts of terrorism on September 11, 2001 and February 26, 1993.

WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR MEMORIAL MUSEUM ARCHITECTURAL METALS

It was recommended that the Board authorize the Executive Director to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) to W&W Glass Systems, Inc. for the furnishing and installation of architectural metals for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$6,469,200, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management (CM) services associated with the Memorial Museum architectural metals trade contract, at an estimated cost of \$595,646. These costs are the sole responsibility of the NS11MM, because the work supports the WTC Memorial Museum exclusively.

Pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and the Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept an assignment of the Bovis CM contract and manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the full assignment of the Bovis CM contract, the NS11MM has proceeded with procurement of the Memorial Museum architectural metals trade contract, as an essential component of the critical path schedule for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

The NS11MM will award the Museum architectural metals trade contract to W&W Glass Systems, Inc., the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work for the trade contract includes fabrication and installation of all architectural metals for the WTC Memorial Museum, including blackened stainless steel handrails and wall panels at various locations, as well as parapet steel and framing for the main circulation ramp.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Coscia, Grayson, Holmes, Moerdler, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Bauer and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. to W&W Glass Systems, Inc. for the furnishing and installation of architectural metals for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$6,469,200, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. for performance of construction management services associated with the Memorial Museum

architectural metals trade contract, at an estimated cost of \$595,646; and it is further

RESOLVED, that the form of all contracts and agreements necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER (WTC) MEMORIAL, MEMORIAL MUSEUM AND WTC INFRASTRUCTURE PROJECTS – AUTHORIZATION TO ACCEPT ASSIGNMENT OF A TRADE CONTRACT FOR MEMORIAL MUSEUM MILLWORK

It was recommended that the Board authorize the Executive Director to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (NS11MM) to PABCO Construction Corporation for the furnishing and installation of millwork items for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$6,858,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. (Bovis) for performance of construction management (CM) services associated with the millwork trade contract, at an estimated cost of \$631,444. These costs are the sole responsibility of the NS11MM, because the work supports the WTC Memorial Museum exclusively.

Pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York and the State of New York, the Port Authority is to assume responsibility for construction of the WTC Memorial and the Memorial Museum Projects.

In December 2006, the Board authorized the Executive Director to finalize agreements with the NS11MM providing for the Port Authority to accept an assignment of the Bovis CM contract and manage all construction work for the WTC Memorial and Memorial Museum Projects. In anticipation of the full assignment of the Bovis CM contract, the NS11MM has proceeded with procurement of the millwork trade contract, as an essential component of the critical path schedule for the WTC Memorial, Memorial Museum and WTC Infrastructure Projects.

The NS11MM will award the millwork trade contract to PABCO Construction Corporation, the lowest qualified bidder, selected from among multiple competitive bids based on a list of select bidders established in the Bovis CM contract. The scope of work for the trade contract includes fabrication and installation of all millwork items for the WTC Memorial Museum, including a paneling system at various locations, a metal ceiling enclosure system at the main circulation ramp, a ramp parapet exterior wall enclosure and medium density fiberboard panels on the Vesey Street Stair Remnant.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Coscia, Grayson, Holmes, Moerdler, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Bauer and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) accept assignment of a construction trade contract awarded by the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. to PABCO Construction Corporation for the furnishing and installation of millwork items for the World Trade Center (WTC) Memorial, Memorial Museum and WTC Infrastructure Projects, at an estimated amount of \$6,858,000, including an eight-percent contingency; and (2) accept a partial assignment of the contract with Bovis Lend Lease LMB, Inc. for performance of construction management services associated with the millwork trade contract, at an estimated

