

Construction Industry Forum

The Port Authority of NY & NJ

June 12, 2008



THE PORT AUTHORITY
OF NEW YORK & NEW JERSEY

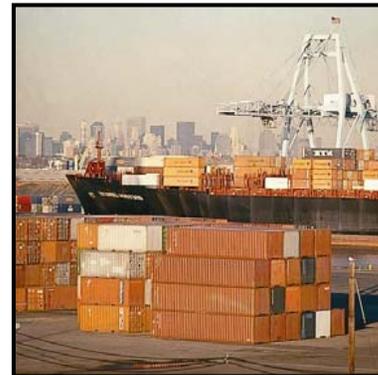
Agenda

- **Overview**
 - Frank Lombardi, Chief Engineer
- **Capital Program- Major Projects**
 - Peter Zipf, Deputy Chief Engineer/ Director of Engineering
- **2008 Construction Program**
 - Peter Zipf, Deputy Chief Engineer/ Director of Engineering
- **Break**
- **Procurement Highlights**
 - Lillian Valenti, Director of Procurement
- **Construction Management Issues**
 - Jim Starace, Deputy Director- Construction Management Division
- **Closing – Q&A**



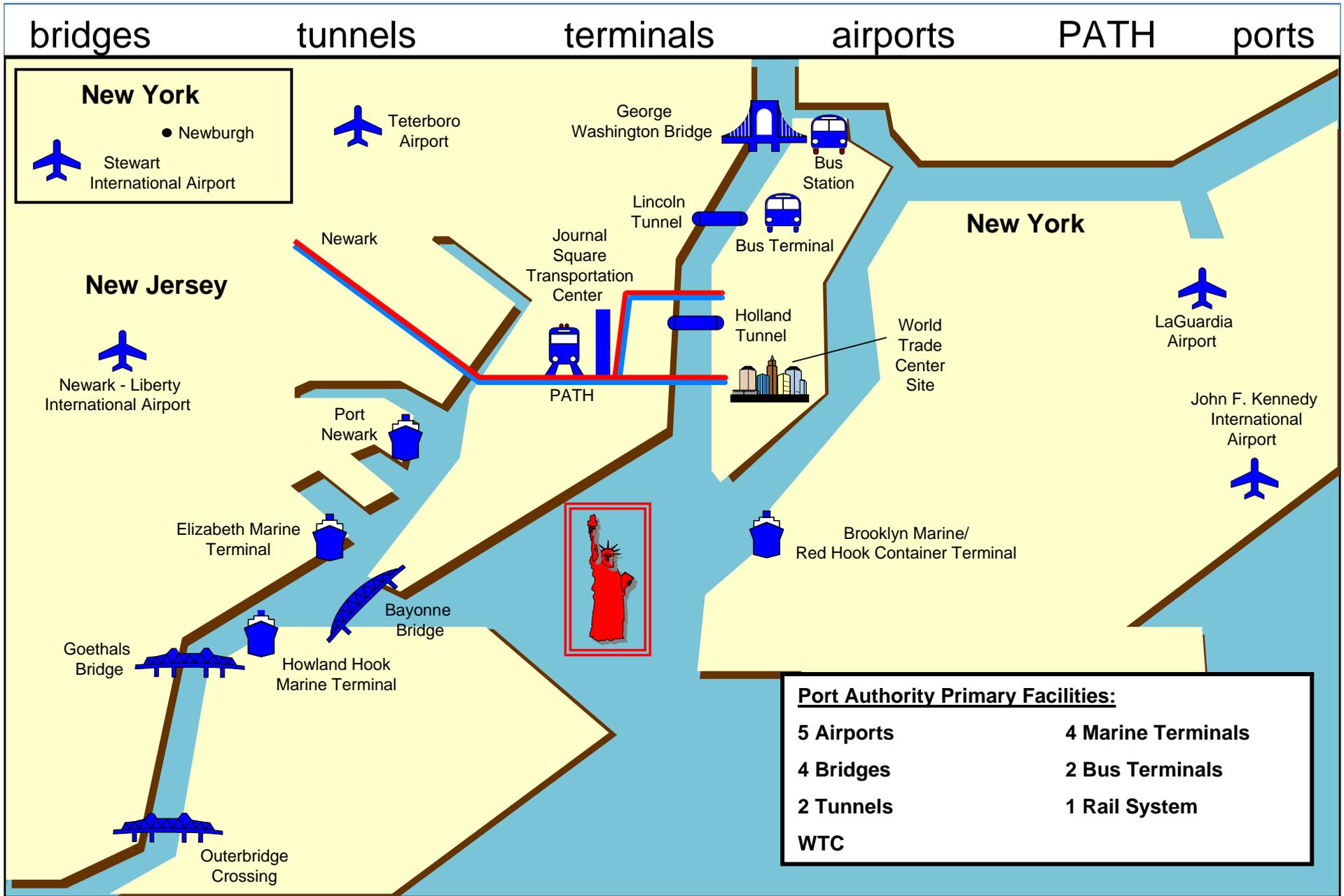
The Port Authority's Mission

- **Enhance region's competitiveness and prosperity.**
- **Provide transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world.**



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Port Authority Facility Map



Agency's Priorities

- S**afety- protection from disasters, crime, and accidents
- O**ppportunity- increase economic strength; enhance access
- S**ustainability- conserve natural resources
- C**apacity- financial strength and workforce
- Q**uality- engineering/architectural and service excellence



