

PHILADELPHIA REGIONAL PORT AUTHORITY

**Minutes of the Philadelphia Regional Port Authority
Board of Directors Meeting**

March 18, 2005

Philadelphia Regional Port Authority Board Members Present:

Brian Preski, Chairman; John Cuff (via telephone); Frank Gillen; Thomas Kelly; Charles Marshall; Michael Rashid; Chad Rubin; Herbert Vederman

Philadelphia Regional Port Authority Board Members Absent:

Sal Candelaria; James McErlane (faxed votes in); Jerry Volpe

Philadelphia Regional Port Authority Staff Present:

James T. McDermott, Jr.; Robert Blackburn; Jack Dempsey; George Fedorijczuk; Edward Henderson; Greg Iannarelli; Charles Lawrence; William McLaughlin; Joseph Petruzzi; Marian Simpson

Commonwealth of Pennsylvania:

Herbert Packer

Others:

Michael Meehan; Tim O'Neill; Chuck McDonald; Don Brennan; Robert Borski; Allan Miller

The March meeting of the Board of Directors of the Philadelphia Regional Port Authority was held on March 18, 2005 at 9:30 a.m. in the offices of the Philadelphia Regional Port Authority, 3460 North Delaware Avenue, Philadelphia, PA.

The Public Session was called to order and the Chairman immediately adjourned into an Executive Session. The Public Session was reconvened.

The first order of business was the approval of the meeting minutes of the December 17, 2004 PRPA Board Meeting. A motion was made and seconded to approved the meeting minutes.

RESOLUTIONS:

**#2005-01 RENEWAL OF CONTRACT FOR ENGINEERING SERVICES
WITH SHAW ENVIRONMENTAL & INFRASTRUCTURE, INC.**

Mr. Lawrence said the PRPA proposes to renew the contract with Shaw Environmental & Infrastructure, Inc. which will provide an on-call arrangement, allowing the PRPA to request, on short notice, services for investigation of problems, design and documentation for construction, and other engineering services.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Acts sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority determined in Resolution No. 2004-07 to contract with Shaw Environmental & Infrastructure, Inc. to perform on-call engineering services at various PRPA facilities on a time and actual cost basis; and

WHEREAS, staff proposes to renew the contract with Shaw Environmental & Infrastructure, Inc. to provide the professional services described in Exhibit "A" (which information is attached and incorporated herein by reference); and

WHEREAS, the staff of the Authority has determined that Shaw Environmental & Infrastructure, Inc. has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for on-call engineering services, inclusive of all expenses, for a maximum amount of \$100,000.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 3

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2005-01 and Exhibit "A" on file with the Authority.

#2005-02 RENEWAL OF CONTRACT FOR ENGINEERING SERVICES WITH PENNONI ASSOCIATES, INC.

Mr. Lawrence said staff proposes to renew the contract with Pennoni Associates, Inc., which will provide an on-call arrangement, allowing PRPA to request, on short notice, services for investigation of problems, design and documentation for construction, and other engineering services.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority determined in Resolution No. 2002-15 to contract with Pennoni Associates, Inc. to obtain the professional services to perform on-call engineering services as various PRPA facilities on a time and actual cost basis; and

WHEREAS, staff proposes to renew the contract with Pennoni Associates, Inc. to provide the professional services described in Exhibit "A" (which information is attached and incorporated herein by reference): and

WHEREAS, the staff of the Authority has determined that Pennoni Associates, Inc. (the "Contractor") has the requisite expertise and capacity to provide the services herein described.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 4**

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for on-call engineering services, inclusive of all expenses, for a maximum amount of \$100,000.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution #2005-02 and Exhibit "A" on file with the Authority.