cost of \$631,444; and it is further

RESOLVED, that the form of all contracts and agreements necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR A TELECOMMUNICATIONS NETWORK AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Five Star Electric Corporation, for a telecommunications network associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$39,474,000, inclusive of an eight-percent allowance for extra work; (2) increase, by an estimated amount of \$2.2 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services; and (3) increase, by an estimated amount of \$2.1 million, the compensation under an existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for construction-related architectural and engineering services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center (WTC) complex prior to September 11, 2001, and to promote the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed telecommunications network contract includes the fabrication of all conduits, fiber-optic and copper cable and electronic equipment necessary for the construction of a high-speed data network backbone that will run throughout the WTC Hub and provide for modifications to the existing Port Authority Trans-Hudson Corporation (PATH) WTC Station telecommunications network. The scope of work also includes two redundant data systems - a supervisory control and data acquisition (SCADA) system that monitors and, in some cases, controls electrical and other equipment throughout the WTC Hub, and a customer information services (CIS) system that provides information that can be transmitted to electronic signage and public address equipment for commuters, tourists and others traveling through the WTC Hub. Both systems will be integrated with the existing PATH telecommunications system being utilized at the PATH WTC Station. The telecommunications network contract includes a warranty, along with emergency and routine scheduled maintenance for one year beyond final system acceptance.

The recommended award is to the lowest-price proposer, Five Star Electric Corporation, which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed

increase in compensation to Tishman/Turner would provide for the development, management and supervision of these construction trade packages.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub for a five-year term, at an estimated amount of \$60 million. Through August 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$2.1 million and increases pursuant to three companion items being advanced at this Board meeting, a total of \$371.25 million will have been authorized. Approximately \$292.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Five Star Electric Corporation, for a telecommunications network associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$39,474,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$2.2 million, the compensation under the existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$2.1 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

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

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR A SECURITY SYSTEM AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Diebold Enterprise Security Systems, Inc. for a security system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$22,491,000, inclusive of an eight-percent allowance for extra work; (2) increase, by an estimated amount of \$1.2 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services; and (3) increase, by an estimated amount of \$1.1 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center (WTC) complex prior to September 11, 2001, and to promote the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes: (1) furnishing and installing closed-circuit television and access control systems for the WTC Hub; (2) expanding Port Authority Trans-Hudson Corporation's (PATH) existing security system at the PATH WTC station; and (3) furnishing and installing redundant video recorders, control panels and end devices at the WTC Hub and central control servers at the WTC Hub and PATH Operations Control Center in Jersey City, New Jersey. The security system will operate on the WTC Hub Project's telecommunications network, funding for which authorization is being sought under a companion item at this Board meeting. The security system contract includes a warranty, along with emergency and routine scheduled maintenance for one year beyond final system acceptance.

The recommended award is to the lowest-price proposer, Diebold Enterprise Security Systems, Inc., which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner will provide for the development, management and supervision of these construction trade packages.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through August 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$1.1 million and increases pursuant to three companion items being advanced at this Board meeting, a total of \$371.25 million will have been authorized. Approximately \$292.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino and Silverman voting in favor; none against; Commissioners Moerdler, Sartor and Steiner recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Diebold Enterprise Security Systems, Inc. for a security system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$22,491,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1.2 million, the compensation under the existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1.1 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

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

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR A BUILDING AUTOMATION AND TEMPERATURE CONTROL SYSTEM AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Johnson Controls, Inc., for a Building Automation and Temperature Control (BATC) system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated cost of \$10,796,225, inclusive of an eight-percent allowance for extra work; (2) increase, by an estimated amount of \$600,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services; and (3) increase, by an estimated amount of \$1 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and to promote the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes furnishing and installing redundant central control servers, software and connecting end devices that will monitor and control environmental conditions throughout the WTC Hub. The BATC system will operate on the WTC Hub's telecommunications network, funding for which authorization is being sought under a companion item at this Board meeting. The BATC contract includes a warranty covering all equipment and labor for up to one year beyond final system acceptance.

The recommended award is to the lowest-price proposer, Johnson Controls, Inc., which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner will provide for the development, management and supervision of these construction trade packages.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through August 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$1 million and increases pursuant to three companion items being advanced at this Board meeting, a total of \$371.25 million will have been authorized. Approximately \$292.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Johnson Controls, Inc. for a building automation and temperature control system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$10,796,225, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$600,000, the compensation under the existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

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

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR A FIRE ALARM SYSTEM AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Five Star Electric Corporation for a fire alarm system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$20,399,040, inclusive of an eight-percent allowance for extra work; (2) increase, by an estimated amount of \$1.2 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services; and (3) increase, by an estimated amount of \$1 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and to promote the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes furnishing and installing a complete independent fire alarm system, including fire alarm control panels, redundant fire alarm Command Stations and all required audible and visual signaling devices at various locations throughout the WTC Hub site. The fire alarm system contract includes a warranty, along with emergency and routine scheduled maintenance up to final system acceptance.

