

**DELAWARE RIVER
PORT AUTHORITY
&
PORT AUTHORITY TRANSIT CORP.**

August 19, 2013 Telephonic Board Meeting

Wednesday, August 19, 2013
One Port Center
Board Room
Camden, NJ
8:00 am



John J. Matheussen, Chief Executive Officer

DELAWARE RIVER PORT AUTHORITY
TELEPHONIC BOARD MEETING
Monday, August 19, 2013
ORDER OF BUSINESS

1. **Roll Call**
2. **Approval of July 17, 2013 DRPA Board Meeting Minutes (previously mailed)**
3. **Approval of Operations & Maintenance Committee Minutes of August 7, 2013**
4. **Approval of Finance Committee Minutes of August 7, 2013**
5. **Approval of Audit Committee Minutes of July 10, 2013**
6. **Adopt Resolutions Approved by Operations & Maintenance Committee of August 7, 2013**
 - DRPA-13-091 Custodial Services for DRPA Bridge Facilities**
7. **Adopt Resolutions Approved by Finance Committee of August 7, 2013**
 - DRPA-13-094 Revenue Bond Resolution**
 - DRPA-13-095 Part-Time and Temporary Toll Collectors**
 - DRPA-13-092 Camera & Call Box Maintenance Agreement**
8. **Unfinished Business**
9. **New Business**
 - DRPA-13-093 Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)**
 - DRPA-13-096 Underwriter Selection**
 - DRPA-13-097 Enterprise Resource Planning (ERP) Project Management Services**
10. **Adjournment**

Delaware River Port Authority
Operations & Maintenance Committee Meeting Minutes
August 7, 2013

Attendance:

Committee Members:

William Sasso, Esquire, Chairman
Joanna Cruz, Esquire (via telephone)
Al Frattali
Richard Sweeney
Andrew Reilly, Esquire
Charles Fentress

Others Present:

Peter Simon, Assistant Counsel, NJ Gov. Authorities Unit
Kevin Schmidt, Esquire, Deputy Chief of Staff, Governor Corbett's Office
John Matheussen, Chief Executive Officer
Michael Conallen, Deputy Chief Executive Officer
Danielle McNichol, General Counsel and Corporate Secretary
Kristen K. Mayock, Deputy General Counsel
Timothy Pulte, Chief Operating Officer (via telephone)
Michael Venuto, Chief Engineer
Valerie Bradford, Bridge Director, BFB/BRB
John Rink, PATCO, General Manager
Tom Raftery, Inspector General
Tim Ireland, Director, Corporate Communications
Amy Ash, Contract Administrator
Phil Spinelli, Project Manager, PATCO
Sheila Milner, Administrative Coordinator
Elizabeth McGee, Administrative Secretary
Gary Smith, Public Safety
Christopher Gibson, Esquire (NJ Counsel)

Chairman Sasso called the meeting to order and asked for the roll to be called. The Corporate Secretary called the roll and stated that there was a quorum.

Chairman Sasso stated that before he started with the items on the agenda, he wanted to go on record with an issue. He stated that the Operations & Maintenance (O&M) Committee did have approval of the Ben Franklin Bridge Track Project and some concerns were raised about it coinciding with the bond offering. He said that the O&M Committee reviewed and asked Mr. Hanson to also review the financial issues that were involved. Chairman Sasso stated that Mr. Venuto also reviewed the overall capital program to make sure that we were all comfortable with moving the project forward on an immediate basis given the concerns that they had at this Committee and that this project be initiated as soon as possible. He stated that he was pleased that

everyone reviewed it from a financial and operation standpoint. He stated that he would like to say at the Finance Committee meeting later this morning that we strongly encourage the execution of this contract as soon as possible. Chairman Sasso stated that they were comfortable that there were enough contingencies built into play and there are no issues in moving forward on this contract. He stated that he would like to mention it now because if any Commissioners had any questions or concerns, they could bring them to his attention before the Finance Committee meeting.

Chairman Sasso presided and stated that there were two items relating to the August 7, 2013 meeting.

Approval of Title VI Report to Federal Transit Administration

Mr. Rink stated that staff requests approval of PATCO's Title VI Program as submitted to the Federal Transit Administration as required by the FTA regulations. He stated that the FTA requires that all direct and primary grant recipients document their compliance by submitting a Title VI program to the FTA, Regional Civil Rights office every three years or as otherwise directed by the FTA. He stated that our last plan was submitted in 2010. Mr. Rink stated that for all transit providers the Title VI program must be approved by the transit provider's board of directors or appropriate governing entity or officials responsible for policy decisions prior to the submission to the FTA. He said that this is a new process that has been required; previously the plan was submitted directly to the FTA. He stated that as part of the submittal which was forwarded to all Commissioners, a copy of the plan was attached. Mr. Rink stated that they did receive conditional approval by the FTA on the condition that the plan is approved by our Board. He said that we need to have the plan approved by the Board before they will release our FTA grand funding.

Mr. Rink stated that Phil Spinelli from PATCO was present, and along with Kelly Forbes of Human Resources, prepared and updated the plan. Mr. Spinelli stated that some of the primary differences from this plan to the previous plan is that we needed to update the website with English and Spanish Title VI complaint forms. He stated that we had to develop a procedure on the complaint process and how the DRPA would respond to a complaint. We had to conduct an analysis of who our non-English patrons are, what steps we are doing to address their needs. He said that for example, the fare equipment does have English and Spanish signage for vending of tickets; another requirement is that we will have to provide them with demographics data by the end of the year. PATCO along with DVRPC will conduct a demographic survey and there will be an online survey on our website to collect further information. Mr. Spinelli said that they had to develop an implementation plan on how they are going to move forward with training staff, public safety, customer service, train operators as to how they will interact with non-English speaking patrons.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Approval of Title VI Report to Federal Transit Administration

Custodial Servies for DRPA Bridge Facilities

Ms. Bradford stated that staff is requesting the Board to authorize staff to negotiate a three year contract with Watts Window Cleaning and Janitorial Co., Inc. for custodial services at the DRPA Bridge Facilities in an amount not to exceed \$259,204 annually or \$777,612 over a three year period. She stated that this contract will provide custodial services for DRPA buildings and toll booths at each of the four bridges. Ms. Bradford stated that this contract was publicly advertised and two proposals were received in response to the RFP. She said that one of the Proposers, T.U.C.S. is our current cleaning firm at the bridges and Watts was the other Proposer. The services encompass general daily cleaning of all bridge facilities as well as special cleaning, such as carpets, windows, floor areas and three day weekends. Ms. Bradford stated that as an item of note, the current contract with T.U.C.S., by contrast, costs \$338,000 per year over a three year period with a current contract of \$1,014,000, so there is a savings under this most recent proposal by Watts.

Mr. Pulte thanked Val Bradford, Dan Auletto, Amy Ash and Howard Korsen and the rest of the selection committee. They really did do their due diligence on Watts and also T.U.C.S. He stated that they were slightly concerned when they saw the proposal with the savings that Watts was offering us but were satisfied with Watts responses to their concerns.

Chairman Sasso stated that he was surprised that we only received two bids and Mr. Pulte stated that he was also surprised with all the other cleaning companies for office buildings. Ms. Bradford stated that three years ago they received five proposals and of the five, three were deemed not meeting the needs and the short list came to the same two firms. She stated that at the time T.U.C.S. was recommended.

Mr. Pulte stated that they do have an RFP coming out shortly for the cleaning of One Port Center, which is more of the traditional office building. He said that they are hoping for a large group of proposals in response to that RFP.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Custodial Servies for DRPA Bridge Facilities

General Discussion (Non-Voting Items)

Change Order/Supplement Update

Contract CB-21-2011, Commodore Barry Bridge Administrative Building Emergency Generator Replacement

Mr. Venuto stated that the original contract value was \$342,800 of which \$45,000 was the unforeseen site condition amount. He said that the project is complete and this final change order is a net decrease of the \$45,000 of the unforeseen conditions line item. Mr. Venuto stated that the net adjusted contract value will be \$297,800 and closes out the project.

Contract BF-31-2010, Ben Franlin Bridge Structural Improvements

Mr. Venuto stated that this project is for the structural improvements on the Ben Franklin Bridge specifically the bridge hardening project. The original contract value was \$10,655,610. He said that this is the fourth change order. He stated that this project is complete. Underneath where the suspender rope protection is connected there is a rubber gasket that sits in there. He said that after the project was installed the vibration on the bridge caused the rubber gaskets to vibrate out. Mr. Venuto stated that the contractor developed some prototypes and went back to the manufacture and designer and put those in over the last six months and let them sit out there through all the types of weather conditions. He said that they have one that will work for our needs and have the contractor go back out and replace them. Mr. Venuto stated that this is for the suspender rope shield replacement pads. He stated that the cost will be \$72,420. The change order is a net zero because we do have some items that were unit price items on the contract that when we needed so we will deduct structural steel contract items in the amount of \$72,420 so it will be a net zero cost. This will be complete the project and we will be back with a final change order to close out all the pluses and minuses. Mr. Venuto stated again that the project was \$10,655,610. We had three other change orders – one was a deduct of approximately \$24,000, one was a net zero and then there was a \$500,000 change order, but he said it was not for this project, it was for the track rehabilitation interim repairs. He said that the adjusted contract value is \$11,131,333.

Spending Tracking

Mr. Venuto stated that on a monthly basis he reports the spending tracking of the engineering projects which consists of about \$80M of this year's Capital Budget. He said that the spending was off for the month of June. We projected about \$7.5M for June and we spent about \$4.3M. We are currently tracking about 5% of our projected spending. Mr. Venuto stated that we projected to spend about \$33M and we have spent \$31.1M. He stated that a couple projects got off to a slower start and are in the bid process now that we have already intended to spend some money. There are two larger projects that we anticipated spending some significant dollars and we have not spend much money yet. He said that the PATCO Car Overhaul project is about \$2M behind what we projected to spend at this point. We are approximately \$4M behind our projected spending on the Track Rehabilitation project.

Chairman Sasso inquired if the timing of the project, we are spending less than anticipated, but are the cars falling behind with delivery dates. Mr. Venuto stated the prototype car is a couple months behind but the overall project schedule once we get the prototype cars has not slipped, just the initial prototypes that we have less spending at this point. Mr. Rink stated that Alstom will be entitled milestone payment once testing requirements are soon met with the pilot cars.

There being no further business, on motion duly made and seconded, the meeting was adjourned.

Delaware River Port Authority
Finance Committee Meeting Minutes
August 7, 2013

Committee Members:

Jeffrey Nash, Chairman
David F. Simon, Vice Chairman
William Sasso, Esquire
Walter D'Alessio (via telephone)
Charles Fentress

Others Present:

Peter Simon, Assistant Counsel, NJ Gov. Authorities Unit
Kevin Schmidt, Esquire, Deputy General Counsel, Office of General Counsel (via telephone)
John Matheussen, Chief Executive Officer
Michael Conallen, Deputy Chief Executive Officer
John Hanson, Chief Financial Officer
Danielle McNichol, General Counsel and Corporate Secretary
Kristen K. Mayock, Deputy General Counsel
Toni Brown, Chief Administrative Officer
Tim Pulte, Chief Operating Officer (via telephone)
John Rink, PATCO General Manager
Tom Raftery, Inspector General
Kevin LaMarca, Director, IS
Tim Ireland, Director of Communications
James White, Director of Finance
Sheila Milner, Administrative Coordinator
Elizabeth McGee, Legal Secretary
Amy Ash, Contract Administrator
Gary Smith, Public Safety
Christopher Gibson, Esquire (NJ Counsel)
Edward O'Malley (Gallagher)
Tony Hernandez (Grant Thornton)
Joe Quigley
Julie Still (CAC)

Chairman Nash called the meeting to order.

Vice Chairman Simon appointed Commissioner Fentress to the Finance Committee.

Chairman Nash asked the Corporate Secretary to call the roll. It was announced by the Corporate Secretary that there was a quorum.

***Health Benefits for Active Benefit-Eligible Employees and Retirees under 65 – Plan Year 2014
DRPA/PATCO***

Ms. Brown stated this medical prescription and medical, dental and vision coverage relates only to the non-represented employees, their dependents, the FOP represented employees, their dependents, IBEW represented employees, their dependents, as well as 17 IUOE Police dispatchers, for a total of 458 employees. The coverage she is discussing does not cover the Teamsters or remaining IUOE employees (about 412 employees). The medical and prescription benefits provided by the United Healthcare carrier also cover 159 retirees and their dependents that are under the age of 65.