**#2005-03 SHORT TERM LEASE WITH DELAWARE RIVER MARITIME
ENTERPRISE COUNCIL FOR PIER 98 ANNEX**

Mr. McDermott said this Resolution was previously approved via fax vote. This is an amendment to an existing lease with DRMEC to use Pier 98 Annex at the same rate Pasha was paying on an as need basis. PRPA expects a military vessel in April. Mr. Preski said as the vice president of DRMEC he was abstaining from voting on this Resolution.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts with respect to port facilities, as such are defined in the PRPA Act; and

WHEREAS, the Port of Philadelphia is designated as a Strategic Military Port;
and

WHEREAS, the Delaware River Maritime Enterprise Council ("DRMEC") desires to enter into a short term lease with the Authority for Pier 98 Annex to provide a military support center for military loading and off loading of cargo through the Port of Philadelphia; and

Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 5

WHEREAS, the Board of the Authority has determined on the basis of information provided by its staff to contract with Delaware River Maritime Enterprise Council for a short-term lease of Pier 98 Annex.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an Agreement with Delaware River Maritime Enterprise Council (“DRMEC”) for a short-term lease of Pier 98 Annex or as required.
2. The Executive Director of the Authority, with the advice of its Chief Council, is hereby authorized and directed to negotiate the specific terms and conditions of the agreements by which the services shall be provided as noted above, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved (with Mr. Preski abstaining from the vote). Resolution No. 2005-03 and exhibit “A” on file with the Authority.

**#2005-04 APPLY TO THE DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT FOR FUNDING TO DEVELOP,
PROMOTE AND IMPLEMENT A CONTAINER SECURITY
TRACKING PROGRAM**

Mr. Henderson said over the past several years the staff of the PRPA has been more involved in port security, operations, infrastructure and technology. The staff recommends applying to the Department of Community and Economic Development to provide PRPA and Utrue, Inc. with funding to develop, promote and implement a container security-tracking program. Mr. Preski added that he is familiar with the program and that implementation of an electronic container security program would provide an added layer of protection to shippers via containerized cargo. He also said a censor would be placed inside the container to monitor the container on route to its destination and could detect a breach to the container.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) was established under Section 6 of the Act of July 10, 1989, P.L. 55 P.S., Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 6**

Act”) to promote the health, safety, employment, business opportunities and general welfare of the Commonwealth of Pennsylvania; and

WHEREAS, Section 2(a) sets forth long-term economic health of the Commonwealth requires access to waterborne transportation on the Delaware River in conjunction with other forms of transportation; and

WHEREAS, significant technological advances have occurred in the communications and information fields that can be integrated into the present day container cargo transportation industry; and

WHEREAS, containerized cargo is transported through the Port of Philadelphia via rail, truck and water; and

WHEREAS, real time tracking technology will greatly enhance both security and logistical aspects of the industry; and

WHEREAS, the Authority staff has met with Untrue, Inc. in conjunction with the development of a real time tracking system; and

WHEREAS, the Board of the Authority has determined on the basis of the information provided by its staff as set forth in Exhibit “A” attached hereto and incorporated by reference, to support the development, promotion and implementation of a container security tracking system.

NOW, THEREFORE, BE IT RESOLVED

1. That the Authority apply to the Department of Community and Economic Development for funding to develop and promote and implement a container security tracking program.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreements by which the services shall be provided as noted above, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The Resolution was made, seconded and approved. Resolution No. 2005-04 and Exhibit “A” on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 7**

**#2005-05 TO MAKE CAPITAL IMPROVEMENTS AT PACKER AVENUE
MARINE TERMINAL PENDING A RENEGOTIATION OF LEASE
TERMS**

Chairman Preski said Governor Rendell has agreed to provide funding for capital improvements at the Packer Avenue Marine Terminal including acquisition of new cranes, repaving the terminal, the demolition of certain structures on the terminal and building a new gate house complex. The Chairman informed the board that he will stay in touch with the Governor regarding these improvements and keep the board fully informed. He added in light of these and past improvements at the Packer terminal this resolution will authorize the staff to negotiate new lease terms to assure a higher rate of return to the Authority.

The motion was made and seconded as follows:

WHEREAS, the Philadelphia Regional Port (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P. S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, the Authority owns the Packer Avenue Marine Terminal ("PAMT") and leases the PAMT to Astro Holdings, Inc.; and

WHEREAS, significant improvements have been made and will be made at the PAMT greatly increasing the condition of the terminal and its operational capacity then when the financial terms of the lease were negotiated; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached herein as Exhibit "A" and incorporated herein by reference), to enter into negotiations with Astro Holdings to renegotiate the financial terms of the lease.