Region's Transportation Challenges

PROJECTED GROWTH BY THE YEAR 2020

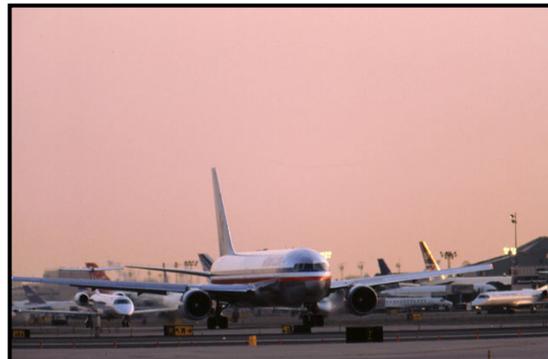
- Aviation- 40%

- Ports- 100%

- PATH- 35%

- TB&T- 18%

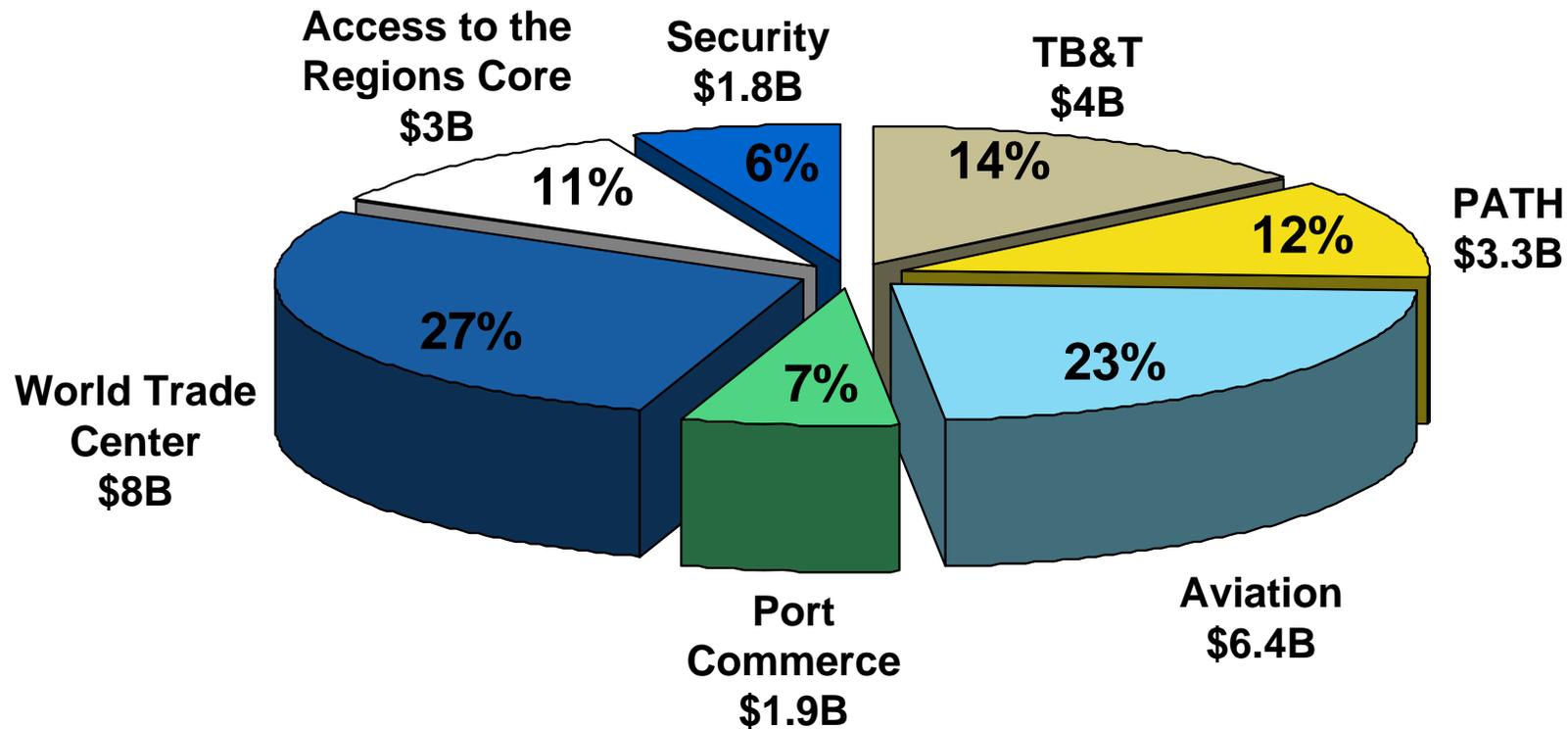
- Security- 300%



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Capital Plan: 2007-2016

\$ 29.5 Billion



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2007-2016 Capital Program

Major Projects



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George Washington Bridge— Major Projects

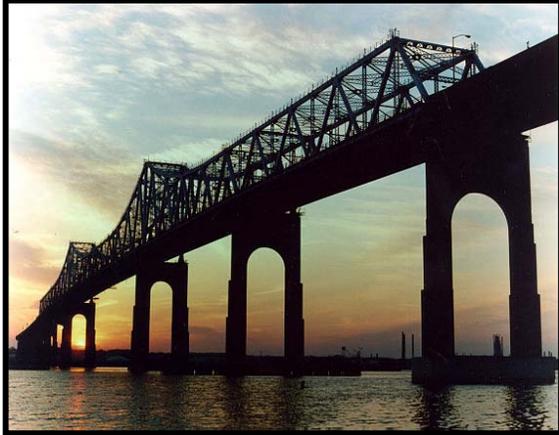


	<u>Estimated Construction Cost</u>	<u>Forecasted Construction Start Date</u>
Suspender Rope Replacement	\$250-300 M	2011
Recoating Underside of Lower Level	\$125-175 M	2009
Cross Bronx Expressway Improvements	\$50-100 M	2010
Upper Level Deck Rehabilitation	\$100-300 M	2010



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Staten Island Bridges- Major Projects



