

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING FEBRUARY 28, 2023

THE CHAIRMAN COMMENCES MEETING WITH PLEDGE OF ALLEGIANCE AND ROLL CALL:

- 1. APPROVAL OF MINUTES**
Regular Open Meeting January 31, 2023
Closed Session Meeting January 31, 2023
- 2. APPROVAL OF OPERATING BILLS
RESOLUTION 2023-02-0016**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST
RESOLUTION 2023-02-0017**
- 4. APPROVAL OF CREDITS
RESOLUTION 2023-02-0018**
- 5. APPROVAL OF CHANGE ORDERS - NONE**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2023-02-0019**
- 7. RECEIPT OF TREASURER'S REPORT**
- 8. RECEIPT OF COUNSEL'S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**



**10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION:
ACTION ITEMS**

- A. RESOLUTION 2023-02-0020: APPROVAL TO AWARD A CONSTRUCTION CONTRACT TO REPLACE THE PERIMETER SECURITY FENCE AT BALZANO MARINE TERMINAL – PHASE 2**

- B. RESOLUTION 2023-02-0021: APPROVAL TO ENTER THE STATE CONTRACT WITH THE GORDIAN GROUP FOR JOB ORDER CONTRACTING SERVICES**

- C. RESOLUTION 2023-02-0022: APPROVAL TO ADVERTISE A REQUEST FOR PROPOSALS FOR A DEVELOPER / CONTRACTOR FOR THE REPLACEMENT OF ROOFS AND THE INSTALLATION OF ROOF MOUNTED SOLAR PANEL FACILITIES AT THE BROADWAY TERMINAL**

- D. RESOLUTION 2023-02-0023: APPROVAL TO PUBLICLY ADVERTISE FOR A CONSTRUCTION CONTRACTOR FOR EGRESS LIGHTING PHASE 1 AT THE BROADWAY TERMINAL**

- E. RESOLUTION 2023-02-0024 APPROVAL OF LEHIGH HANSON, INC. LEASE ASSIGNMENT**

- F. RESOLUTION 2023-02-0025: APPROVAL OF EASTERN CONCRETE MATERIALS, INC. LEASE ASSIGNMENT**

- G. RESOLUTION 2023-02-0026: 2023 PENSION LIABILITY**



H. RESOLUTION 2023-02-0027: REVISED DEBT SERVICE
RESERVE CERTIFICATION LETTER

11. SUPPLEMENTAL BOARD INFORMATION:

- I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP
COMMUNICATIONS REPORT**
- J. PORT SECURITY UPDATE**
- K. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2023-02-0020: APPROVAL TO AWARD A CONSTRUCTION CONTRACT TO REPLACE THE PERIMETER SECURITY FENCE AT BALZANO MARINE TERMINAL – PHASE 2

REQUEST

Pursuant to the Board Authorization: RESOLUTION 2021-04-0037 APPROVAL TO ISSUE RFB TO REPLACE THE BALZANO TERMINAL SECURITY PERIMETER PROTECTION, a Request For Bids was advertised for the solicitation of public bids to replace the Balzano Terminal security perimeter protection along the EMR lease line. This is Phase 2 of the grant funded project.

BACKGROUND

The scope of work includes replacement of approximately 1,300 liner feet of perimeter security chain link fence and one gate at the Balzano Marine Terminal. This phase of the perimeter security project was originally designed and bid as a reinforced concrete wall, but due to the high cost of the bids received, it was subsequently redesigned and rebid as an 8-foot-high chain link fabric fence with three strands of barbed wire in accordance with Coast Guard regulations.

A pre-bid meeting was held on January 18, 2023, with four (4) contractors in attendance. The following seven (7) bids were received on February 2, 2023:

Fox Fence Enterprises, Inc. Clifton, NJ	\$ 177,888.00
All Vinyl Fencing Hammonton, NJ	\$ 194,380.00
Senco Metals LLC Edison, NJ	\$ 288,550.00
Giacorp Contracting, Inc. Hawthorne, NY	\$ 361,099.50
EB Fence, LLC Sicklerville, NJ	\$ 408,450.00
NACOM Companies Inc Runnemede, NJ	\$ 471,831.00
Kyle Conti Construction LLC Hillsboro, NJ	\$ 474,474.00

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A low bid meeting was held with Fox Fence Enterprises on February 8, 2023, at which time the contractor demonstrated an understanding of the scope of work and explained his means and methods to accomplish the project. Fox Fence Enterprises was the successful bidder on the first perimeter security fence contract which has now been completed. General Counsel attended the low bid meeting and his review indicated that the bid proposal met all requirements of the RFB.