Ms. Brown stated that our broker marketed this medical and prescription coverage for fully insured and self-funded quotes and, to date, we only have received two quotes. We have one quote from United Healthcare and one quote from AmeriHealth. United Healthcare presented an initial renewal quote of 24.7% over current, an approximate \$3.1M increase. AmeriHealth has proposed the same medical coverage and plan options, as well as a prescription plan that offers generic, brand, and non-formulary tiers. They are offering to provide that coverage for a 3% increase over current, an approximate \$377,238 increase. The United Healthcare prescription plan is different. They offer three tiers but it is not generic, brand and non-formulary. Often times the brands that are at the generic level are at the second and third tiers. So where an employee was once paying a \$7 co-pay, they are now paying a \$35 or \$50 co-pay for prescriptions. The prescription plan offered by AmeriHealth is more traditional. Also, with the specialty drugs under the United Healthcare plan, the three month mail-order plan that is currently in place does not apply to the specialty drugs. Ms. Brown continued you can only get a one-month supply of the specialty drugs for a one-time co-pay instead of getting a three month supply for the one time co-pay. Upon receiving AmeriHealth's 3% over current quote, our broker went back to United Healthcare and presented them with that information and United Healthcare reduced its initial renewal quote from 24.7% to 16.3% over current. It is now approximately at a \$2M increase over current. Our broker is continuing to get other quotes, negotiating with United Healthcare and AmeriHealth, and seeking to secure a 2-year rate cap for this committees' consideration. In the meantime, Ms. Brown continued, we have authorized United Healthcare to release the Authority's provider file to Gallagher Benefit Services so that they can do a network analysis. Gallagher is also going through a line-by-line comparison to make sure that certain exceptions which are currently covered under United Healthcare would continue to be covered under AmeriHealth. Also they have gone back to make sure that the wellness budget that we enjoy right now with United Healthcare would continue. Ed O'Malley is here to answer any questions you may have.

Vice Chairman Simon inquired into what kind of marketing effort Gallagher used to get various vendors to submit a bid with the most cost effective plan. Second, what advice do you have for the level of benefits themselves, co-pays, deductibles, co-insurance and ways to trim them?

In response to the first question, Ed O'Malley replied that Gallagher did a full RFP to the market place, to all the major carriers both on a fully insured basis and a self-funded one. He stressed the importance of reaching the broadest network and the deepest discounts. They are looking at AETNA, which has yet to respond. He believes they may come in with something that is worthwhile. AmeriHealth is looking to supply us with a self-funded quote. If all other things line

up as Ms. Brown indicated in our line-by-line comparison, it may behoove us to make a recommendation to the Board to consider the 3% increase, rather than look at a self-funded plan. On the self-funded basis you accept more of a risk. Over the last year, claims have been higher and the increase that United Healthcare has come forward with is not out of line with what we are seeing in the marketplace. We do know, however, that AmeriHealth enjoys deeper discounts than United Healthcare does. And that is where the quote is coming in. Once we make sure all the exceptions that we have in place are covered, we expect to be back to this committee to make a recommendation.

Vice Chairman Simon requested that Gallagher come back in September with a recommendation as to whether or not we should be self-funded or fully insured. Thereafter we should decide who is giving us the best price quote for a 2-year period. We request that you provide us a network disruption analysis, if any. Chairman Simon asked if Horizon and AETNA declined to quote.

Ed O'Malley replied in the affirmative and added that they have not finalized any of the quotes as of yet. Because this is a January 1 renewal, it is kind of early. They are typically trying to look at the month and all the medical carriers wait to get the incumbents' renewal releases. That just happened on August 2. That is new information to the marketplace as of last week.

Vice Chairman Simon responded that AmeriHealth was the incumbent before. So they have a track record with the DRPA as well. He added that it sounded like Mr. O'Malley's objective was to have a robust bid process to assure us that his recommendation was a balance of the attributes of the plan and the pricing.

Ms. Brown replied AmeriHealth has been for the past 13 years.

In response to Vice Chairman Simon's second question, Mr. O'Malley explained that in terms of plan design changes that could be contemplated, Gallagher has put together a series of tweaks, both minor and some that are not so minor, and the corresponding decrements that go along with the tweaks, based on the United Healthcare's plan. They would do the same analysis once there is a conclusion and if we make a recommendation to change they will do the same kind of decrement analysis. They will be prepared to show what the cost would be "as is" today with no changes, verses what additional enhancements or decrements we might employ to reduce the costs.

Vice Chairman Simon added that right now we have two plan options and that there has been some controversy about the plan which has the richer contribution benefit level, specifically as to what the employee contribution should be. His personal opinion was that there is really no reason to have two plans. He would like to eliminate the controversy going forward in regard to how much employees should pay should they select a buy-up plan. In recent years it was a lot less popular than it is now. Are you making a recommendation to as whether we continue with the buy-up plan?

Mr. O'Malley stated they have not yet gone through this exercise on whether or not to have choice or a single plan. Generally it is more advisable to have a plan choice for the employees. Whether or not we have the right plans in place is a whole other analysis. But generally offering employees a chance to select either a higher or low option, one that is at X dollars and one is at Y

dollars, is typically done in the industry. There are very few of our insurers that offer one plan. As a matter of fact many of the plans that we are renewing or talking about generally are actually adding additional plan choices.

Vice Chairman Simon stated that typically when you have a choice it is a PPO or an HMO with a high deductible or a CDHP plan. Not two plans like we have. If Gallagher is going to make a recommendation that we continue to have that kind of structure, he thinks we need to know the actual value between the two plans so that information can be used to appropriately price and differentiate the plans. Several Commissioners have expressed an interest in offering an option of a HRA or HSA because their organizations have gone to that. If you can come back in September with your recommendations perhaps that is the other alternative -- to have a PPO plan from the best plan and a CDHP plan, preferably a PPO plan, but not necessarily.

Dental Coverage for Active Benefit-Eligible Employees – Plan Year 2014 DRPA/PATCO

Ms. Brown stated we do not have specific information about dental coverage, because we do not yet have Delta Dental's quote. But we wanted to give the committee an update on where we stand. Last year we went out after a competitive process which was handled by the Gallagher group as well. Delta Dental came in with a 6% over the then current premium increase, an approximate \$21,000 increase. The coverage was marketed once again this year and so far our broker has received five quotes. These are outlined in the draft summary statement. Right now those quotes range from 9% and 31.2% increases over current. The claims incurred and paid through June 30, 2012 are running at 105.6% loss ratio. Delta Dental would like to wait until we have one more month of paid claims so underwriting can carefully consider those claims. Because over the last two months the claims are running better, this might be more favorable to the Authority. They will not be releasing their quote to us until August 15. At that time we will be able to come back with a firmer recommendation to this committee.

Dental Coverage for Active Benefit-Eligible Employees – Plan Year 2014 DRPA/PATCO

Vision Coverage for Active Benefit-Eligible Employees – Plan Year 2014 DRPA/PATCO

Ms. Brown stated that staff seeks authorization to accept the renewal quote from Vision Benefits of America ("VBA") to provide vision coverage to active benefit eligible DRPA and PATCO employees and their eligible dependents for plan years January 1, 2014 through December 31, 2015. The incumbent has offered us a 24 month rate for us to consider. The quote was considered and we received quotes from three other carriers; IMed Vision Care, VSP and UHC. Vision Benefits come in with the lowest increase for the coverage. They offered a 7% over current increase which equates to about \$3,040 over current annually. The other quotes range from 57 – 89.6% over current. We are presented with two options from VBA; one is to accept the renewal of a 7% increase based on claims experience for 24 months, locking in the rate, or to renew at current rates with an addition of a \$20 copay for eye glasses when purchased In-Network. It is our broker's recommendation that we accept the renewal rate increase of 7% and keep the plan design as is.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**Vision Coverage for Active Benefit-Eligible Employees – Plan Year 2014
DRPA/PATCO**

***Group Life, AD&D and Disability Coverage for Active Benefit-Eligible Employees – Plan
Year 2014 DRPA/PATCO***

Ms. Brown stated we do not have a quote but wanted to update the committee on the status of this resolution for DRPA and PATCO's Group Life, Accidental Death and Dismemberment (AD&D) and Disability coverage with The Standard Life Insurance Company ("The Standard") for a two-year term beginning January 1, 2014 through December 31, 2015. We have been with this carrier for a little over two years. This policy also expires on December 31, 2013. I wanted to make sure that the committee is aware of what benefits are available through this company. We provide life insurance to all employees at one times their annual salary rounded up to the next \$1000. We also provide accidental death and dismemberment insurance at two times an employee's salary. Long term disability is provided to all non-reps with a 90-day waiting period to the FOP, IUOE and to Teamsters employees with a 190-day waiting period because they have short term disability under their various contracts. This company also provides short term disability to the IUOE, FOP and IBEW employees. Our broker marketed this coverage, as well, to seven carriers. Quotes have come back in are ranging from 21% and 64% over current. The standard initial renewal quote is 36% over current. They have asked for additional time to refine that quote. We were expecting to receive the quote August 2, but it has not come in. We are expecting it soon.

**Group Life, AD&D and Disability Coverage for Active Benefit-Eligible
Employees – Plan Year 2014 DRPA/PATCO**

PATCO Wayside Wireless

Mr. LaMarca stated that staff requests the Board to authorize staff to negotiate a contract with Schneider Electric for an amount not to exceed \$261,908 for the implementation and two years maintenance of a wireless network. He stated that the purpose of the contract is to provide the Authority with wireless connectivity in support of the newly refurbished PATCO rail cars. He said that this contract also includes maintenance for years two and three on the system and components. Mr. LaMarca stated that the project was publically advertised and issued to seven firms. Three bids were received and publically opened on July 23. Other bidders were Ray Angelini for \$674,000 and Carr & Duff Inc. for \$648,000. The purpose of this project is to implement wireless connectivity at the end points of the PATCO rail line, 15th and 16th Streets as well as Lindenwold Station. This is being done in conjunction with the car rehabilitation project. The car rehab project will be providing data communication as well as video communication from the cars when they reach the end points and we would need wireless connectivity at those

end points to take the data off the cars and bring them onto the network. The schedule for the car rehab project is such that the cars will be arriving in September/October/November. So it is important that we have the wireless communication set up at both ends so that can be part of the testing. This item was bid out before, we only had one response and there was an issue with what they could provide. This is why it has become an emergency situation.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

PATCO Wayside Wireless

Sick Sensor Toll Equipment – TransCore

Mr. LaMarca stated that staff requests the Board to authorize staff to enter into a contract with Transcore, LLP to provide new Sick Sensor Toll Equipment in the amount of \$272,417.94. The RFP was publically advertised to eleven firms on June 21st, 3 bids were received and publically opened on July 10. Other bidders were Radwell International for \$297,200 and Farber Equipment for \$309,691. He said that this project will provide upgrades of the equipment in support of the toll operations and the services include the purchase of the new sick sensors that will function in the toll lanes.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Sick Sensor Toll Equipment

Camera & Call Box Maintenance Agreement

Mr. LaMarca stated that staff requests the Board to authorize staff to negotiate a one year contract with Schneider Electric in the amount not to exceed \$140,937 for the renewal of the camera and call box maintenance agreement. He stated that this purchase is provided with GSA pricing under a GSA contract. The purpose of this contract is to provide the DRPA with preventive maintenance and system/equipment repairs for all Authority cameras and call boxes. If this item was pushed to September Board meeting we would have a lapse in coverage and it would be a public safety issue.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Camera & Call Box Maintenance Agreement

Laz Parking/Cofiroute USA (Part Time Toll Collectors)

Ms. Bradford stated that staff requests the Board to authorize staff to negotiate a three-year contract with Laz Parking/Cofiroute USA for the use of temporary toll collectors (weekdays), and part-time collectors (weekends and holidays). We had a total of five firms attend a pre-proposal meeting. The proposals were publically advertised and we yielded three proposing firms. Of the three the panel recommended one firm by the name of Laz Parking/Confiroute USA. The current contract expires Oct 31. The current vendor is PRWT Services, there will be a change in vendors. We are looking for Board approval this month so that we will have time for the transition period that will be required. Some background information on the firm being recommended, Laz Parking/Cofiroute USA is teaming together. They are both subsidiaries of Vencey which is an international roadway toll collection firm. Because they are new to us, the panel performed a rigorous review of this new partnership and there have been discussions with them. As a result we are recommending we move forward with Laz Parking/Cofiroute. The annual amount would \$942,317 over a three year period, for a total contract of \$2,826,951. By way of background, the current annual contract with PRWT is \$1,027,000 per year for a three year contract. In 2012 we spent \$871,623, not a full years' worth of services. The panel felt that the amount put forth to the Board is sufficient to meet our needs for the next three years.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Laz Parking/Cofiroute USA (Part Time Toll Collectors)

Revenue Bonds Resolution

Chairman Nash stated that Commissioner Sasso, Chair of the Operations and Management Committee has a statement he would like to put on the record.

Commissioner Sasso stated that the Operations and Management Committee wanted to make a recommendation. After our last Board meeting, some valid questions and concerns were raised about moving forward on the Ben Franklin Bridge track rehab project. We, the Operations and Management Committee, feel that these are valid issues to be raised and discussed. We are comfortable with the resolution and strongly urge that we move forward with the execution and implementation of the contract for the rehab of the Ben Franklin Bridge. We also would like to see that we are getting a resolution with the offer of the bond issue because one of the issues is that we are borrowing from the General Fund for a lot of these projects until the Bond Offering is finalized. Thanks to Mr. Hanson and his staff, we are comfortable continuing with that but we would be more comfortable if we get the bond issue resolved before funding for the Ben Franklin Bridge project is started.