**Estimated
Construction Cost**

**Forecasted Construction
Start Date**

Goethals Bridge

- Goethals Bridge Modernization

\$550-600 M

After 2009

Bayonne Bridge

- Recoating Underside NY & NJ Viaducts
- Bayonne Bridge Study

\$20-30 M

2011

TBD

TBD

Outerbridge Crossing

- Replace Roadway Slabs in Toll Lanes
- Recoat Underside of NY & NJ Viaducts

\$1-5 M

2008

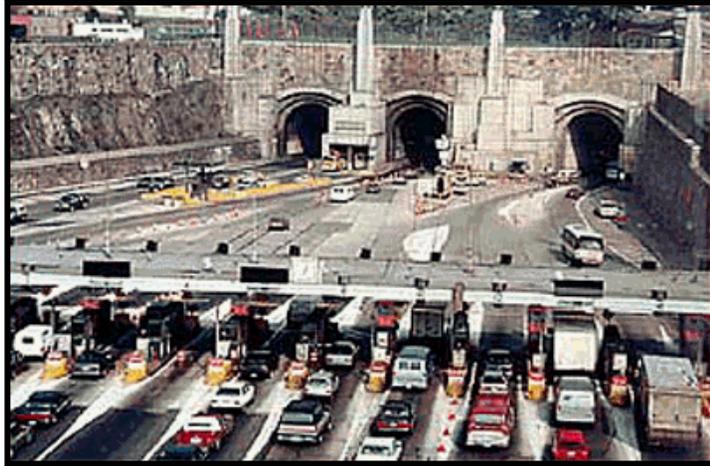
\$1-5 M

Underway



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Lincoln and Holland Tunnels- Major Projects



Estimated
Construction Cost

Forecasted Construction
Start Date

Lincoln Tunnel

- Capacity Enhancement at XBL
- Reconstruction of the Helix
- Bus Ramp Slab Replacement
- Replace Vent System

\$50-60 M

2014

TBD

After 2013

\$40-50 M

After 2008

\$20-30 M

2009

Holland Tunnel

- Rehab Vent System
- Replace Pier 9/204

\$30-40 M

Underway

\$30-40 M

2009



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Port Authority Bus Terminal- Major Projects



Estimated Construction Cost

Forecasted Construction Start Date

- New Bus Garage
- Replacement of HVAC Units
- Replace Auto Mgmt Control System

\$300-325 M

2012

\$10-15 M

2010

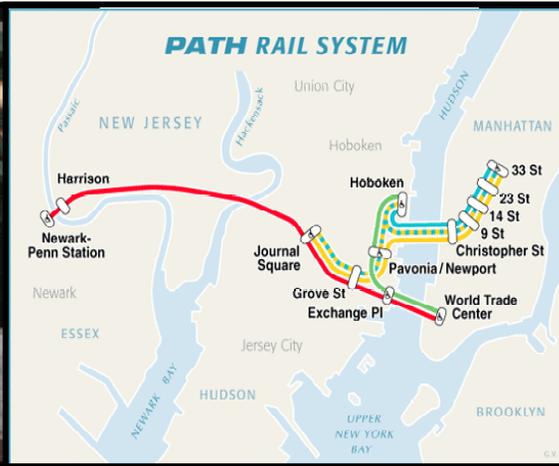
\$5-10 M

2009



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PATH- Major Projects



	<u>Estimated Construction Cost</u>	<u>Forecasted Construction Start Date</u>
•PATH Stations Modernization	\$350-400 M	2009
•Purchase of New PA5 Cars	\$325-375 M	2005
•Signal Replacement Program	\$225-250 M	2008



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LaGuardia Airport- Major Projects



	<u>Estimated Construction Cost</u>	<u>Forecasted Construction Start Date</u>
•Central Terminal Building Modernization	\$550-600 M	After 2010
•Runway 4-22 Airfield Lighting Upgrade	\$15-25 M	Underway



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John F Kennedy Airport- Major Projects



	<u>Estimated Construction Cost</u>	<u>Forecasted Construction Start Date</u>
•New Domestic Terminal	\$315-325 M	After 2010
•Rehab Runway 13R-31L	\$125-135 M	After 2010
•Runway Access Improvement	\$80-90 M	2008
•Rehab Taxiways S, SC, SD & SR	\$20-30 M	2008
•Construct Centralized De-Icing Facility	\$25-50 M	2009
•Rehab Taxiway E	\$20-30 M	2008



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Newark Liberty International Airport- Major Projects



- Terminal A Modernization
- Terminal B Modernization
- Rehab Runway 11-29

Estimated Construction Cost

\$575-585 M

\$175-185 M

\$15-20 M

Forecasted Construction Start Date

After 2010

Underway

2008



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Stewart International Airport- Major Projects



Estimated
Construction Cost

Forecasted Construction
Start Date

•Airport Development Program

\$250-300 M

After 2010



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Port Commerce- Major Projects



	<u>Estimated Construction Cost</u>	<u>Forecasted Construction Start Date</u>
Consolidated Dredging Project to 50'	\$75-85 M	Underway
•Berth Replacement	\$15-20 M	2012
•Express Rail	\$25-50 M	Underway



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The World Trade Center Construction