The recommended award is to the lowest-price proposer, Five Star Electric Corporation, which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to best position the agency in attaining competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner will provide for the development, management and supervision of these construction trade packages.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. Through August 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the requested increase of \$1 million and increases pursuant to three companion items being advanced at this Board meeting, a total of \$371.25 million will have been authorized. Approximately \$292.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Silverman and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Five Star Electric Corporation for a fire alarm system associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$20,399,040, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1.2 million, the compensation under the existing agreement with Tishman/Turner for construction management services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$1 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for professional architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

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

ONE WORLD TRADE CENTER – RETENTION OF REAL ESTATE ADVISORY SERVICES

It was recommended that the Board authorize the Executive Director to enter into a negotiated contract for real estate advisory services with The Bruce I. Selfon Company of Florida (Selfon), for the services of Bruce I. Selfon, personally, to support staff and The Durst Organization (Durst) in negotiating a lease with the United States General Services Administration (GSA) for office space in One World Trade Center (1WTC).

The proposed fee arrangement with Selfon would provide for a monthly retainer of \$15,000, not to exceed a total of \$90,000 for six months, with no further monthly retainer being paid during any period under the agreement exceeding six months. In addition, Selfon would also be compensated for reasonable out-of-pocket expenditures. The total monthly retainer would be credited against a transaction execution fee, payable no sooner than upon the successful execution of a lease with the GSA. The transaction execution fee would be based on a maximum of four percent of the net increased transaction value, with the total of all fees, inclusive of the retainer, capped at \$1.5 million.

The proposed agreement also would provide for Selfon's performance of real estate advisory services, including, but not be limited to, negotiating the GSA lease, developing an acceptable GSA occupancy plan for federal agencies for 1WTC, and facilitating execution of pre-occupancy requirements of the GSA lease.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Moerdler, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a negotiated contract for real estate advisory services with The Bruce I. Selfon Company of Florida (Selfon) to support staff and The Durst Organization in the negotiation of a lease agreement with the United States General Services Administration (GSA) at One World Trade Center, providing for a monthly retainer of \$15,000, not to exceed a total of \$90,000 for six months (with no further monthly retainer being paid during any period exceeding six months), plus compensation for reasonable out-of-pocket expenditures, with the total monthly retainer paid to Selfon to be credited against the transaction execution fee, which, inclusive of the retainer, shall be capped at \$1.5 million and be payable after the successful execution of a lease with the GSA; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative.

BAYONNE BRIDGE – NAVIGATIONAL CLEARANCE LIMITATIONS

Over the years the Port Authority has engaged in a number of planning initiatives, independently and together with other governmental and private entities, to review the issues that are anticipated to result from the current navigational clearance of the Bayonne Bridge over the Kill Van Kull, which is anticipated to limit the access of modern larger container ships to marine terminal facilities in New York and New Jersey that are west of the Bridge. In view of the importance of these marine terminal facilities to the business of the Port Authority and to the continued growth of the region's economy, in August 2009, the Board of Commissioners authorized planning and conceptual engineering services for a preliminary alternatives analysis, including a regional cost-benefit analysis of the alternatives, to address these issues. In furtherance of these continuing efforts, it was recommended that the Port Authority's capital planning process provide for \$1 billion of capital capacity for a project to address the Bayonne Bridge's navigational clearance limitations.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Coscia, Grayson, Holmes, Moerdler, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, the Port Authority's capital planning process shall provide for \$1 billion of capital capacity for a project to address the Bayonne Bridge's navigational clearance limitations.

Whereupon, the meeting was adjourned.

Secretary