Chairman Nash stated he agrees with moving forward with the Bond Resolution. He thinks that in advance of the vote we are going to take today and subsequent votes to bring us to the funding, there was an incredibly prudent job that was performed by the Operations and Management committee along with Finance and Administration to pare down the capital program so that this funding does not affect our toll structure. Chairman Nash continued that we are going to introduce a resolution which sets the process in place for the Authority to engage in the funding process. Mrs. McNichol will address what the resolution will say.

Mrs. McNichol stated that all of the Commissioners have received DRPA-13-094 in the packet that was proposed for today's Board meeting. We would look to make some modifications to that specific to paragraphs 1, discussing the authorization of the capital project in the maximum amount of \$550,000,000. We would also add into section 2 paragraph (d) *"Management shall form a recommendation committee of the Chief Financial Officer and Director of Finance, as well as our financial analyst's to evaluate RFP responses submitted by proposed underwriters. The recommendation committee shall participate in all necessary conflicts checks with the Office of Inspector General to participate in the recommendation committee. Upon advice of management, the Board shall adopt a resolution selecting all underwriters to participate in the process."* In addition, there is an amendment to paragraph 6 at the beginning of the statement simply stating that *"Consistent with paragraph 2(d), the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, is hereby authorized and directed to select the underwriters or placement agents or direct purchasers of the Bonds, the Trustee, and the Financial Advisors. The Chief Executive Officer, with the advice of the General Counsel, is hereby authorized to select Co-Bond Counsel, and any special counsel or co-counsel or other professional advisors for the Authority."* At this time based on those amendments and the discussions and agreements of all the parties involved, Ms. McNichol asked that a motion be set forward with those amendments.

Chairman Nash stated that it is clear that we are going to authorize a process at this point and that the actuarial funding resolution will be brought to the full Board, which will identify the professionals engaged in the process. After the conflict checks are conducted by the Office of Inspector General and authorizes a funding of no more than \$550,000,000 which matches what has already been approved for that five year capital plan. Are there any questions or comments for the Finance committee?

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Admiral Wilson Blvd.

Mr. Matheussen stated that there are two issues regarding the Admiral Wilson Boulevard that the public has significant interest in. There are some proprietary issues that surround it that will be discussed in closed session. Mr. Conallen has a brief update on these two issues that are happening.

Mr. Conallen stated that as a status update there are two particular pieces of land in question here along Admiral Wilson Boulevard. On the south side is a parcel of land that we refer to as the Gateway Park, currently maintained as park land. This land was purchased with the use of Economic Development Funds. We completed the demolition of structures that were on that property and are currently situated as park land. The original agreement called for a transfer to

the county and that the county would continue to maintain that land as park land. Staff believes there are opportunities presented that would allow for a potential transfer of that land for conservation purposes. We are currently undertaking an appraisal of that property to provide both the board and the public an idea as to the value of the land. There are some ongoing environmental issues that we continue to address and also some contractual issues that exist.

Vice Chairman Simon responded that there are a lot of contractual issues apparently and there are different ways of going forward to make that park land available to the public which is something that the Board does support. However, he recommended that Mr. Conallen work with the General Counsel in looking at the various issues and different forms of the transaction with respect in getting that park land available to the public. Chairman Simon inquired that something was said about an appraisal and but he didn't think that was part of the equation currently. He urged him to consult with General Counsel before going forward with respect to any commissioning of an appraisal or anything along those lines. Because that presumes a certain structure of the transaction which may or may not be a structure that the Board is ultimately comfortable with.

Ms. McNichol stated that she believes, based on the discussion that comments may be more suited for Executive session. In general these are issues that we are discussing and evaluating but there are both legal considerations and also policy decisions that need to be made by the Board prior to any public statements.

Chairman Nash stated that we will find the proper mechanism that protects the Authority and opens this park to the community and as soon as possible.

Executive Session

Chairman Nash called for a motion to go into Executive Session to discuss matters within the attorney-client privilege. He said the decisions made in Executive Session will be made public when the issues are resolved. Upon motion duly made and seconded, the Finance Committee meeting moved into Executive Session.

There being no further business, on motion duly made and seconded, the meeting was adjourned.

Delaware River Port Authority
Audit Committee Meeting Minutes
July 10, 2013

Attendance:

Committee Members:

Kathryn Boockvar, Chairman (DePasquale)
Rick Taylor, Vice Chair
David F. Simon
Denise Mason
Joanna Cruz

Other Board Members:

Charles Fentress
William Sasso (via telephone)

Others Present:

Peter Simon, Assistant Counsel, NJ Gov. Authorities Unit
Kevin Schmidt, Esquire, Deputy General Counsel, Office of General Counsel (via telephone)
John Matheussen, Chief Executive Officer
Michael Conallen, Deputy Chief Executive Officer
Danielle McNichol, General Counsel and Corporate Secretary
Kristen K. Mayock, Deputy General Counsel
John Rink, General Manager, PATCO
Tom Raftery, Inspector General

Sheila Milner, Administrative Coordinator
Lisa D'Arcangelo, Administrative Secretary
Christopher Gibson, Esquire, Archer & Greiner, NJ Counsel

Chairwoman Boockvar called the meeting to order and asked the Corporate Secretary to call the roll. The Corporate Secretary called the roll and announced that there was a quorum. Chairman Boockvar presided.

Chairwoman Boockvar called for a motion to go into Executive Session to discuss personnel issues. She said the decisions made in Executive Session will be made public when the issues are resolved. Upon motion duly made and seconded, the Audit Committee moved into Executive Session.

The Committee moved back into open session.

Chairwoman Boockvar stated that she has reviewed a comprehensive amount of information, manuals, standards, and laws pertaining to Offices of Inspector Generals. She examined Tom

Raftery's original draft of the Inspector General (IG) Best Practices Standard Operating Procedures (SOP) from last year, which was not approved by the Board. She indicated that she has a very good sense of what the range of standards are for OIG offices. There is a wide range of what the scope of the position entails.

Chairman Boockvar stated that she reviewed the original Board Resolution to ascertain what the Board's goal was relative to the Office of Inspector General. There has been a long period of time where there has been no SOP. She added that just like any other process, it would be unrealistic to expect that everything Committee members think should or should not be included in the SOP will be. We need to have a working document. We have to get this finalized and leave today with a document to submit to the full Board for final approval.

Commissioner Sasso congratulated the Audit Committee on all of their hard work. He stated that he takes issue when the IG comes to any conclusions before his report is fully vetted. Mr. Sasso believes that the IG has to be instructed that his reports should not be released until it has been seen by the full board. People who may be impacted by the report and have been interviewed by the Office of Inspector General would like to see their version as to what is being investigated and be given the ability to comment. He would like their side of the situation. Commissioner Sasso stated that it appears that we have a one-sided approach to this process and it is not fair to employees moving forward. He added that the IG has to recognize that DPRA employees are very valuable to us and that he should respect that and treat them with dignity and respect. There should be no selective dissemination of information. He indicated that he has received far too many complaints from employees about how they are being treated by the IG. His approach needs to be corrected.

Chairwoman Boockvar directed the committee to read Section F, subsection 1(C) of the draft SOP which states that appropriate personnel with direct knowledge about the subject of an investigation or report should be interviewed before the report is completed, provided no conflict of interest exists, no criminal activity is of concern, and the time frame permits. She asked Commissioner Sasso whether that addresses the interview piece of his concern, to which Commissioner Sasso replied "yes."

When advised that the IG was not present in the room, Commissioner Sasso indicated that he wanted to repeat his comments for the IG to hear them. When Mr. Raftery returned, Commissioner Sasso reiterated his previously made statements.

Chairwoman Boockvar said that with regard to the dissemination of information, the way it is set up in the draft SOP is that initially interviews are done, the IG does his report and all involved in the subject matter of the report are asked to sign a confidentiality agreement. That party then gets the draft report and 15 days to submit their comments. If you get three reports you get 15 days for each. Those comments go back to the IG and he integrates them verbatim into the report. Inspector General Raftery has 30 days to respond to the comments. The Audit Committee Chair and Vice Chair will have time to submit comments. The Audit Committee would get the draft, which would include the Inspector General's input into his revised report. The IG would respond as appropriate, change his initial findings, if appropriate, and then after review by the Audit Committee, a final draft would go to the board.

Commissioner Sasso commented that if he is chair of a specific committee, such as he is with Operations and Maintenance, and statements are made about engineering, he believes that he should be made aware and involved as well as the Audit Committee. Every Committee Chair should also be aware regardless of whether or not they are on the Audit Committee.

Commissioner Taylor agreed that if it affects a Commissioner's Committee, that Committee Chair should be involved in reviewing the findings and made aware. He added that Commissioner Taylor could not give his opinion on a specific process unless he has seen the entire report.

Chairwoman Boockvar stated that we could look at this as well. Mr. Fentress said he would like a chance to read and digest a report.

Mr. Gibson stated that he only got the draft SOP a couple of minutes ago. He said we do have issues and questions. This is complicated bi-state agency. The CEO is not part of the process. We understand the importance in getting the SOP done quickly for the Audit Committee, however it is the entire board which has to vote on this. Until that time, we have trying to get our comments in. We do not think that NJ counsel evaluating them is trying to delay the process. No one state should have an upper hand over the other state. There are matters that the New Jersey delegation needs time to address.

Ms. McNichol stated that perhaps we could have an Audit Committee vote at the time of the special Board meeting which has been called to work out the details on the proposed \$500 million bond deal. As we are accelerating the review of the bond deal because of market pressures, we could similarly accelerate the timeframe for a response to the SOP, as well.

Mr. Gibson said that would agree to that except that he will not be available for that and that he also has to deal with Vice Chairman Nash's schedule and the New Jersey Governor's office. Ms. McNichol reminded Mr. Gibson that both Vice Chairman Nash and GAU have indicated their availability for the special meeting on the bond deal. Mr. Gibson replied that the New Jersey delegation needs time to run it up the chain of command and that New Jersey is not there yet. Mr. Gibson stated that if there were to be a vote on the SOP today or at the next board meeting he would advise that the New Jersey delegation to vote against it.

Chairwoman Boockvar said that the Audit Committee would like to go through all the issues now, get them out in the open and discuss them here today. She and the Audit Committee would like to hear what Mr. Gibson and New Jersey's primary concerns were with the SOP. The Audit Committee needs to get this done, as the ad hoc process is not working. She further stated that these issues are not Pennsylvania or New Jersey-based issues. We have a balance. The Chair and Vice Chair are equally represented, with similar numbers of employees from each state. Chairwoman indicated that she had discussed these concerns previously with Vice Chairman Nash.

Mr. Gibson said that one issue pertains to reporting to the CEO. He has reviewed the By-laws and the Compact. It says that there is a removal of the CEO in the SOP process. When you are in charge of this Authority and the CEO is not consulted, it is inconceivable to both Pennsylvania and New Jersey to understand what is going on. The CEO is in the dark as to what is going on. These are the most sensitive issues and he believes that this information should be available to him.

Ms. McNichol asked Mr. Gibson whether the language at page two, Section B1(a), of the SOP addresses Mr. Gibson's concerns about the CEO. This section states that on matters of significant interest, the Inspector General will report first to the Chairman, Vice Chairman and Audit Committee, and with their approval, advise the CEO of an area of inquiry, provided no conflict of interest exists with respect to such disclosure.

Chairman Boockvar explained that last year the Board passed a Resolution that specified that the Office of Inspector General reports to the Board for the purposes of investigations and reports to the CEO for administrative purposes and other issues. She wished to make clear that the CEO is included in the process and information release unless there is a reason for him not to be included.

Commissioner Taylor confirmed that it is no one's intent to circumvent the CEO unless he is involved; otherwise the CEO should know what is being investigated. This is what is in the draft and what is being suggested by the Audit Committee. Commissioner Sasso agreed that this satisfies his concern.

Chairman Boockvar reread SOP Section B(1)a and said that we have the balance between the two states, as Mr. Gibson suggested.

Commissioner Mason advised that her issues are that the CEO should be included and should an employee for the DRPA that does not report to the CEO determine whether the CEO be included. Those are the issues. It should not be at someone's discretion whether it should go to the CEO. She suggested that the Committee just add the CEO to all instances under the Inspector General's supervision.

Inspector General Raftery reminded the Audit Committee that the reporting issue was addressed in the Fall of 2012, along with the changes made to his reporting structure and job description. Mr. Raftery advised that he has significant concerns with this ongoing process, as the review of the SOP has been going on for a year now. He said it was obvious to him that some individuals do not want transparency. They do not want him asking questions.

Inspector General Raftery added that Commissioner Sasso mentioned the issue of employee complaints to him today for the first time. There have only been two Commissioners who have brought the issue of employee complaints to him: Vice Chairman Nash and Commissioner Taylor. No one else has brought complaints to him, and no one has given him any specific facts or made any suggestion of wrongdoing by the IG. He added that the OIG works for the Board.

The IG added that in terms of whether his findings and recommendations are based in fact, he suggests a full review of the report with the facts and documents clearly set out. Mr. Raftery asked Mr. Gibson whether he thought that after working for the FBI for 23 years, did anyone believe that he was going to put something in a report that was not accurate and that would put his reputation or credibility on the line? The IG advised that he would not do so.