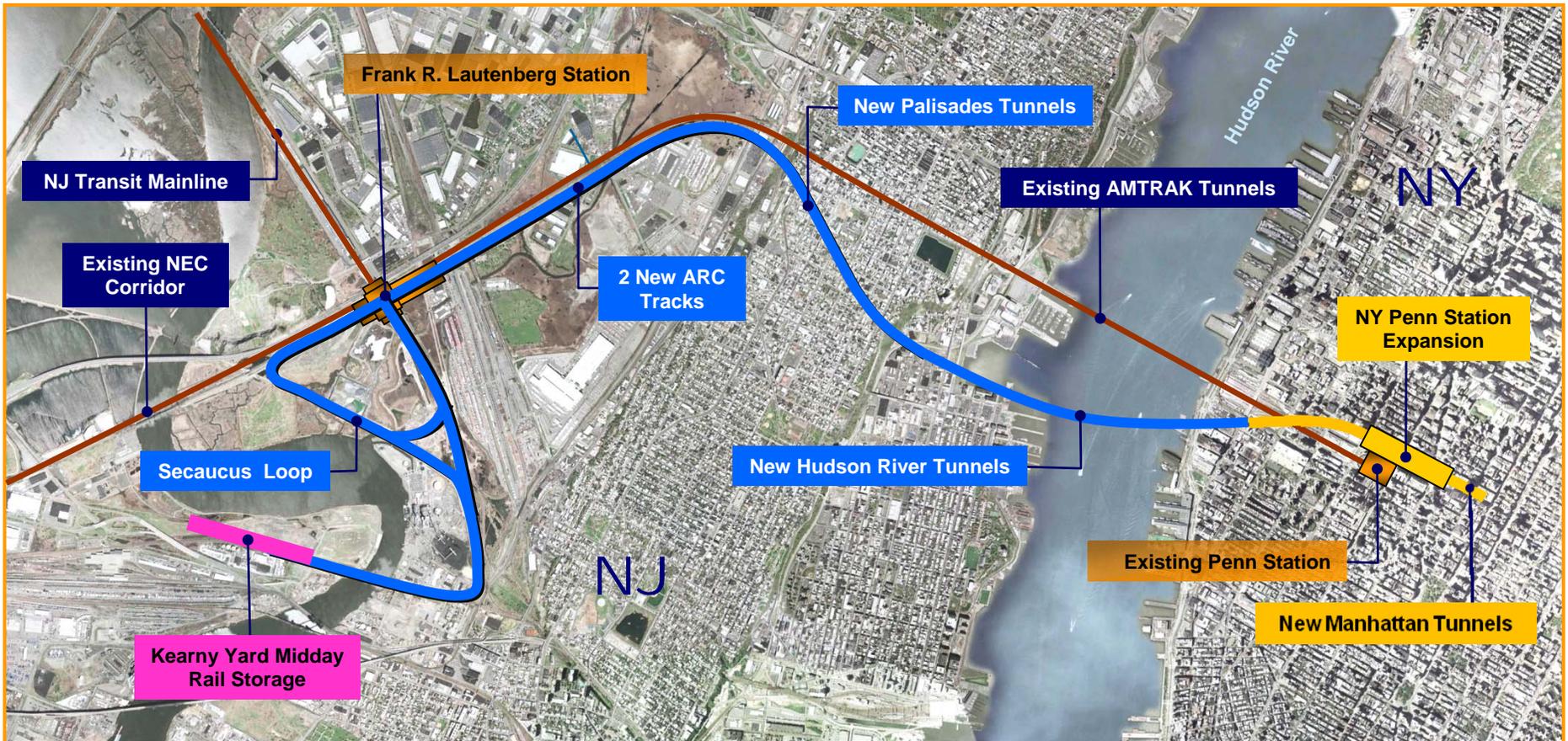
- **Transportation Hub**
- **One WTC, Freedom Tower**
- **Retail Redevelopment**
- **Site-wide Infrastructure**



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Access to the Region's Core (ARC)

Project Alignment and Components



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2008 Budget and Updated 2007-2016 Capital Investment Plan

The screenshot displays the Port Authority of New York & New Jersey website. The main navigation bar includes links for **COMMUTING AND TRAVELING**, **DOING BUSINESS WITH THE PORT AUTHORITY**, and **ABOUT THE PORT AUTHORITY**. The page features a large banner for the **2008 Budget and Updated 2007-2016 Capital Investment Plan**. A sidebar on the left contains **QUICK LINKS** such as All Airports, Airport Flight Information, AirTrain, Airport Parking, Tunnels, Bridges and Bus Terminals, and PATH Rail. The **TRAVEL ALERTS** section includes Bridge&TunnelAlerts, PATHAlerts, and AirportInfo-Alerts. The **TRAVEL ADVISORIES** section lists Airport Security Lines, Traffic, and PATH. The **THE LATEST AT THE PORT AUTHORITY** section highlights the **2008 Budget and 2007-2016 Capital Investment Plan** with a red box and a red arrow pointing to it from the right-hand page. The right-hand page shows the **Introduction** to the plan, titled **THE REGION'S TRANSPORTATION CHALLENGES**, which discusses the region's growth and the challenges it presents.