RECOMMENDATION:

Staff is therefore recommending Board approval to award this construction contract to Fox Fence Enterprise, Inc., of Clifton, NJ, in the Lump Sum Bid Amount of \$177,888.00.



ACTION ITEM:

B. RESOLUTION 2023-02-0021: APPROVAL TO ENTER THE STATE CONTRACT WITH THE GORDIAN GROUP FOR JOB ORDER CONTRACTING SERVICES

REQUEST

Staff is requesting Board Approval to enter a contract with the Gordian Group to provide Job Order Contracting development, implementation, and administration services.

BACKGROUND

Job Order Contracting (JOC) is an indefinite delivery, indefinite quantity (IDIQ) procurement process that facilitates repair, maintenance, renovations, and new construction projects with a single, competitively awarded contract.

The JOC method enables an owner to establish competitively bid prices with a single contractor, then issue work orders without the need to separately bid each project. The primary advantages are cost and time cycle savings, cost transparency, and low risk project implementation.

JOC is not intended to replace, but to be an optional construction procurement method which complements the traditional design-bid-build process.

In summary, the JOC method reduces the time duration, expense, and administrative requirements of the normal design-bid-construct cycle for an individual project and delivers construction product faster and with more cost certainty, by using an on-call contractor ready to start work immediately at competitively bid prices.

Other government agencies currently utilizing JOC include the United State General Services Administration, the New Jersey Department of Treasury Division of Purchase and Property (on behalf of the New Jersey Department of Transportation), the Delaware River Porth Authority, the Delaware River Joint Toll Bridge Commission, and the South Jersey Transportation Authority.

SJPC staff are recommending use of the state contract held by NJDOT which was established by the New Jersey Department of Treasury Division of Purchase and Property, Master Blanket Purchase Order 84862. This can be accomplished with the issuance of an SJPC purchase order.

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In order to implement and administer the JOC method, two contracts are required. One with the low bid contractor, and one with the Gordian Group who will develop the scope of work catalogue, assist SJPC with developing the contractor bid solicitation, maintain the unit pricing, and administer the project cost controls for the selected work orders.

Gordian Group does not charge any fees for JOC overall system development and implementation. They also do not charge for the scoping and pricing of individual projects. Once a project has been fully scope and priced, and the SJPC chooses to proceed with that individual work order, then Gordian's fee is 4.74% of construction costs for aggregated projects up to \$6 million in value, and 1.97% of aggregated construction costs thereafter.

Once engaged, Gordian would assist the SJPC with the development of the bid documents to be publicly advertised for the selection of the low bid contractor.

All task order projects priced under this JOC system would be brought before the SJPC Board of Directors for approval just like any other construction contract award.

RECOMMENDATION:

Staff recommends Board Approval to issue a purchase order to participate in the state contract held by the NJDOT / New Jersey Department of Treasury Division of Purchase and Property, Master Blanket Purchase Order 84862 with the Gordian Group to provide Job Order Contracting development, implementation, and administration services.



ACTION ITEM:

C. RESOLUTION 2023-02-0022: APPROVAL TO ADVERTISE A REQUEST FOR PROPOSALS FOR A DEVELOPER / CONTRACTOR FOR THE REPLACEMENT OF ROOFS AND THE INSTALLATION OF ROOF MOUNTED SOLAR PANEL FACILITIES AT THE BROADWAY TERMINAL

REQUEST

Staff is requesting Board Approval to advertise and solicit for qualified Solar Developer / Contractor Proposals for replacement of the roofs and installation of solar panels at the Broadway Marine Terminal.

BACKGROUND

Pursuant to the Board's Authorization: RESOLUTION 2020-04-0040 - APPROVAL TO ISSUE AN ENGINEERING RFP FOR THE DESIGN SERVICES FOR DEVELOPMENT OF SOLAR POWER INSTALLATION ON THE BROADWAY TERMINAL ROOFS, an RFP was issued soliciting the design services from the Port's Pre-Qualified Civil Engineering firms list.

The scope included preparation of the drawings and technical specifications for replacement of the roofing systems at the Broadway Terminal, outreach to identify solar developers consistent with the State Sanctioned Community Solar Initiative, and the preparation of bid documents for the roofing replacement construction and installation of solar panels on the buildings.