Commissioner Sasso responded that he would not allow Mr. Raftery to frame the question in that fashion, but rather indicated that Mr. Raftery has drawn factually inaccurate conclusions. Commissioner Sasso further responded that Mr. Raftery manipulated the facts to suit his conclusions, with Commissioner Sasso further outlining his opinions and concerns.

Mr. Gibson stated that he did not question the IG's credibility nor has he ever personally attacked Mr. Raftery.

Chairwoman Boockvar suggested that the Committee stay focused on actual procedures, to not address personal matters as she wished for them to start dealing with procedure. She restated the need for a process. The Office of Inspector General is a unique office. For an effective OIG, there has to be an element of independence. But we are the governing Board; Mr. Matheussen is the CEO. The IG's job is to identify problems and suggest corrections— it is the Board's and the administration's responsibility to make sure the issues are addressed and effectuate the change. We have a duty to accomplish this.

Mr. Matheussen stated that the only person he has spoken with about the SOP was Chairman Boockvar. He agrees that the IG reports to the Board. He expressed his concern that in terms of reporting responsibility, he should be added to all reports that go to the Audit Committee, Chairman, and Vice Chairman. He lacks information. He is surprised that he is not privy to the audits which are currently ongoing.

Chairwoman Boockvar stated that the CEO is in the process and the SOP outlines this, as do the Board Resolutions concerning the OIG.

Commissioner Taylor referred to the allegation that the DRPA was overcharging its employees for their health benefits. He stated that once we got to the meat of the problem, we could see why there were different reasons that certain employees were being charged as they were. When you hear from the people involved, you receive explanations. Let people explain what their reasoning is and give them an opportunity to respond. Mr. Matheussen said that having that piece of information out there has caused employees to have concerns about what they are being charged for their healthcare. Chairman Simon stated that he believes that Mr. Raftery's report and facts are accurate, requiring the Board to take a hard look at the situation.

Chairman Boockvar asked Mr. Gibson whether there are other concerns with the SOP. Mr. Gibson said he just got the current version of the draft SOP and he is going to go through it now.

Chairwoman Boockvar stated that based on her meetings with DRPA employees, it is clear that staff is losing faith in us. The staff is looking to the Board for leadership and guidance, but they

don't see this happening. Without Board guidance, the employees cannot effectively do their jobs. The Board cannot be seen as not taking care of issues simply because we are unable to agree on a process to follow. For evaluating this SOP, we need to resolve this matter and establish a deadline for a response.

Chairwoman Boockvar advised that she needs to move the next Audit Committee meeting from the first Wednesday to the second Wednesday in August.

Commissioner Cruz reminded the Audit Committee that the draft SOP was given to all Commissioners on July 4th. Anyone who wanted to discuss the SOP with Chairwoman Boockvar could discuss it prior to the draft being circulated. This cannot continue to be delayed any longer. This has been going on for over a year, with every attempt to discuss the SOP getting stalled. This is the exact issue that happened the last two times this issue was raised - everyone said they did not have time to review it. In each of those instances, the email dates had also suggested otherwise. Commissioner Cruz suggested that this be added to the special board meeting to be held in two weeks and not stalled any further.

Chairman Boockvar asked whether there were any other concerns with the SOP. Mr. Gibson said another concern was how the report is finalized. He believes that this is a Board issue and not an Audit Committee issue. That is part of the check and balance of the bi-state Compact - with five Commissioners from each state. New Jersey has chosen to reserve veto power over the Board's decisions, with Pennsylvania not yet doing so. Mr. Gibson wanted to address Governor Christie and New Jersey Governor's Authorities Unit's right to exercise veto power.

Chairman Simon asked if the Governor of New Jersey wanted to embrace that approach of having the Board approve the OIG's reports. Peter Simon replied that the Governor does not.

Chairman Boockvar indicated that there are many offices and organizations in which OIG reports are not made public, and no hard and fast rules that govern here. The recent GAO report criticized such offices for not making reports public. However, fundamentally, there is no law that in this situation directs how or that these reports must be published, which therefore creates a significant range of options.

Mr. Raftery said that there were five (5) reports issued last year that did not rise to the level of being publicized. Public release is the for the larger issue reports. He added that this process is pretty old for him -- the bickering and the questioning of his integrity. If you do not want me to ask employees questions, then you should get rid of my position. You have to decide whether or not you want an Inspector General here.

Chairman Simon stated that the Board created the position of IG with a degree of independence that is critical to the effectiveness of the position. There is a July 9, 2013 draft SOP. It is in the interest of the entire Board that all reports be reviewed under Standard Operating Procedures. Once we have the SOP in place then the IG will know what protocols are. We do not want to destroy his independence, which would happen if his powers are gutted and his recommendations of are being stifled.

Chairwoman Boockvar said that we will not stifle the reports of the IG. As a board, we need to have an understanding that this is an independent office and need to keep it independent. We have tried to balance the concerns of all and capture those within this document. Chairwoman Boockvar asked for an agreement that the Audit Committee will get this work done and finalize the SOP at the next meeting.

Chairman Simon asked that a copy of the July 3, 2013 draft of the SOP being discussed be attached to the minutes of the meeting as there were several references to particular sections of the draft.

Mr. Gibson commented that he thought it would be unusual to attach draft documents. Mr. Gibson further commented that he is asking for a delay of a couple weeks and that he would personally do whatever is needed to get the SOP finalized.

Chairman Simon made a motion to approve the July 3, 2013 draft version of the SOP. There was no second to the motion. Chairman Simon advised that although there was no second, the motion remains outstanding and that the minutes should reflect the motion by attaching the draft.

Mr. Gibson indicated that he would speak with Peter Simon from the GAU, mark up the SOP and get it back to the Audit Committee for the August meeting.

Chairman Boockvar pleaded that this needs to get done as employees are losing faith in the Audit Committee and the Board. She requested Mr. Gibson send his comments as fast as he can get them to her and to not hold back for other people's drafts.

Mr. Matheussen urged that SOP process be put in place to assist everyone with the process and that he is all for a process being put in place. He added, let's get this done for everyone's benefit.

There being no further business, on motion duly made and seconded, the meeting was adjourned.

DRAFT Inspector General Best Practices Standard Operating Procedures

The Office of Inspector General (OIG) has the responsibility, as set forth in applicable resolutions of the Board of Commissioners, to conduct investigations and audits of reported instances of fraud, waste, abuse, and corruption, to issue reports of its findings, and to foster ethical management to ensure effective Authority operations. Among other responsibilities, and subject to all applicable Board resolutions, the OIG should:

1. Conduct, supervise, and coordinate independent financial and performance audits and forensic investigations relating to the programs and operations of the Authority.
2. Conduct, supervise, and coordinate inspections, evaluations, and other reviews related to the programs and operations of the Authority, under the supervision or at the direction of the Chairman, Vice Chairman, and Audit Committee.
3. Review existing and proposed policies, resolutions and regulations to make recommendations concerning the impact of such policies, resolutions and regulations on economy and efficiency or the prevention and detection of fraud and abuse;
4. Provide leadership for activities designed to promote economy, efficiency, and effectiveness, and to promote efforts to reduce fraud, waste, and abuse in the programs and operations of the Authority;
5. Inform the Board and Authority management of issues and problems in the Authority programs and operations and the necessity for and progress of corrective actions;
6. Report to the Chairman, Vice Chairman, Audit Committee and law enforcement agencies (in consultation with counsel, when appropriate) whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal or state criminal law; and
7. Serve as the initial point of contact and conduit between the Authority and Federal agencies, State and local government agencies, and non-government agencies to promote economy and efficiency, to prevent and detect fraud and abuse, or to identify and assist in the prosecution of participants engaged in illegal behavior or fraud, waste, abuse or corruption.
8. The OIG is also responsible for implementing any other duties assigned by the Chairman, Vice Chairman, and Audit Committee, or by resolution of the Board of Commissioners.

A. Ethics, Independence, and Confidentiality

The OIG shall adhere to the highest ethical principles and conduct its work with integrity. *Integrity* is the cornerstone of all ethical conduct, ensuring adherence to accepted codes of ethics and practice. *Objectivity, independence, professional judgment, and confidentiality* are all elements of integrity.

1. *Objectivity* imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest.
2. *Independence* is a critical element of objectivity. Without independence, both in fact and in appearance, objectivity is impaired.

The OIG must be free both in fact and appearance from personal, external, and organizational impairments to independence. The OIG has a responsibility to maintain independence, so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. The OIG shall avoid situations that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the OIG is not able to maintain independence in conducting its work.

The Reform Resolutions of 2010, approved by the Board of Commissioners, established the Inspector General and OIG to create organizationally an independent and objective unit. This independence is intended to ensure the integrity and objectivity of OIG activities. The relevant resolutions, as they may be superseded, supplemented or amended by Board action, are incorporated by reference herein.

3. *Professional judgment* requires working with competence and diligence. Competence is a combination of education and experience and involves a commitment to learning and professional improvement. Professional standards for audits, investigations, and inspections and evaluations require continuing professional education. Diligence requires that services be rendered promptly, carefully, and thoroughly and by observing the applicable professional and ethical standards.
4. *Confidentiality* requires respecting the value and ownership of privileged, confidential, or classified information received and protecting that information, and safeguarding the identity of confidential individuals. In some instances and upon consultation with counsel, legal or professional obligations may require the OIG to disclose information it has received.

B. Reporting, Conflicts of Interest, and Ethics forms

1. Reporting

- a. The Inspector General will report directly to the Chairman, Vice Chairman and Audit Committee on all matters concerning audits, investigations or ongoing issues being reviewed by the OIG. On matters of significant interest, the Inspector General will report first to the Chairman, Vice Chairman and Audit Committee, and with their approval, advise the CEO of an area of inquiry.
- b. The Inspector General will report to the CEO on administrative matters such as administrative leave, requests for Authority resources and budgetary considerations, with input from the Chairman, Vice Chairman and Audit Committee, to maintain the independence of the OIG.

2. Conflicts of Interest and Ethics

- a. The Inspector General will maintain Political Contribution Forms and Certifications from vendors in secure storage and these forms will only be reviewed by the OIG. The Inspector General will timely advise in writing if vendors are in compliance with DRPA policy and procedures.
- b. The OIG will maintain Financial Disclosure Forms and Ethics Filings from Commissioners in secure storage and these forms will only be reviewed by the OIG.
- c. The Inspector General will timely notify Commissioner in writing of any potential Conflict of Interest pertaining to matters presented to the Board. The Inspector General may consult with General Counsel pertaining to potential Conflicts of Interest.
- d. The Inspector General will be consulted concerning all panels of reviewers for RFQs or RFPs to evaluate member conflicts or appearance of conflicts of interest, as required by Procurement resolutions.
- e. The Inspector General will receive, along with the Corporate Secretary, copies of all Commissioner or employee recusal notifications from Commissioners of the Authority.

C. Planning

The OIG shall establish risk-based plans to determine the priorities of the next phase of investigations and audits, consistent with DRPA's goals. The plan must be based on a documented risk assessment, and should be undertaken approximately every six months. The input of senior management and the Board should be considered in this process, and the OIG shall receive from the Board requests and suggestions of areas of interest to it for audit, review or investigation.

OIG semi-annual plans should be submitted to the Audit Committee for approval. Should the Audit Committee not approve of any portion of the plan, the OIG should take into consideration the reasons therefor and consider modifying the plan. If the OIG believes that DRPA faces an unacceptable risk should the plan not be pursued, the OIG shall present these concerns to the full Board and senior management to determine the appropriate conclusion.

Should emergent issues arise from time to time that are higher priorities than the items contained in the plan, the OIG should inform the Audit Committee of such circumstances for their approval.

D. Receiving and Reviewing Allegations

1. General Standard

The OIG shall establish and follow policies and procedures for receiving and reviewing allegations. This system should ensure that an appropriate disposition, including appropriate notification, is made for each allegation.

2. Elements of a System for Receiving and Reviewing Allegations

The Inspector General will utilize EthicsPoint as the hotline for complaints and will ensure that:

- a. The OIG has a well-publicized vehicle through which agency employees and other interested persons can submit allegations of fraud, waste, abuse, and mismanagement, preserving anonymity when possible.
- b. Each allegation is retrievable and its receipt, review, and disposition are documented.
- c. Each allegation is initially screened to ensure that urgent and/or high priority matters receive timely attention and facilitate early determination of the appropriate courses of action for those complaints requiring follow-up action.
- d. Based on the nature, content, and credibility of the complaint, allegations are appropriately reviewed, and feedback is given to those submitting complaints or information.
- e. Should complaints received relate to personnel matters not within the scope of the OIG's oversight, such complaints should be confidentially referred to Human Resources and General Counsel. Should there be a conflict with either Human Resources or General Counsel, the Audit Committee should be made aware of the complaint and the Committee should decide the process for handling it.

E. Access to Records and Information

The OIG shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material which relate to programs and operations over which the OIG has audit responsibility.

The OIG shall also have direct and prompt access to the DRPA executives and staff as necessary to carry out his responsibilities.