Port Authority Website
www.panynj.gov

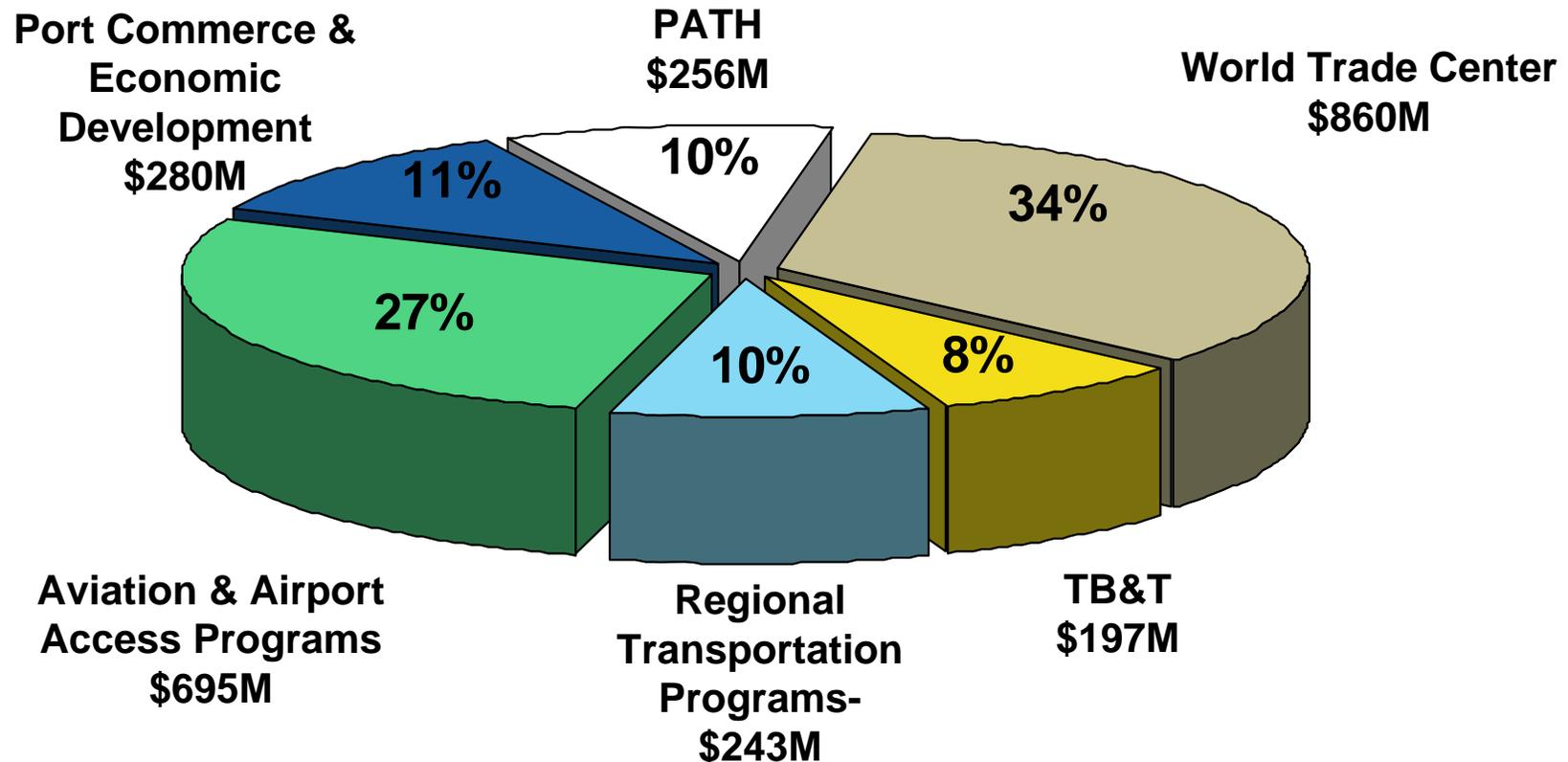
2008 Construction Program



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Agency's 2008 Capital Budget