Remington & Vernick Engineers was the successful firm of the six submissions received and was subsequently awarded the design contract by Board Approval at the June 15th, 2021 meeting (RESOLUTION 2021-06-0060: APPROVAL TO AWARD DESIGN RFP FOR THE DEVELOPMENT OF SOLAR PANEL INSTALLATION ON ROOFS AT BROADWAY TERMINAL.)

The design is now completed, and a multifaceted Scope of Work and RFP has been prepared to achieve the intent of the project.

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RECOMMENDATION:

Staff is therefore recommending Board Approval to advertise and solicit for qualified Solar Developer / Contractor Proposals for replacement of the roofs and installation of solar panels at the Broadway Marine Terminal.



ACTION ITEM:

D. RESOLUTION 2023-02-0023: APPROVAL TO PUBLICLY ADVERTISE FOR A CONSTRUCTION CONTRACTOR FOR EGRESS LIGHTING PHASE 1 AT THE BROADWAY TERMINAL

REQUEST

Staff is requesting Board authorization for the advertisement for competitive bids of a construction contract to replace the egress lighting at ten buildings at the Broadway Terminal, as required by the fire code.

BACKGROUND

The Port was previously cited with a violation from the New Jersey Department of Community Affairs, Division of Fire Safety (DCA), to install emergency egress lighting systems throughout the entire Broadway Terminal. As the Terminal consists mainly of buildings that are more than one hundred years of age, this code compliance mandate will potentially require changes to the internal pathways and operational footprints of many of the buildings.

This project was designed by S.T. Hudson Engineers. The design required a component review and photometric evaluation in order to achieve DCA code compliance. The project will also consist of the demolition of some existing lighting and exit fixtures to facilitate the installation of energy efficient LED emergency lighting fixtures with separate, continuous power supplies.

The SJPC intends to apply for all available PSE&G rebates to offset the cost, thereby reducing the Port's initial financial outlay. An additional benefit to the Port will be significantly lower maintenance costs at these buildings.

The project has been phased, and the first phase consists of ten buildings, A2, A2 east, A4, B2, B3, B4, D1, D-Sub, I, and X-1. The estimated construction cost for Phase 1 is \$180,000.

RECOMMENDATION:

Staff recommends Board authorization for the advertisement for competitive bids of a construction contract for installation of new egress lighting in order to abate these DCA code violations.



ACTION ITEM:

E. RESOLUTION 2023-02-0024: APPROVAL OF LEHIGH HANSON, INC. LEASE ASSIGNMENT

REQUEST

Staff is requesting Board approval to consent to the assignment and assumption of the lease in Camden NJ with Lehigh Hanson, Inc. (Lehigh) to Heidelberg Materials US Cement, LLC (Heidelberg).

BACKGROUND

Lehigh leases approximately seventeen (17) acres from SJPC at the Broadway Terminal in Camden for their processing operation involving cement imports and grancem exports. Effective January 1, 2023, Lehigh is rebranding, and has legally changed its name to the new Heidelberg legal entity. Heidelberg is a Delaware limited liability company with a mailing address in Irving Texas. All other terms and conditions in the lease other than the change of the name of the SJPC's tenant/lessor will remain the same. The tenant/lessor is the same entity, just with a different/new name.

RECOMMENDATION:

Staff recommends Board approval to accordingly consent to the assignment and assumption of the lease in Camden NJ with Lehigh to Heidelberg.



ACTION ITEM:

F. RESOLUTION 2023-02-0025: APPROVAL OF EASTERN CONCRETE MATERIALS, INC. LEASE ASSIGNMENT

REQUEST

Staff is requesting Board approval to consent to the assignment and assumption of the lease in Salem NJ with Eastern Concrete Materials, Inc. (“Eastern Concrete”) to U.S. Concrete, Inc. (“U.S. Concrete”).

BACKGROUND

Eastern Concrete leases approximately 3.5 acres of waterfront property from SJPC in the Port of Salem (“Salem Terminal”) for purposes of receiving and stockpiling sand by truck, and the loading of barges with the sand to deliver to concrete mixing facilities in the Northeast. Prior to November 2022, Eastern Concrete was a wholly owned subsidiary of U.S. Concrete. In August 2021, Vulcan Materials Company, a New Jersey corporation that is publicly traded on the NY Stock Exchange, acquired U.S. Concrete, and thereby became the indirect sole owner of Eastern Concrete. Eastern Concrete was subsequently sold to a third party via a Membership Interest Purchase Agreement on November 25, 2022, however, as part of that sale transaction, all of Eastern Concrete’s interests in and to the Salem Terminal facilities lease with the SJPC were distributed/transferred to U.S. Concrete. As such, it is necessary to do an assignment and assumption agreement with U.S. Concrete in order to memorialize their now interests in and to the lease as the successor-in-interest tenant/lessor to Eastern Concrete.