Should information or assistance requested by the OIG be unreasonably refused or not provided, the OIG shall report the circumstances to the Audit Committee and CEO.

F. Communicating Results of OIG Activities

1. General Standards for investigations and reports

- a. All reports issued should comply with applicable professional standards and conform to the OIG's established policies and procedures.
- b. Whether written or oral, all OIG reports should be objective, timely, and useful.
- c. All reports must be supported by sufficient, reliable, relevant, and useful information and evidence.
- d. If the results of an audit, investigation, inspection, or evaluation indicate that deficiencies in policies or procedures contributed to fraud, waste, or abuse, the reports shall include recommendations for policy and/or procedural changes.

2. Standards for comments, distribution, and release of reports

- a. When a party is afforded the opportunity to receive a copy of a draft report and/or respond to the report, the party will be required to sign a confidentiality agreement.
- b. Subject to said confidentiality agreement, all affected DRPA directors, chiefs, and Commissioners involved in the subject of a draft report, and all members of the Audit Committee and the Chair and Vice Chair of the Board, and the CEO, shall be offered an opportunity to submit comments to a report. Such comments must be submitted by said individuals within 15 days of receiving the draft report, unless the OIG or Audit committee agrees in writing to extend the deadline.
- c. Draft reports shall also be provided to General Counsel for review of legal, confidentiality and privacy issues that might be contained therein.
- d. The OIG must append or integrate all comments into his or her final report, and respond to the comments and/or amend his or her report as he deems appropriate, within 30 days after the deadline for submission of comments, unless the Audit Committee agrees in writing to extend the deadline.
- e. The Inspector General may, in the Inspector General's discretion, decide to amend the draft report after such comments or recommendations are received.
- f. The General Counsel shall review the final draft report to assess any legal, confidentiality and privacy issues that may be contained therein.
- g. After the report is finalized with comments and responses, the report shall be distributed to all Board members.
- h. Ten days after distribution to the Board, unless extenuating circumstances arise, the complete report shall be deemed final and a public record subject to DRPA Right to Know Policy xxxx, and shall be made available to the public.
 - i. Prior to this point, all findings and underlying facts and materials contained within draft reports are confidential, are subject to the confidentiality agreements, and may not be disclosed to anyone without permission in writing by the Authority.

3. Other Communication of OIG Activities

The OIG shall keep the Chairman, Vice Chairman, Audit Committee, and the CEO, and as necessary and appropriate, Authority senior management, program managers, and the Board, fully and

currently informed of appropriate aspects of OIG operations and findings, subject to confidentiality requirements.

Such updates shall be made via periodic briefings and reports, and updates at Audit Committee meetings, and will advise of investigation outcomes, and any problems encountered. Such reporting should include any serious programmatic or administrative problems that contribute to fraud, corruption, waste, abuse, or mismanagement in Authority operations and programs.

The OIG should timely advise, consistent with requirements of confidentiality, of any Authority official who attempts to impede or fails to require a contractor under his or her responsibility to desist from impeding an audit, investigation, inspection, evaluation, or any other OIG activity.

The OIG shall immediately report to the Chairman, Vice Chairman, Audit Committee, and CEO, on a confidential basis, any meritorious allegations or findings of fraud, illegality or criminal conduct by a past or present Authority employee or Authority contractor. If reasonable grounds exist to believe that there has been a violation of federal, state, or local criminal law, the OIG should expeditiously report the allegation to the appropriate law enforcement authority, in addition to the above Authority officials, unless the violation involves any such official, in which case notice should still be given to the other officials and Commissioners.

G. Monitoring Progress and Follow up

Progress for the Authority will only happen if necessary corrective actions are taken. Therefore, the OIG or other designated Authority official should establish and maintain a system to monitor the disposition of results communicated to management, and a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

If the OIG concludes that management has accepted a level of risk that may be unacceptable to the organization, the OIG must discuss the matter with the Board, and resolution must be taken by the Board.

H. Annual Reports

The OIG shall prepare annual reports to the Board summarizing the activities of the OIG during the immediately preceding year. Such reports shall include, but need not be limited to--

- (1) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Authority disclosed during the reporting period;
- (2) a description of the recommendations for corrective action made by the OIG during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to paragraph (1);
- (3) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;
- (4) a summary of any matters referred to prosecutive authorities and the resulting actions taken;

- (5) a summary of each audit report issued for which no management decision has been made by the end of the reporting period, an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;
- (6) information concerning any significant management decision with which the OIG is in disagreement.

I. Quality Control and Feedback

The OIG will annually assess its own performance by evaluating actual to planned performance goals. The OIG will report this assessment to the Board and the CEO, and will invite and discuss areas for change or improvement.

The OIG should have sufficient information to conduct performance evaluations, e.g., a history of past results to show prior performance, a strategic and annual planning process to show expected performance, and a management information system to show actual performance.

Periodic assessments by other persons within the organization with sufficient knowledge of internal audit practices should also be performed. Additionally, external assessments should be conducted at least once every three years by a qualified, independent assessor or assessment team from outside the organization.

All assessments shall be reported to the Board and the CEO.

Operations & Maintenance

SUMMARY STATEMENT

ITEM NO.: DRPA-13-091

SUBJECT: Custodial Services for DRPA
Bridge Facilities

COMMITTEE:

Operations & Maintenance

COMMITTEE MEETING DATE:

August 7, 2013

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board authorizes staff to negotiate a three year contract with Watts Window Cleaning and Janitorial Co. Inc of Philadelphia, PA for custodial services at the DRPA Bridge Facilities in an amount not-to-exceed \$259,204 annually.

PURPOSE: To provide custodial services for DRPA buildings and toll booths at each of the four bridges.

BACKGROUND: DRPA's existing three (3) year contract for custodial services is due to expire on October 31, 2013. T.U.C.S. Cleaning Services INC of Orange, NJ (with a local Philadelphia office) is the current vendor at the facilities.

A Request for Proposal (RFP) was publicly advertised by DRPA for a new custodial services contract. Two (2) proposals were received in response to the RFP. The scope of work included all labor, equipment and supplies to provide the services at the bridge facilities on a five day per week basis as well as periodic special cleaning services during the course of a year (i.e. carpets, windows, floor strip / wax). Site inspections of all facilities were conducted. Proposals were received from the following two (2) companies:

- T.U.C.S. Cleaning Service, Inc. (MBE)
Orange, N.J.
(\$335,659.97 annually)
- Watts Window Cleaning & Janitorial Co., Inc. (MBE/WBE)
Philadelphia, Pa.
(\$259,203.37 annually)

A committee of staff has completed a detailed review and evaluation of the proposals including the technical approach to the scope, quality assurance and quality control and proposed hourly rates and costs.

Based upon the proposals submitted and examination of client

SUMMARY STATEMENT

O&M Committee 8/7/13

Custodial Services for DRPA Bridge Facilities

references, staff determined that Watts Window Cleaning and Janitorial Co., Inc would provide the level of service and oversight required by Bridge Operations. Watts Window and Janitorial Co., Inc is a Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) based in Philadelphia from which they would staff and manage DRPA services. Watts Window and Janitorial Co's client list includes SEPTA, Aramark Towers and Philadelphia International Airport Control Towers. They have also previously provided custodial services to DRPA bridge facilities. Staff recommends that a professional service agreement be awarded to Watts Window and Janitorial Co., Inc. in the amount of \$259,204 annually and in an amount not to exceed \$777,612 over a three year period.

SUMMARY:	Amount:	\$259,204 annually (\$777,612 over 3 years)
	Source of Funds:	Revenue Fund
	Operating Budget:	2013 through 2016 Operating Budgets
	Capital Project #:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Three Years
	Other Parties Involved:	N/A

DRPA-13-091
Operations & Management Committee: August 7, 2013
Board Date: August 19, 2013
Custodial Services for
DRPA Bridge Facilities

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorize staff to negotiate a three year contract with Watts Window and Janitorial Co., Inc for custodial services at the DRPA Bridge Facilities in an amount not to exceed \$259,204 annually; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount:	\$259,204 annually (\$777,612 over 3 years)
Source of Funds:	Revenue Fund
Operating Budget:	2013 through 2016 Operating Budgets
Capital Project #:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	Three Years
Other Parties Involved:	N/A

Finance

DRPA-13-094
Finance Committee: August 7, 2013
DRPA Board: August 19, 2013
Authorization for Issuance of Revenue Bonds

REVENUE BONDS RESOLUTION

WHEREAS, the Delaware River Port Authority ("Authority") has heretofore authorized and issued its Revenue Bonds pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between TD Bank, N.A., as successor trustee, and the Authority, as amended and supplemented to date ("1998 Indenture"); and

WHEREAS, the Authority desires to authorize, issue, sell and deliver, pursuant to the 1998 Indenture, as further supplemented by one or more Supplemental Indentures (as defined in the 1998 Indenture), to be entered into by the Authority and the Trustee (each a "Supplemental Indenture" and, together with the 1998 Indenture, as heretofore amended and supplemented, the "Indenture"), one or more additional series of Bonds (as defined in the Indenture) for the purpose of financing: (i) a portion of the Costs (as defined in the Indenture) of the Authority's previously approved Capital Improvement Program; (ii) the Debt Service Reserve Requirement (as defined in the Indenture); (iii) capitalized interest, if any; and (iv) payment of the costs of issuance of the Bonds (collectively, the "Capital Project"); and

WHEREAS, the Bonds may be issued from time to time in one or more series or subseries, in the form of taxable or tax-exempt fixed rate bonds; and

WHEREAS, it is necessary and appropriate for the Authority to authorize and approve the issuance, sale and delivery of the Bonds, the execution and delivery of such documents, notices, direction letters and instruments as are necessary or appropriate to effect the issuance and sale of the Bonds and such actions as may be necessary or appropriate to effect the Capital Improvement Project; and

WHEREAS, capitalized terms used in this Resolution not otherwise defined shall have the meanings ascribed thereto in the Indenture.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

1. Authorization of Capital Project.

The Authority hereby reaffirms its prior authorization and approval of the Capital Project in the maximum amount of \$550,000,000.

2. Bonds.

(a) The Authority hereby authorizes and approves the issuance, sale and delivery of the Bonds. The Bonds shall be issued in an aggregate principal amount which shall not exceed \$550,000,000.

DRPA-13-094
Finance Committee: August 7, 2013
DRPA Board: August 19, 2013
Authorization for Issuance of Revenue Bonds

(b) The Chief Executive Officer of the Authority shall determine, with the advice of the Authority's Chief Financial Officer, Financial Advisors and Co-Bond Counsel, when to issue the Bonds, whether to issue the Bonds as taxable or tax-exempt bond and whether such Bonds shall be issued in one or more Series or subseries.

(c) Each Series of the Bonds shall be dated, shall mature in such principal amounts and on such dates, shall bear interest at such rates, payable on such dates, shall be subject to redemption prior to maturity on such terms and conditions, and shall otherwise be subject to such additional terms, conditions and provisions as shall be approved prior to their issuance by the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, Financial Advisors and Co-Bond Counsel; provided that: (i) the net interest cost with respect to the Bonds shall not exceed 6.5% per annum; (ii) the Underwriters' discount in connection with the purchase and re-offering of the Bonds shall not exceed \$6.00 per thousand dollars of Bonds; (iii) any optional redemption premium on the Bonds shall not exceed 102.0%; and (iv) the final maturity of each Series or subseries of Bonds shall not exceed any applicable provisions of the Compact or the Internal Revenue Code of 1986, as amended.

(d) Management shall form a recommendation committee of the Chief Financial Officer and Director of Finance, as well as our financial analyst's to evaluate RPF responses submitted by proposed underwriters. The recommendation committee shall participate in all necessary conflicts, checks with the Office of Inspector General to participate in the recommendation committee. Upon advice of management, the Board shall adopt a resolution selecting all underwriters to participate in the process.

3. Manner of Sale; Approval of Bond Documents.

Each Series of the Bonds may be sold in a public offering or private or direct placement as shall be determined by the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, Financial Advisors and Co-Bond Counsel. The Authority hereby authorizes the preparation of all documents necessary to effect the sale, issuance and delivery of each Series of the Bonds including, without limitation, one or more Supplemental Indentures, one or more Series or subseries of Bonds, one or more purchase contracts, placement agreements or similar agreements between the Authority and underwriters to be selected providing for the sale and purchase of the Bonds, or between the Authority and a placement agreement or direct purchasers of the Bonds, as applicable, one or more preliminary official statements and one or more final official statements in respect of each Series of the Bonds, one or more Continuing Disclosure Agreements, one or more Tax Compliance Agreements, and such other agreements, documents, certificates and instruments as Co-Bond Counsel shall advise are necessary or appropriate to effect the issuance of each Series or subseries of the Bonds and the Capital Project. The Chief Executive Officer, with the advice of the Authority's Chief Financial Officer and Co-Bond Counsel, is hereby authorized and directed to approve all such documents and to cause the execution and delivery of all such documents on behalf of the Authority.