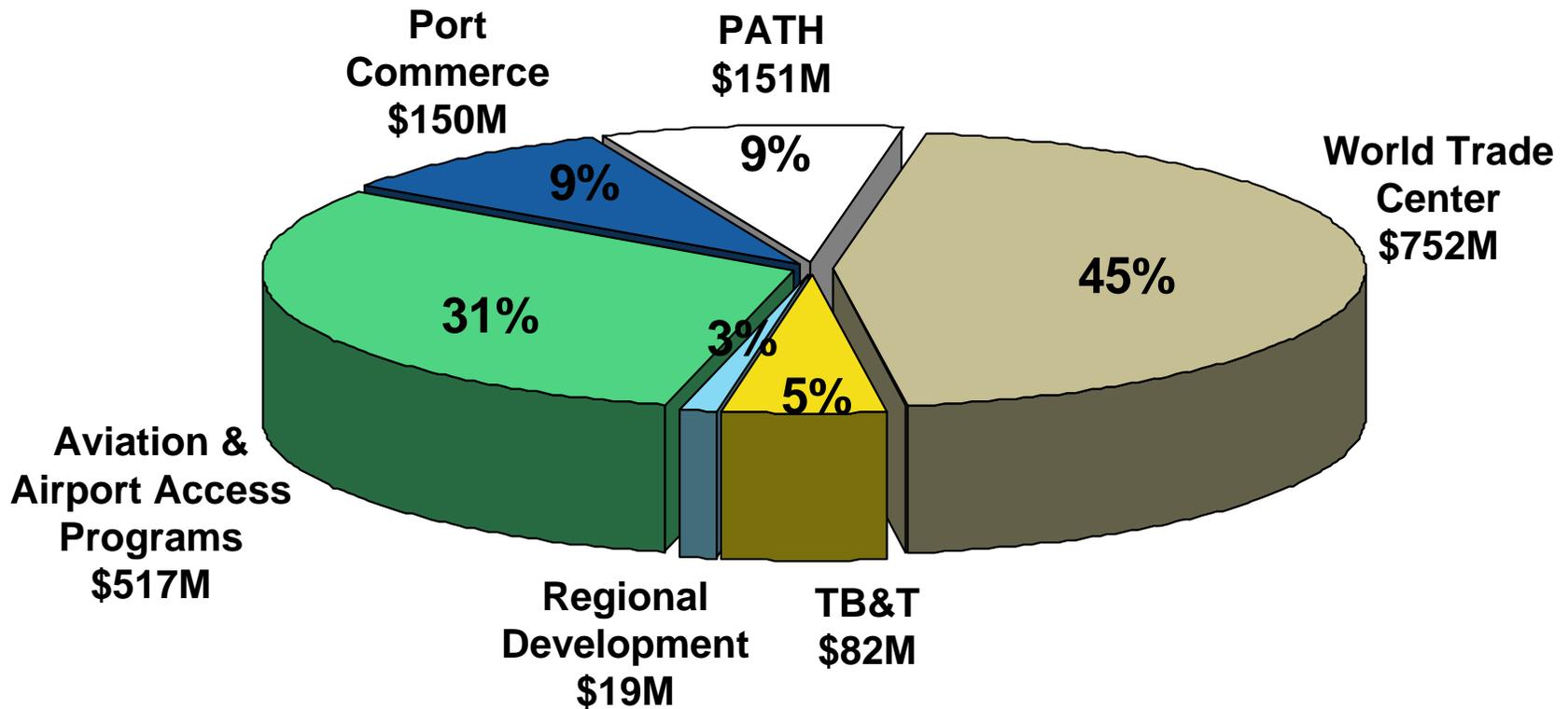
\$2.5 Billion



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2008 Construction-In-Place

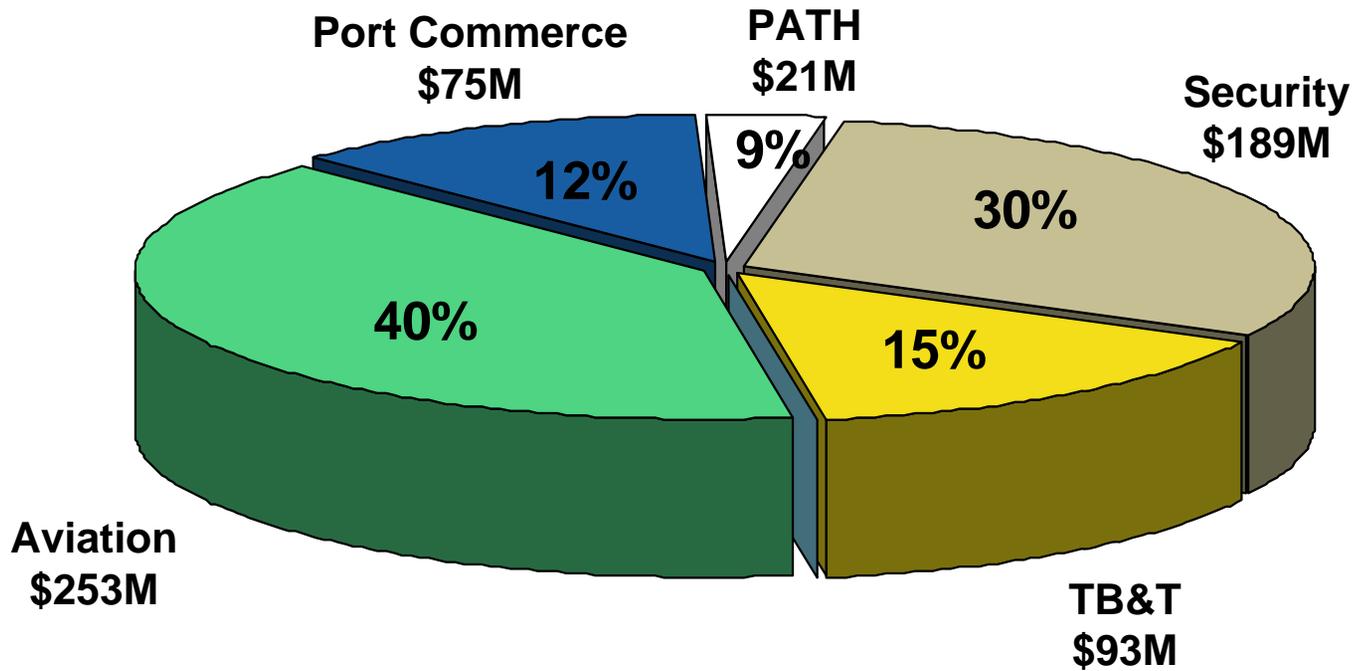
\$1.7 Billion



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2008 Construction Contract Awards

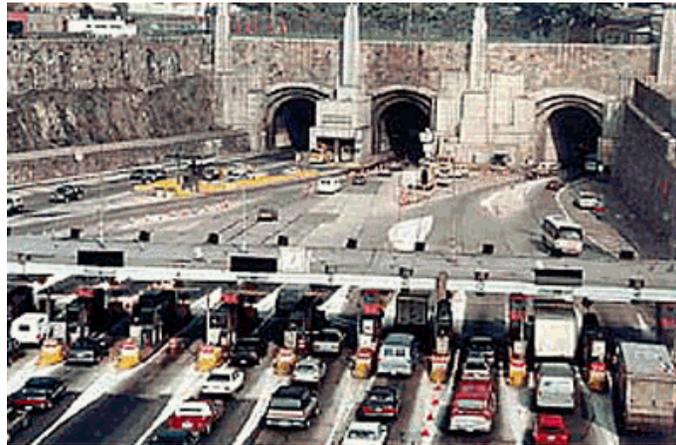
\$680 Million



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2008 Contract Awards – TB&T

2008 Forecast - \$93M



Tunnels, Bridges, & Terminals

Ad Date

Engineering Estimate

- Lincoln Tunnel-Resurface NY Expressway Bridge
Between W 31st and W 33rd Streets
- Staten Island Bridges-Fire Standpipe Rehabilitation

4th Quarter

\$1-5M

4th Quarter

\$1-5M



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2008 Contract Awards – PATH

2008 Forecast - \$21M



- Comprehensive Signage Program
- MacMillan Bloedel- Misc Fire Protection
- HCMF Compressed Air System Upgrade

<u>Ad Date</u>	<u>Engineering Estimate</u>
2 nd Quarter	\$1-5M
2 nd Quarter	\$0.5-1M
4 th Quarter	\$0.25-0.5M