RECOMMENDATION:

Staff recommends Board approval to accordingly consent to Eastern Concrete’s assignment of the lease for the Salem Terminal in Salem NJ with Eastern Concrete to U.S. Concrete, and thereby U.S. Concrete’s assumption in its entirety of the said lease.



ACTION ITEM:

G. RESOLUTION 2023-02-0026: 2023 PENSION LIABILITY

REQUEST

Staff requests Board approval of the Employer’s Liability Annual Pension Contribution Invoice for Public Employee’s Retirement System (PERS).

BACKGROUND

Staff presents the Employer’s Liability Annual Pension Contribution Invoice for Public Employee’s Retirement System (PERS) for the calendar year 2023. The total amount of \$1,152,392 is due on April 1, 2023. The total amount due includes the Employer’s Contribution for 2022 and early retirement costs. The plan is summarized below.

Normal Cost represents the present value of benefits that have accrued on behalf of the members during the valuation year. The employer’s contribution covers not only the basic pension allowance it also covers the future cost-of-living adjustment along with the premium for group life insurance.

Normal Contribution	\$ 157,737
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Employer Accrued Liability and/or Pension system unfunded actuarial liability contribution consist of the employer’s share of the pension system total unfunded actuarial liability amortized over time (30 to 40 years). The unfunded actuarial liability of a retirement system is the excess of the system’s actuarial liability over the value of its assets.

Accrued Liability	\$ 833,049
Non-Contributory Group Life Insurance	\$ 44,843

Accrued Liability-Early Retirement Incentive-ERI-3. The State of New Jersey Division of Pension and Benefits prepared the Schedule of payments for the Early Retirement Incentive.

Accrued Liability-Early Retirement Incentive-ERI-3	<u>\$ 116,763</u>
Total Amount Due all Categories	\$ 1,152,392

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	<u>2022</u>	<u>2023</u>		<u>Variance</u>
Normal Contribution	\$ 115,168	\$ 157,737	=	\$ 42,569
Accrued Liability	\$ 792,124	\$ 833,049	=	\$ 40,925
Non-Contributory Group Life Insurance	\$ 43,841	\$ 44,843	=	\$ 1,002
Accrued Liability-ERI	\$ 115,241	\$ 116,763	=	\$ 1,522
Total Amount Due all Categories	\$ 1,066,374	\$ 1,152,392	=	\$ 86,018
				(increase)

RECOMMENDATION:

Staff requests Board approval of the 2023 Pension Liability invoice.



ACTION ITEM:

H. RESOLUTION2023-02-0027: REVISED DEBT SERVICE RESERVE CERTIFICATION LETTER

REQUEST

Staff is requesting Board approval of the Revised Debt Service Reserve Certification Letter to Governor Murphy.

BACKGROUND

The initial certification made by South Jersey Port Corporation on October 25, 2022 for Senior Lien Bonds needs to be revised. The Port's Trustee incorrectly transferred funds to debt service instead of operating reserve. This revision will allow the Trustee to transfer the needed funds to operating reserve and maintain the required debt service reserve fund balance. The Revised Certification Letter to the Governor for the Debt Service Reserve Fund Requirements has been prepared (attached). In summary, for the year ending December 31, 2023, revised State appropriations of **\$15,100,000** for the Senior Lien Bonds, which is an increase of \$3,100,000 from the original certification of \$12,000,000. There is no change to the original request of **\$12,710,000** for the Subordinated Bonds to restore the South Jersey Port Corporation's reserve funds to the amount of the debt service required per the provisions of N.J.S.A. 12:11A-14.

RECOMMENDATION:

Staff recommends Board approval of the Revised Debt Service Reserve Certification Letter to Governor Murphy.



INFORMATION ITEM:

I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

J. SECURITY UPDATE:



INFORMATION ITEM:

K. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority.



MATTERS INVOLVING LITIGATION, PERSONNEL MATTERS & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
 - Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
 - Disclosure would impair the body's right to receive federal or state funds.
 - Collective bargaining.
 - Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
 - Investigations into violations of law.
 - Strategies to protect public security.
 - Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
 - Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
 - Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.
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1. COUNSEL'S REPORT