DRPA-13-094
Finance Committee: August 7, 2013
DRPA Board: August 19, 2013
Authorization for Issuance of Revenue Bonds

4. Credit Facilities.

The Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to apply for, approve and execute one or more Credit Facilities in the form of a bond insurance commitment, if deemed necessary or appropriate, in order to cause the issuance by a municipal bond insurance company of a municipal bond insurance policy providing credit enhancement for any Series of Bonds.

5. Debt Service Reserve Fund.

The Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to determine the Debt Service Reserve Requirement for each Series of the Bonds, to obtain a Reserve Fund Credit Facility for a portion of such Debt Service Reserve Requirement, if he determines it to be in the best financial interests of the Authority, and to establish a separate Debt Service Reserve Fund or account in the 1998 Debt Service Reserve Fund within the Indenture with respect to one or more Series of the Bonds, as he determines to be necessary or appropriate.

6. Selection of Underwriters, Placement Agent, Purchasers, Trustee and Professional Advisors.

Consistent with paragraph 2(d), the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer, is hereby authorized and directed to select the underwriters or placement agents or direct purchasers of the Bonds, the Trustee, and the Financial Advisors. The Chief Executive Officer, with the advice of the General Counsel, is hereby authorized to select Co-Bond Counsel, and any special counsel or co-counsel or other professional advisors for the Authority.

7. Payment of Professionals.

The Board of Commissioners hereby authorizes and directs the payment of fees and expenses incurred by the Trustee, counsel to the Trustee, the Authority's Financial Advisors, Co-Bond Counsel, any Credit Facility Provider, counsel to any Credit Facility Provider, and any special counsel or co-counsel or other professional advisors of the Authority engaged by the Authority in connection with the Capital Project and the issuance and sale of the Bonds and, in connection therewith, is hereby authorized to pay such fees and expenses on the basis of a fixed fee specifically agreed to by the Authority and each such party, plus any reasonable costs and expenses in excess thereof approved by the Chief Financial Officer. The Chief Financial Officer shall prepare and submit a report to the Finance Committee and the Pricing Committee (as hereinafter defined) indicating the amount of any such fees and expenses paid subsequent to the issuance of each Series of Bonds.

DRPA-13-094
Finance Committee: August 7, 2013
DRPA Board: August 19, 2013
Authorization for Issuance of Revenue Bonds

8. Pricing Committee.

A Pricing Committee consisting of the Board Chairman, Vice Chairman and Chief Financial Officer ("Pricing Committee") will consult with Co-Bond Counsel and the Authority's Financial Advisors with regard to the sale of each Series of the Bonds. After consultation, the Pricing Committee will give the final authorization for the issuance and sale of each Series of the Bonds and the interest rate and other terms at which they will be sold.

9. Chief Executive Officer's Actions; Execution of Documents.

The Chief Executive Officer is hereby authorized and directed to approve, execute and deliver all documents, instruments and certificates, and to take all actions necessary and proper, including any actions not otherwise determined herein, to issue and sell the Bonds and to effect the Capital Project, the issuance and sale of the Bonds and all other matters authorized in this Resolution. If the Chief Executive Officer is not otherwise available to execute and deliver such documents, instruments and certificates, the Chief Financial Officer is hereby authorized and directed to undertake the same.

10. Ratification of Prior Actions.

All actions heretofore taken by or on behalf of the Authority by the Chief Executive Officer, General Counsel, the Chief Financial Officer or their respective designees, or the Authority's professional advisors in connection with the Capital Project or the Bonds are hereby ratified, confirmed, approved and adopted.

11. Inconsistent Resolutions Repealed.

Resolutions DRPA-09-064 and DRPA 13-030, in which the Authority originally approved, and subsequently updated, the Capital Project and certain matters in connection therewith, are hereby rescinded and repealed in their entirety. In addition, all prior resolutions or parts thereof to the extent inconsistent with this Resolution are hereby rescinded and repealed.

12. Effective Date.

This Resolution shall take effect at the earliest time permitted by applicable law.

DULY ADOPTED THIS 7th day of August, 2013.

SUMMARY STATEMENT

ITEM NO.: DRPA-13-095

**SUBJECT: Part-Time and Temporary
Toll Collectors At DRPA Bridges**

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

August 7, 2013

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board authorize staff to negotiate a three (3) year contract with Laz Parking/Cofiroute, Philadelphia, PA, for the use of temporary toll collectors (weekdays), part-time collectors (weekends and holidays). The hourly rate for LAZ Parking/Cofiroute is \$16.00 for part-time toll collectors and \$14.66 for temporary toll collectors. The total cost of the contract will not exceed \$942,317 annually.

Other Proposers:

PRWT Services, Philadelphia, PA

Part-time Collector Hourly Rate: \$16.44

Temporary Collector Hourly Rate: \$16.44

TUCS Cleaning Services, Inc, Philadelphia, Pa.

Part-time Collector Hourly Rate: \$15.76

Temporary Collector Hourly Rate: \$17.48

PURPOSE:

To provide the necessary temporary toll personnel during weekdays (Monday through Friday) to substitute for regular full-time employees (FTE's) on short and long-term disability, worker's compensation periods or other authorized leave, as provided in the contract negotiated with the International Union of Operating Engineers (IUOE). Full-time employees are not permanently replaced by temporary workers. When the FTE is medically released or otherwise authorized to return to work the use of the temporary employee will cease.

To provide the necessary part-time toll personnel to work on weekends and holidays. All regular full-time toll collectors are on Monday through Friday work schedules with holidays off under the terms and conditions set forth in the Terms of Employment for employees represented by the International Union of Operating Engineers (IUOE).

BACKGROUND:

The Board first approved contracts in late 1997 to provide part-time and temporary toll collectors on weekends and holidays. The ability to hire non International Union of Operating Engineers (IUOE) collectors was negotiated in the November 21, 1997 Terms of Employment contract with IUOE. This was done because the IUOE membership wanted a non-rotating, Monday through Friday work schedule and the DRPA was seeking opportunities to reduce personnel costs and streamline its

SUMMARY STATEMENT
Finance Committee 8/7/2013

**Part-Time and Temporary Toll
Collectors At DRPA Bridges**

workforce. The use of outside firms enabled the IUOE and the DRPA to achieve their objectives. The part-time and temporary toll collector contract services are currently being provided by PRWT Services.

A staff team from Bridge Operations reviewed the proposals and found LAZ/Cofiroute to be the recommended proposer. LAZ Parking is a subsidiary of Cofiroute Co., who has national and international roadway toll collection experience. It is also noted that LAZ Parking/Cofiroute would offer a 1% discount on their billings for payment received from DRPA within 14 days of invoicing. The review committee made a site visit prior to our recommendation. The visit consisted of a meeting with LAZ Parking/Cofiroute Senior Management at their Philadelphia headquarters and the committee was satisfied with the responses given at the time of this meeting. Their hourly rate for part-time toll collectors is \$16.00 per hour and temporary toll collectors is \$14.66 per hour and they will not increase the hourly rate in year two and three of the contract.

SUMMARY:	Amount:	\$942,317 annually (\$2,826,951 over 3years)
	Source of Funds:	Revenue Fund
	Operating Budget:	2013 through 2016 Operating Budgets
	Capital Project #:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Three Years
	Other Parties Involved:	N/A

SUMMARY STATEMENT
Finance Committee 8/7/2013

**Part-Time and Temporary Toll
Collectors At DRPA Bridges**

DRPA-13-095
Finance Committee: August 7, 2013
Board Date: August 19, 2013
Part-Time and Temporary Toll Collectors
At DRPA Bridges

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate a three (3) year contract with LAZ Parking/Cofiroute for the use of temporary toll collectors (weekdays, part-time toll collectors (weekends and holidays) The total cost of the agreement for three years is not to exceed \$2,826,951; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount:	\$942,317 annually (\$2,826,951 over 3 years)
Source of Funds:	Revenue Fund
Operating Budget:	2013 through 2016 Operating Budgets
Capital Project #:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	Three Years
Other Parties Involved:	N/A

SUMMARY STATEMENT

ITEM NO.: DRPA-13-092

**SUBJECT: Camera & Call Box
Maintenance Agreement**

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

August 7, 2013

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board authorizes staff to negotiate a 1 year contract with Schneider Electric, Horsham, PA for an amount not to exceed \$140,937.00 for the renewal of our camera and call box maintenance agreement. This purchase is provided with GSA pricing under GSA Contract # GS-07F-7851C.

PURPOSE: To provide the Delaware River Port Authority with preventive maintenance and system/equipment repairs for all Authority cameras and call boxes.

BACKGROUND: Several years ago the Authority made a decision to improve the security of their fixed assets while at the same time improving the safety of the travelling public on those assets. To accomplish this cameras and call boxes were installed. In order to maintain those devices it is necessary to engage in a program of preventive maintenance for both the hardware and software components of the system. This agreement provides the DRPA with comprehensive, consistent hardware and software services. It allows us to work with Schneider Electric staff to deliver onsite hardware and software support. With these services we improve our camera and call box uptime with responsive hardware and software services with a 24x7 availability. Other services include the following:

- On-site visits at each facility several times a year to verify functionality
- DVTEL software upgrades
- Camera and call box firmware upgrades
- Connectivity testing
- Incident and problem management

SUMMARY STATEMENT
Finance 8/7/13

(2) Camera & Call Box Maintenance Agreement

Staff therefore recommends negotiating a contract with Schneider Electric for an amount not to exceed \$140,937.00 for the renewal of our Camera & Call Box maintenance agreement.

SUMMARY:	Amount:	\$140,937.00
	Source of Funds:	Revenue Fund
	Capital Project #:	N/A
	Operating Budget:	2013 DRPA CE6 – Repairs and Maint. 2013 PATCO Contract Services
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	October 1, 2013 through September 30, 2014
	Other Parties Involved:	N/A

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a 1 year contract with Schneider Electric for an amount not to exceed \$140,937.00 for the renewal of our Camera & Call Box maintenance agreement. This purchase is provided with GSA pricing under GSA Contract # GS-07F-7851C.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$140,937.00
	Source of Funds:	Revenue Fund
	Capital Project #:	N/A
	Operating Budget:	2013 DRPA CE6 – Repairs and Maint. 2013 PATCO Contract Services
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	October 1, 2013 through September 30, 2014
	Other Parties Involved:	N/A

New Business

DRPA-13-093
New Business: August 19, 2013
Board Date: August 19, 2013
Consideration of Pending DRPA Contracts
(Between \$25,000 and \$100,000)

RESOLUTION

RESOLVED: **That the Board authorizes and directs that subject to approval by the Chair, Vice Chair, General Counsel and the Chief Executive Officer, staff proceed to negotiate and enter into the contracts listed on the Attachment hereto.**

SUMMARY:

Amount:	N/A
Source of Funds:	See Attached List
Capital Project #:	N/A
Operating Budget:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

CONSIDERATION OF PENDING DRPA CONTRACTS (BETWEEN \$25,000 - \$100,000) AUGUST 19, 2013

Item #	Vendor/Contractor	Description	Amount	Procurement Method	Bids Received	Bid Amounts	Source of Funds
1	Celebrity Ford, d/b/a Beyer Ford Morristown, NJ	Purchase two (2) 2014 Ford Utility Police Interceptor Police Vehicles for Transit Services K-9 Operations.	\$84,608.00	Commonwealth of Pennsylvania Contract #4400009613.	Celebrity Ford, d/b/a Beyer Ford Morristown, NJ	\$84,608.00	100% Grant Funded under FEMA Transit Security Grant 2010RAT0K041
2	EEOC Training Institute St. Thomas, VI	Provide in-house EEOC training to DRPA and PATCO employees.	\$39,000.00	Sole Source/Proprietary - see attached Sole Source/Proprietary Justification Memo marked as Exhibit "1"	EEOC Training Institute St. Thomas, VI	\$39,000.00	Revenue Fund

"Exhibit 1"



MEMORANDUM

DELAWARE RIVER PORT AUTHORITY
of Pennsylvania & New Jersey

TO: John J. Matheussen, CEO
John T. Hanson, CFO

FROM: Toni P. Brown, Chief Administrative Officer

SUBJECT: Equal Employment Opportunity Commission Training - Sole Source Justification

DATE: August 7, 2013

Agreement: #

Type of Request: Proprietary and Sole Source

Item: Sole Source Agreement between DRPA and the Equal Employment Opportunity Commission (EEOC)

Project: EEO Training for DRPA and PATCO Employees

Sole Source Vendor: EEOC

Amount: \$39,000

Background:

This training is in response to one of the findings in the Management Audit Final Report issued by CGR Management Consultants and dated January 14 2013. Specifically, at Section 4.2.3 "Business Development & Equal Opportunity", CGR recommended that the Authority reduce the two-year gap that currently exists for Equal Employment Opportunity (EEO) training.

Until 2009, EEO training was conducted using in-house staff in the Office of Business Development & Equal Opportunity (OBD&EO). The training was conducted every two years. Given that the Authority is a 24/7 operation, the shifts worked by our employee population of close 900 vary. Therefore, in order to ensure that all employees received the mandatory training OBD&EO staff traveled to the various facilities to deliver the training during the shifts. This was a significant commitment in terms of staff time and also required a delicate balancing of the remaining work to be performed by the OBD&EO. We were scheduled to deliver the next EEO training cycle in 2012. In 2012, the EEO Specialist who previously assisted the CAO in delivering the EEO training retired. To date, we have not been authorized to fill the vacant EEO Specialist position. As a result, the EEO training was not delivered in 2012.