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2008 Contract Awards

Aviation- New York Airports

2008 Forecast - \$200M



John F. Kennedy Airport

- Demo of Hanger 12 and Construction of Centralized De-Icing Facility- Phase II
- Rehab Runway 13R-31L
- Runway Access Improvement

LaGuardia Airport

- Rehabilitation of the Central Terminal Building Roof
- Storm Drainage Rehabilitation

<u>Ad Date</u>	<u>Engineering Estimate</u>
3 rd Quarter	\$40-55M
4 th Quarter	\$150-175M
4 th Quarter	\$40-55M
2 nd Quarter	\$10-15M
4 th Quarter	\$1-5M

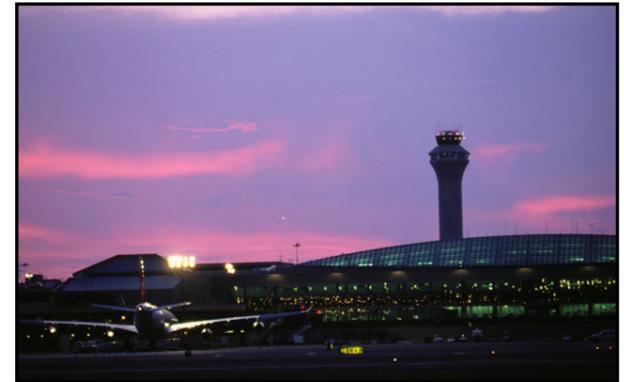


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2008 Contract Awards

Aviation- New Jersey Airports

2008 Forecast - \$53M



Newark Liberty International Airport

- Terminal B Fire Alarm System Upgrade
- Terminal B Modernization- Mid Level Domestic Ticketing
- Terminal B Modernization- Mid Level Meeter/Greeter Area

<u>Ad Date</u>	<u>Engineering Estimate</u>
3 rd Quarter	\$1-5M
3 rd Quarter	\$15-20M
4 th Quarter	\$15-20M



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2008 Contract Awards – Port Commerce

2008 Forecast - \$75M



<u>Port Commerce</u>	<u>Ad Date</u>	<u>Engineering Estimate</u>
•Brooklyn Piers- Maintenance Dredging	2 nd Quarter	\$1-5M
•Port Newark- Corbin & Tyler Street Intersection Improvements	2 nd Quarter	\$1-5M
•Port Newark- Concrete Roadway Repairs	3 rd Quarter	\$0.5-1M



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Reference to Construction Program

The image shows two browser windows from Microsoft Internet Explorer. The left window displays the main homepage of the Port Authority of New York & New Jersey, with a search bar and a red box highlighting the 'Engineering - M/W/S/DBE Information' link in the 'DOING BUSINESS WITH THE PORT AUTHORITY' menu. The right window shows the resulting page, 'Engineering - M/W/S/DBE Information, Applications and Forms', which lists various resources including 'Annual Construction Program (1 MB PDF)' and 'Engineering Qualified M/WBE Construction Contractor Search'. A red arrow points from the highlighted link in the left window to the corresponding page in the right window.

Port Authority Website
www.panynj.gov

PROCUREMENT HIGHLIGHTS



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Construction Program

- **Located on the Port Authority Website**
[\(www.panynj.gov/DoingBusinessWith/engineering/\)](http://www.panynj.gov/DoingBusinessWith/engineering/)
- **Provides a forecast of construction contracts to be advertised**
- **Estimated range of construction cost**
- **Brief description of each project**
- **Contact person**
- **Guide of contracting procedures**
- **Bid process**



Contract Advertisements

- **Advertise publicly**
 - **Engineering News-Record**
 - **New York and New Jersey Newspapers**
- **Awarded to lowest qualified bidder**



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Pre-Qualification

- **Special construction expertise**
- **Operational constraints**
- **Complex staging coordination**



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Bidders List

- **List of Prime Contractors**
- **Complete a vendor registration/profile**
- **Receive copies of public advertisements by mail**



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Quick Bid Program

- **Opportunity for M/WBE contractors**
- **Shorten award duration for small contract**
 - **Construction estimate under \$500,000**
 - **Set aside list of M/WBE and SBE contractors**
- **Provide interested bidders with free construction contract documents**



Bid Packages

Viewing Bid Packages

- **Contract Desk, Three Gateway Center, 3rd Floor, Newark, NJ**

Obtaining Bid Package

- **By mail to or Pick up**
- **\$100 non-refundable payment by Company check or money order**

Sealed Bids

- **Procurement Department, One Madison Ave, 7th Floor, New York, NY**
- **Publicly opened and read**
- **Bid openings posted on website**



Contractor Responsibility and Integrity

- **PA awards contracts only to “Responsible” Contractors**
 - **Never indicted, convicted, suspended, debarred, or terminated by any governmental agency**
 - **Never failed to pay taxes**
 - **Never subject to criminal investigation or civil anti-trust investigation by government agency**
 - **A signed statement that sets forth the reasons therefore.**



Insurance Provided by the Port Authority

- **Typically PA procures insurance**
 - **Public liability**
 - **Workers compensation and employer's liability**
 - **Builder's risk**



CONSTRUCTION MANAGEMENT



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Types of Compensation Provisions

- **Four basic types of compensation provisions:**
 - **Lump Sum**
 - **Unit Price**
 - **Combination Lump Sum and Unit Price**
 - **Net Cost**



Bonding

GENERAL CONSTRUCTION CONTRACT REQUIREMENTS

ENGINEER'S ESTIMATE	BID AND PERFORMANCE AND PAYMENT BONDS	FINANCIAL STATEMENT	MBE/WBE SUBCONTRACTING GOALS
Under \$500,000	NO	NO	NO
\$500,000-\$1,000,000	NO	NO	YES
Over \$1,000,000	YES	YES	YES