In discussing CGR's recommendation and OBD&EO's staffing dilemma with CEO John Matheussen and Commissioner Cruz, it was agreed that we should pursue having this training delivered by an outside vendor. The Authority's Training Administrator suggested we pursue training resources offered by the EEOC.

The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information. The EEOC is responsible for promulgating the regulations that employers are expected to follow to ensure a workplace free from harassment and discrimination. The Commission receives, investigates, and resolves charges of employment discrimination filed against private sector employers, employment agencies, labor unions, and state and local governments, including charges of systemic discrimination. In short, the EEOC is the subject-matter expert in the field of EEO laws. Any outside vendor who would deliver EEO training for the Authority would rely upon the legal interpretation provided by the EEOC and offer guidance to employers and employees based upon that which has been provided by the EEOC.

The EEOC Training Institute has agreed to provide on-site EEO training to all Authority employees (approximately 877). The fee for the training was originally quoted at \$52,800. However, due to a reduction in the number of sessions and our ability to print the training materials in-house, the EEOC Training Institute agreed to reduce the fee to \$39,000. A copy of the EEOC's proposal is attached hereto.

I presented this resource to Commissioner Cruz and CEO Matheussen and it was determined that the EEO refresher training should be delivered by EEOC staff since the agency is unquestionably the subject-matter expert on EEO laws, the different types of discrimination, preventing harassment/discrimination, the complaint process, the role of supervisors and managers and various forms of retaliation that could be problematic for employers.

Justification: The EEOC Training Institute is proprietary.

Funding: The funds for this contract will be covered by the Authority's overall training budget 2013, which is administered by the Human Resources Department.

DRPA MEMO
PAGE 3
8/7/13

Upon your approval of this request, a Contract Initiation Form will be initiated and processed by the Contract Administration Department.

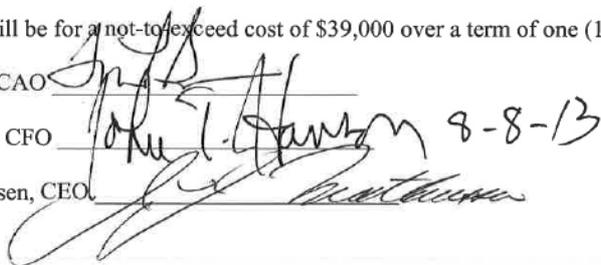
If you require additional information please let me know.

This approval will be for a not-to-exceed cost of \$39,000 over a term of one (1) year.

Toni P. Brown, CAO

John T. Hanson, CFO

John J. Matheussen, CEO

Handwritten signatures and date: A large handwritten signature is written over the names Toni P. Brown, John T. Hanson, and John J. Matheussen. To the right of the signature, the date "8-8-13" is written.

Thank you

SUMMARY STATEMENT

ITEM NO. DRPA-13-096 **SUBJECT:** Selection of Underwriters

COMMITTEE: **New Business**

COMMITTEE MEETING DATE: **August 19, 2013**

BOARD ACTION DATE: **August 19, 2013**

PROPOSAL: **That the Board approve the selections by the Chief Executive Officer of the underwriters for the proposed 2013 new revenue bond issue.**

PURPOSE: **To engage firms with the skills, knowledge and experience needed to perform underwriting services on behalf of the Authority.**

BACKGROUND: **The Authority has a 2013 five year capital improvement program in the amount of \$746 Million (net of federal funding).**

The use of underwriters is necessary to facilitate the bond issuance required to properly position the Authority in the capital markets. Their expertise will ensure the effective marketing and underwriting of the bonds and the most advantageous pricing to minimize debt service and interest rates. The success of this undertaking will ensure the availability of funds to finance a significant portion of the capital improvement program and to repay the General Fund.

Pursuant to direction from the Finance Committee, underwriting proposals from qualified underwriters have been evaluated by an underwriter’s proposal evaluation committee consisting of Chief Financial Officer John Hanson; Finance Director James White; two Financial Advisors from Acacia Financial Group, Inc., Peter Nissen and Kim Whelan; and two Financial Advisors from Public Financial Management, Inc. (PFM), Katherine Clupper, and Rebecca Perry-Glickstein, and the results of their evaluation were considered, together with the recommendations of the Chief Financial Officer, by the Chief Executive Officer in making the underwriter selections.

SUMMARY:	Amount:	Subject to sizing of bond issuance
	Source of Funds:	New revenue bond proceeds
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Completion of Revenue Bond Issuance
	Other Parties Involved:	N/A

RESOLUTION

RESOLVED: That as selected by the Chief Executive Officer based upon the recommendations of the evaluation committee and the Chief Financial Officer, the following underwriters are hereby approved for the proposed 2013 new revenue bond issue:

1. Bank of America Merrill Lynch (sr. mgr.)
2. Barclays (co-mgr.)
3. Citi Global Markets, Inc. (sr. mgr./book runner)
4. Janney Montgomery Scott LLC (sr. mgr.)
5. J.P. Morgan (co-mgr.)
6. Piper Jaffray (co-mgr.)
7. RBC Capital Markets (sr. mgr.)

The approval of the above underwriting firms is contingent upon each firm's agreement to accept gross underwriters' discounts to be determined by the Chief Financial Officer upon the advice of the Authority's Financial Advisors.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of the DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of the DRPA.

SUMMARY:	Amount:	Subject to sizing of bond issuance
	Source of Funds:	New revenue bond proceeds
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Completion of Revenue Bond Issuance
	Other Parties Involved:	N/A

SUMMARY STATEMENT

ITEM NO.: DRPA-13-097

**SUBJECT: Enterprise Resource
Planning (ERP) Project
Management Services**

COMMITTEE:

COMMITTEE MEETING DATE:

August 7, 2013

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board authorizes staff to negotiate a sole source contract with Grant Thornton for an amount not to exceed \$471,200.00 for Project Management services.

Amount: \$471,200.00

**Contractor: Grant Thornton
2001 Market Street, Suite 31
Philadelphia, PA 19103**

PURPOSE: To provide the Authority with project management services to be used exclusively for the Enterprise Resource Planning (ERP) project. Grant Thornton will provide a project manager to assist the DRPA in managing their internal resources and responsibilities related to the ERP project at the direction of the project sponsor.

BACKGROUND: The DRPA is currently working on a project under Board Resolution DRPA-12-050 and contract #GN-0010-12 to implement a new ERP system to replace its two aging and obsolete systems. In order to effectively manage the project it is necessary for the DRPA to utilize project management services that have extensive experience in implementing ERP systems. This role will supplement the work already under way and being conducted with Grant Thornton in conjunction with DRPA staff. The activities for these services include, but are not limited to:

- Receive and manage project status updates from project contractors
- Prepare project status updates to executive management and Board level leadership when necessary and support delivery of these updates

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- Manage integrator deliverables, including and the deliverable review, feedback and acceptance process
 - Monitor and ensure that project activities align to organizational goals
 - Manage project activities against plan, particularly activities where DRPA is primarily responsible (like data cleansing, data governance, etc.)
 - Coordinate and lead DRPA staff through the decision making process to achieve resolution of key design issues
 - Provide insight and facilitate communications between the integrator and DRPA staff
 - Coordinate and manage project logistics including facilities, meeting space, work space, and special events and meetings
 - Manage creation and distribution of internal project communication
 - Coordinate Consultant and Authority efforts to identify and manage project change and training

These services will exist for a specified term, September 16, 2013 through December 31, 2014, however, it may be necessary to extend these services. That will be addressed at a later date if necessary. It is also important to note that Grant Thornton identified several risks to the project if a dedicated project manager is not utilized. In a letter dated July 22, Grant Thornton identified vulnerabilities such as project delays, budget overruns, inability to make process improvements, and lack of system adoption.

Staff recommends that the contract be awarded to Grant Thornton for \$471,200.00.

SUMMARY:	Amount:	\$471,200.00
	Source of Funds:	General Fund
	Capital Project #:	TE0702
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	September, 16, 2013 – December 31, 2014
	Other Parties Involved:	N/A

DRPA-13-097
Finance Committee: August 7, 2013
Board Date: August 19, 2013
Enterprise Resource Planning Project Management Services

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Grant Thornton for an amount not to exceed \$471,200.00 for ERP project management services.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$471,200.00
	Source of Funds:	General Fund
	Capital Project #:	TE0702
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	September 16, 2013 – December 31, 2014
	Other Parties Involved:	N/A

**DELAWARE RIVER
PORT AUTHORITY
&
PORT AUTHORITY TRANSIT CORP.**

August 19, 2013 Telephonic Board Meeting

Wednesday, August 19, 2013
One Port Center
Board Room
Camden, NJ
8:00 am



John J. Matheussen, Chief Executive Officer

**PORT AUTHORITY TRANSIT CORPORATION
TELEPHONIC BOARD MEETING
Monday, August 19, 2013
ORDER OF BUSINESS**

- 1. Roll Call**
- 2. Approval of July 17, 2013 PATCO Board Meeting Minutes (previously mailed)**
- 3. Approval of Operations & Maintenance Committee Minutes of August 7, 2013**
- 4. Approval of Finance Committee Minutes of August 7, 2013**
- 5. Adopt Resolutions Approved by Operations & Maintenance Committee Meeting of August 7, 2013**

PATCO-13-025	Approval of Title VI Report to Federal Transit Administration
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- 6. Adopted Resolutions Approved by the Finance Committee Meeting of August 7, 2013**

PATCO-13-023	PATCO Wayside Communications
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- 7. New Business**

PATCO-13-024	Consideration of Pending PATCO Contracts (Between \$25,000 and \$100,000)
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PATCO-13-026	PATCO Marketing through Promotional Efforts
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- 8. Adjournment**

Delaware River Port Authority
Operations & Maintenance Committee Meeting Minutes
August 7, 2013

Attendance:

Committee Members:

William Sasso, Esquire, Chairman
Joanna Cruz, Esquire (via telephone)
Al Frattali
Richard Sweeney
Andrew Reilly, Esquire
Charles Fentress

Others Present:

Peter Simon, Assistant Counsel, NJ Gov. Authorities Unit
Kevin Schmidt, Esquire, Deputy Chief of Staff, Governor Corbett's Office
John Matheussen, Chief Executive Officer
Michael Conallen, Deputy Chief Executive Officer
Danielle McNichol, General Counsel and Corporate Secretary
Kristen K. Mayock, Deputy General Counsel
Timothy Pulte, Chief Operating Officer (via telephone)
Michael Venuto, Chief Engineer
Valerie Bradford, Bridge Director, BFB/BRB
John Rink, PATCO, General Manager
Tom Raftery, Inspector General
Tim Ireland, Director, Corporate Communications
Amy Ash, Contract Administrator
Phil Spinelli, Project Manager, PATCO
Sheila Milner, Administrative Coordinator
Elizabeth McGee, Administrative Secretary
Gary Smith, Public Safety
Christopher Gibson, Esquire (NJ Counsel)

Chairman Sasso called the meeting to order and asked for the roll to be called. The Corporate Secretary called the roll and stated that there was a quorum.

Chairman Sasso stated that before he started with the items on the agenda, he wanted to go on record with an issue. He stated that the Operations & Maintenance (O&M) Committee did have approval of the Ben Franklin Bridge Track Project and some concerns were raised about it coinciding with the bond offering. He said that the O&M Committee reviewed and asked Mr. Hanson to also review the financial issues that were involved. Chairman Sasso stated that Mr. Venuto also reviewed the overall capital program to make sure that we were all comfortable with moving the project forward on an immediate basis given the concerns that they had at this Committee and that this project be initiated as soon as possible. He stated that he was pleased that

everyone reviewed it from a financial and operation standpoint. He stated that he would like to say at the Finance Committee meeting later this morning that we strongly encourage the execution of this contract as soon as possible. Chairman Sasso stated that they were comfortable that there were enough contingencies built into play and there are no issues in moving forward on this contract. He stated that he would like to mention it now because if any Commissioners had any questions or concerns, they could bring them to his attention before the Finance Committee meeting.

Chairman Sasso presided and stated that there were two items relating to the August 7, 2013 meeting.

Approval of Title VI Report to Federal Transit Administration

Mr. Rink stated that staff requests approval of PATCO's Title VI Program as submitted to the Federal Transit Administration as required by the FTA regulations. He stated that the FTA requires that all direct and primary grant recipients document their compliance by submitting a Title VI program to the FTA, Regional Civil Rights office every three years or as otherwise directed by the FTA. He stated that our last plan was submitted in 2010. Mr. Rink stated that for all transit providers the Title VI program must be approved by the transit provider's board of directors or appropriate governing entity or officials responsible for policy decisions prior to the submission to the FTA. He said that this is a new process that has been required; previously the plan was submitted directly to the FTA. He stated that as part of the submittal which was forwarded to all Commissioners, a copy of the plan was attached. Mr. Rink stated that they did receive conditional approval by the FTA on the condition that the plan is approved by our Board. He said that we need to have the plan approved by the Board before they will release our FTA grand funding.