Payment Policies

- **Estimate and certify for payment the approximate value of work performed.**
 - **Once a month payments - contractual retainer**
 - **Twice a month payments for M/WBE Set-Aside Program**
 - **Exempt from sales taxes**



Apprenticeship Program

- **New York Apprenticeship Program**
 - **Construction Skills 2000 Apprentice Program**
 - **Introduce high school graduates to a systematic pathway into union-sponsored, skilled trade**
- **New Jersey Apprenticeship Program**
 - **Construction Industry Advancement Program**
 - **Newark/Essex County Construction Careers Program**
 - **Prepare High School graduates to join construction and building trade union**



Minority, Women, and Small or Disadvantaged Business Enterprise Program

- **Construction contracts**
 - **Under \$500,000 set aside for MBE/WBE**
 - **\$500,000 to \$1 million set aside for SBE**
- **M/WBE Goals**
 - **12% MBE**
 - **5% WBE**
- **DBE**
 - **included for projects with federal funding**
- **Firms must be certified by PA**
- **Disadvantaged Business Enterprises included for projects with federal funding**



Contract Administration Enhancements

- **Audit Issues**

- **Terminology Change- Audit “adjustment” in place of “over charge”**

- **Actions taken by Audit Dept. to reduce backlog**

- **Timely Audit Response**

- **30 day Contractor response**

- **Operating costs**

- **Equipment Rates**

- **Over scale wages**

- **Emergency Response**

- **Retainage Modifications**

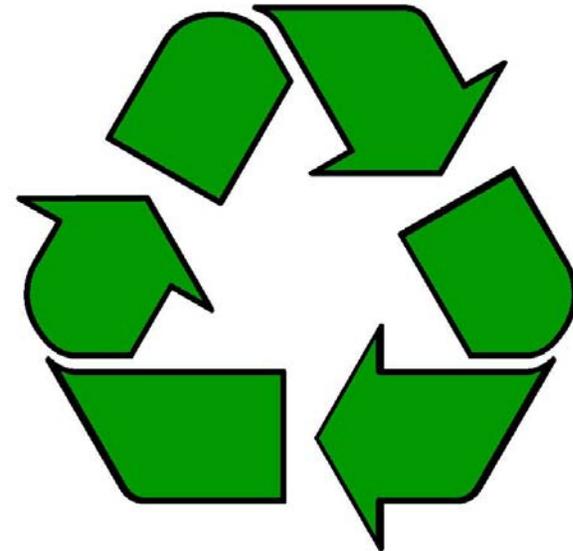


Recycling

- **Submit Recycling Plan**

- **75% removal**

- **Steel**
 - **Concrete**
 - **Asphalt**
 - **Clean Soil**



- **Use of Recycled Materials**

- **Recycled asphalt pavements (RAP)**
 - **Supplementary Cementitious Materials (SCM)**

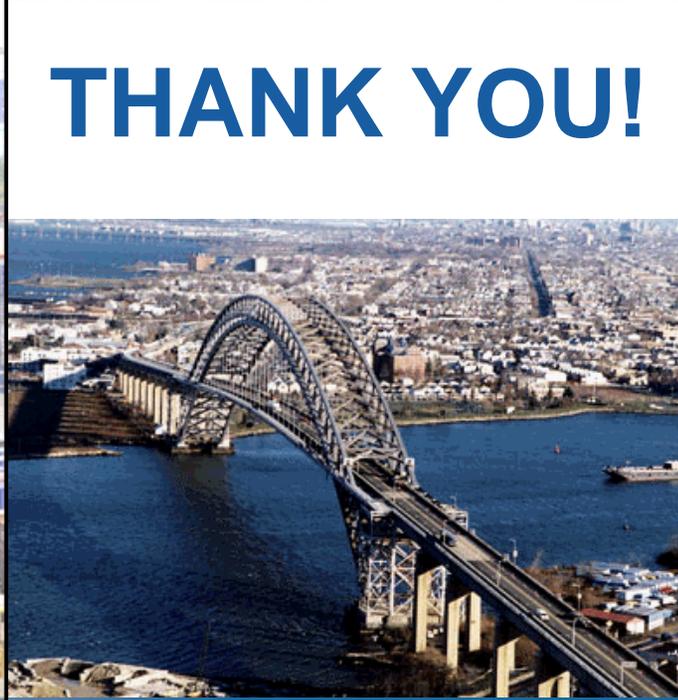
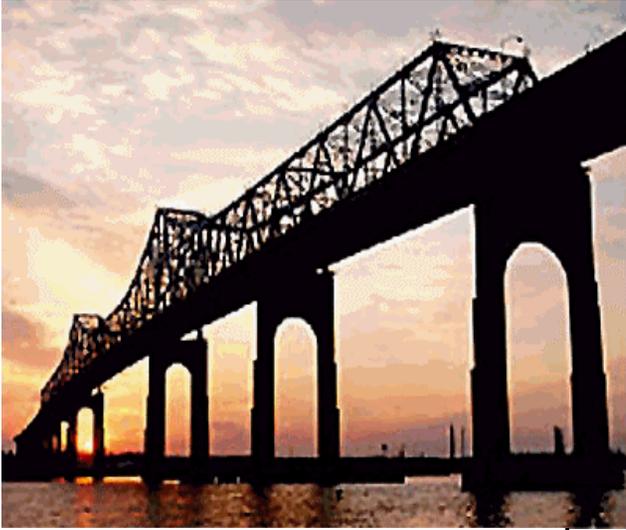


Priority Work- Net Cost With Fee

- **Priority Work Orders**
 - **Service interruption avoidance**
 - **Critical customer service work**
 - **Critical public relations**
- **One GC based on low bid fee**
 - **For each major facility group**



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THANK YOU!



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