Mr. Rink stated that Phil Spinelli from PATCO was present, and along with Kelly Forbes of Human Resources, prepared and updated the plan. Mr. Spinelli stated that some of the primary differences from this plan to the previous plan is that we needed to update the website with English and Spanish Title VI complaint forms. He stated that we had to develop a procedure on the complaint process and how the DRPA would respond to a complaint. We had to conduct an analysis of who our non-English patrons are, what steps we are doing to address their needs. He said that for example, the fare equipment does have English and Spanish signage for vending of tickets; another requirement is that we will have to provide them with demographics data by the end of the year. PATCO along with DVRPC will conduct a demographic survey and there will be an online survey on our website to collect further information. Mr. Spinelli said that they had to develop an implementation plan on how they are going to move forward with training staff, public safety, customer service, train operators as to how they will interact with non-English speaking patrons.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Approval of Title VI Report to Federal Transit Administration

Custodial Servies for DRPA Bridge Facilities

Ms. Bradford stated that staff is requesting the Board to authorize staff to negotiate a three year contract with Watts Window Cleaning and Janitorial Co., Inc. for custodial services at the DRPA Bridge Facilities in an amount not to exceed \$259,204 annually or \$777,612 over a three year period. She stated that this contract will provide custodial services for DRPA buildings and toll booths at each of the four bridges. Ms. Bradford stated that this contract was publicly advertised and two proposals were received in response to the RFP. She said that one of the Proposers, T.U.C.S. is our current cleaning firm at the bridges and Watts was the other Proposer. The services encompass general daily cleaning of all bridge facilities as well as special cleaning, such as carpets, windows, floor areas and three day weekends. Ms. Bradford stated that as an item of note, the current contract with T.U.C.S., by contrast, costs \$338,000 per year over a three year period with a current contract of \$1,014,000, so there is a savings under this most recent proposal by Watts.

Mr. Pulte thanked Val Bradford, Dan Auletto, Amy Ash and Howard Korsen and the rest of the selection committee. They really did do their due diligence on Watts and also T.U.C.S. He stated that they were slightly concerned when they saw the proposal with the savings that Watts was offering us but were satisfied with Watts responses to their concerns.

Chairman Sasso stated that he was surprised that we only received two bids and Mr. Pulte stated that he was also surprised with all the other cleaning companies for office buildings. Ms. Bradford stated that three years ago they received five proposals and of the five, three were deemed not meeting the needs and the short list came to the same two firms. She stated that at the time T.U.C.S. was recommended.

Mr. Pulte stated that they do have an RFP coming out shortly for the cleaning of One Port Center, which is more of the traditional office building. He said that they are hoping for a large group of proposals in response to that RFP.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

Custodial Servies for DRPA Bridge Facilities

General Discussion (Non-Voting Items)

Change Order/Supplement Update

Contract CB-21-2011, Commodore Barry Bridge Administrative Building Emergency Generator Replacement

Mr. Venuto stated that the original contract value was \$342,800 of which \$45,000 was the unforeseen site condition amount. He said that the project is complete and this final change order is a net decrease of the \$45,000 of the unforeseen conditions line item. Mr. Venuto stated that the net adjusted contract value will be \$297,800 and closes out the project.

Contract BF-31-2010, Ben Franlin Bridge Structural Improvements

Mr. Venuto stated that this project is for the structural improvements on the Ben Franklin Bridge specifically the bridge hardening project. The original contract value was \$10,655,610. He said that this is the fourth change order. He stated that this project is complete. Underneath where the suspender rope protection is connected there is a rubber gasket that sits in there. He said that after the project was installed the vibration on the bridge caused the rubber gaskets to vibrate out. Mr. Venuto stated that the contractor developed some prototypes and went back to the manufacture and designer and put those in over the last six months and let them sit out there through all the types of weather conditions. He said that they have one that will work for our needs and have the contractor go back out and replace them. Mr. Venuto stated that this is for the suspender rope shield replacement pads. He stated that the cost will be \$72,420. The change order is a net zero because we do have some items that were unit price items on the contract that when we needed so we will deduct structural steel contract items in the amount of \$72,420 so it will be a net zero cost. This will be complete the project and we will be back with a final change order to close out all the pluses and minuses. Mr. Venuto stated again that the project was \$10,655,610. We had three other change orders – one was a deduct of approximately \$24,000, one was a net zero and then there was a \$500,000 change order, but he said it was not for this project, it was for the track rehabilitation interim repairs. He said that the adjusted contract value is \$11,131,333.

Spending Tracking

Mr. Venuto stated that on a monthly basis he reports the spending tracking of the engineering projects which consists of about \$80M of this year's Capital Budget. He said that the spending was off for the month of June. We projected about \$7.5M for June and we spent about \$4.3M. We are currently tracking about 5% of our projected spending. Mr. Venuto stated that we projected to spend about \$33M and we have spent \$31.1M. He stated that a couple projects got off to a slower start and are in the bid process now that we have already intended to spend some money. There are two larger projects that we anticipated spending some significant dollars and we have not spend much money yet. He said that the PATCO Car Overhaul project is about \$2M behind what we projected to spend at this point. We are approximately \$4M behind our projected spending on the Track Rehabilitation project.

Chairman Sasso inquired if the timing of the project, we are spending less than anticipated, but are the cars falling behind with delivery dates. Mr. Venuto stated the prototype car is a couple months behind but the overall project schedule once we get the prototype cars has not slipped, just the initial prototypes that we have less spending at this point. Mr. Rink stated that Alstom will be entitled milestone payment once testing requirements are soon met with the pilot cars.

There being no further business, on motion duly made and seconded, the meeting was adjourned.

Operations & Maintenance

SUMMARY STATEMENT

ITEM NO.: PATCO-13-025

**SUBJECT: Approval of
Title VI Report to
Federal Transit Administration**

COMMITTEE:

Operations & Maintenance

COMMITTEE MEETING DATE:

August 7, 2013

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board approves PATCO's Title VI Program as submitted to the Federal Transit Administration.

PURPOSE: To approve PATCO's Title VI Program as submitted to the Federal Transit Administration (FTA) as required by FTA Circular, 4702.1B.

BACKGROUND: FTA requires that all direct and primary grant recipients document their compliance by submitting a Title VI Program to their FTA regional civil rights officer once every three years or as otherwise directed by FTA. For all transit providers, the Title VI Program must be approved by the transit provider's board of directors or appropriate governing entity or official(s) responsible for policy decisions prior to submission to FTA.

These requirements apply to all fixed route providers of public transportation service so that no person or group of persons shall be discriminated against with regard to the routing, scheduling, or quality of service of transportation service furnished as a part of the project on the basis of race, color, or national origin. Frequency of service, age and quality of vehicles assigned to routes, quality of stations serving different routes, and location of routes may not be determined on the basis of race, color, or national origin.

All transit providers shall set service standards and policies for each specific fixed route mode of service they provide. These standards and policies must address how service is distributed across the transit system, and must ensure that the manner of the distribution affords users access to these assets.

Providers of public transportation shall also adopt system-wide service policies to ensure service design and operations practices do not result in discrimination on the basis of race, color, or national origin.

SUMMARY:

Amount:	N/A
Source of Funds:	N/A
Capital Project #:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	Federal Transit Administration

PATCO-13-025
Operations & Maintenance Committee: August 7, 2013
Board Date: August 19, 2013
Approval of Title VI Report to
Federal Transit Administration

RESOLUTION

RESOLVED: That the Board hereby approves PATCO's Title VI Program; and be it further;

RESOLVED: That the appropriate officers of the Delaware River Port Authority be and hereby are authorized to submit to the Federal Transit Administration the approved Title VI Program submission for PATCO; and be it further;

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	N/A
	Source of Funds:	N/A
	Capital Project #:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	Federal Transit Administration

Finance

Staff therefore recommends, negotiating a contract with Schneider Electric, Horsham, PA for an amount not to exceed \$261,908 for the implementation and maintenance of a wireless network.

SUMMARY:	Amount:	\$261,908
	Source of Funds:	General Fund
	Capital Project #:	TE1302
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	N/A

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Schneider Electric, Horsham, PA for an amount not to exceed \$261,908 for the implementation and two years maintenance of a wireless network.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$261,908
	Source of Funds:	General Fund
	Capital Project #:	TE1302
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	N/A

New Business

SUMMARY STATEMENT

ITEM NO.: PATCO-13-024

**SUBJECT: Consideration of
Pending PATCO Contracts (Between
\$25,000 and \$100,000)**

COMMITTEE:

New Business

COMMITTEE MEETING DATE:

N/A

BOARD ACTION DATE:

August 19, 2013

PROPOSAL:

That the Board consider authorizing staff to enter into contracts as shown on the Attachment to this Resolution.

PURPOSE:

To permit staff to continue and maintain PATCO operations in a safe and orderly manner.

BACKGROUND:

At the Meeting held August 18, 2010 the PATCO Commission adopted Resolution 10-046 providing that all PATCO contracts must be adopted at an open meeting of the PATCO Board. The Board proposed modifications to that Resolution at its meeting of September 15, 2010; specifically that all contracts between \$25,000 and \$100,000 be brought to the Board for approval. The contracts are listed on the Attachment hereto with the understanding that the Board may be willing to consider all of these contracts at one time, but if any member of the Board wishes to remove any one or more items from the list for separate consideration, each member will have that privilege.

SUMMARY:

Amount:	N/A
Source of Funds:	See Attached List
Capital Project #:	N/A
Operating Budget:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

PATCO-13-024
New Business: August 19, 2013
Board Date: August 19 2013
Consideration of Pending PATCO Contracts
(Between \$25,000 and \$100,000)

RESOLUTION

RESOLVED: **That the Board authorizes and directs that subject to approval by the Chair, Vice Chair, General Counsel and the Chief Executive Officer, staff proceed to negotiate and enter into the contracts listed on the Attachment hereto.**

SUMMARY:

Amount:	N/A
Source of Funds:	See Attached List
Capital Project #:	N/A
Operating Budget:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

CONSIDERATION OF PENDING PATCO CONTRACTS (BETWEEN \$25,000 - \$100,000) AUGUST 19, 2013

Item #	Vendor/Contractor	Description	Amount	Procurement Method	Bids Received	Bid Amounts	Source of Funds
1	Grant Thornton, LLP Philadelphia, PA	Provide Payment Card Industry advisory services for PATCO's automated fare collection system which also includes preparation and submission of the Self-Assessment questionnaire for the bank processor as well as penetration testing of the applicable devices.	\$80,530.00	Federal GSA Contract #GS-35F-5461H.	Grant Thornton, LLC Philadelphia, PA	\$80,530.00	General Fund

SUMMARY STATEMENT

ITEM NO.: PATCO-13-026

SUBJECT: PATCO Marketing through Promotional Efforts with Local Organizations, Venues, and Sport Franchises

COMMITTEE:

New Business

COMMITTEE MEETING DATE:

N/A

BOARD ACTION DATE:

August 19, 2013

PROPOSAL: That the Board authorizes staff to promote PATCO ridership through co-promotions and marketing with various community organizations, venues, and local sport franchises through use of DRPA/PATCO facilities.

PURPOSE: To maximize opportunities for co-promotions and marketing as a convenient way to access local events and venues by utilizing PATCO service.

BACKGROUND: Co-promoting and marketing local events, venues, and sport franchises is a low cost marketing tool and encourages passengers to ride the train to access these events. This would include such groups as our local pro-sport franchises, local colleges/universities, theaters, and concert venues.

One example would be for Camden Riversharks employees and mascot to utilize our stations to distribute flyers/pamphlets to attend ball games at the stadium on the Camden waterfront. Specific language and details promoting the use of PATCO to get to the event will be provided by the venue as a condition of approval to use DRPA/PATCO facilities.

In each case, an appropriate Right of Entry Agreement including proof of insurance coverage and indemnification of the Authority will be required.

The cost to the Authority to arrange each co-promotion approximates \$300, including preparation of Right of Entry Agreement, review and approval of insurance, and coordination by staff. If PATCO were to design and print promotional materials and distribute them as part of their direct marketing campaign to increase off-peak ridership, the approximate cost would include approximately \$100 for design, \$150 for printing, and \$50 for distribution, for a total cost of \$300. PATCO

has no staff dedicated solely to marketing; therefore, joining forces with other venues for co-promotions is a particularly efficient way to promote ridership on PATCO.

It is recommended that the Board authorize PATCO to support such initiatives for the 2013 calendar year as described above.

SUMMARY:	Amount:	Approximately \$300 (in-kind services)/event
	Source of Funds:	In-Kind services – General Fund
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	N/A

PATCO-13-026
New Business: August 19, 2013
Board Date: August 19, 2013
PATCO Marketing through Promotional Efforts
with Local Organizations, Venues, and Sport Franchises

RESOLUTION

RESOLVED: That the Board authorizes PATCO to promote ridership through co-marketing and promotion with local community groups, venues, and sport franchises throughout 2013.

SUMMARY:	Amount:	Approximately \$300 (in-kind services)/event
	Source of Funds:	In-Kind services – General Fund
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	N/A