NOW, THEREFORE, BE IT RESOLVED:

1. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement for presentation to the Board for approval.

The Resolution was moved, seconded and approved. Resolution No. 2005-05 and Exhibit "A" on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 8**

#2005-06 TO AFFIRM SETTLEMENT AGREEMENT WITH DELAWARE RIVER STEVEDORES, INC.

Mr. Blackburn said this resolution is a settlement agreement arising from the Summit building collapse in 2003 when DRS did not meet their tonnage and vessel call requirements under the terms of their lease. Under the terms of the settlement agreement DRS will pay PRPA \$50,000.00 and PRPA will forgo a CPI increase amounting to \$6400.00 until August 2005 when an escalation of lease payments will occur under the terms of the lease.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, the Authority owns the Tioga Marine Terminal ("TMT") and leases the TMT to Delaware River Stevedores, Inc.; and

WHEREAS, a dispute arose over minimum tonnage requirements and penalties related thereto triggered in 2003; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to amicably settle the dispute.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into the settlement and mutual release set forth in Exhibit "A".
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents of other instruments as may be necessary to effectuate the purposes of this Resolution.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 9**

The motion was made, seconded and approved. Resolution No. 2005-06 and Exhibit "A" on file with the Authority

**#2005-07 RENEWAL OF CONTRACT WITH PIERS FOR
COMPUTER DATA**

Mr. Mahoney said PIERS is detailed transaction information gathered from the bills of lading and manifests documenting the import-export trade that begins or ends at U.S. ports. This database is used to look at cargoes going through our competing ports of Delaware and New York and target those cargoes to market the Port of Philadelphia. Herbert Packer, Director of PennPorts, agreed to maintain PRPA's PIERS operating grant for the current fiscal year for the full amount of the contract.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to obtain the professional services of PIERS to perform computer data services; and

WHEREAS, the staff of the Authority has determined that PIERS (the "Contractor") has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for computer services for a maximum amount of \$81,600 through December 2005.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 10**

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution #2005-07 and Exhibit "A" on file with the Authority.

**#2005-08 RENEWAL OF CONTRACT FOR MARKETING INTERACTIVE
CD-ROM**

Mr. Mahoney said the current CD-ROM is the 2002 version and must be updated. He added that based on changes to the Port's physical infrastructure, new steamship services, and planned improvements to the Port, an enhanced and updated audio-visual presentation is required. This will allow staff to significantly improve the quality of official presentations to sales prospects, legislators, regulatory agencies and foreign visitors. Staff is recommending that the Board approve the contract which will allow the Authority to take advantage of considerable cost savings available due to a prior DRPA project.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 291, 55 P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority determined in Resolution #2002-11 to contract with Cirring Interactive; and

WHEREAS, staff proposes to renew the contract with Cirring Interactive to provide the professional services described in Exhibit "A" (which information is attached and incorporated herein by reference); and

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 11**

WHEREAS, the staff of the Authority has determined that Cirring Interactive (the “Contractor”) has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into agreement with the Contractor to perform the professional services described in Exhibit “A”. The agreement shall provide for total payments to the Contractor for the updating of a PRPA CD-ROM, inclusive of all expenses, for a maximum amount of \$43,000.00.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2005-08 and Exhibit “A” on file with the Authority.

**#2005-00 AMEND THE CONTRACT WITH COMMERCE
CONSTRUCTION CORPORATION FOR REPAIRS TO THE
NORTH APRON AND SEAWALL OF PIER 80**

This resolution is to amend the contract with Commerce Construction Corporation for repairs to the north side of Pier 80. Due to unforeseen conditions staff is recommending increasing the contract above the 10% contingency. Several issues have come into play that warrant this increase. The harsh winter delayed the work schedule and additionally, the piles that were driven were estimated to be 100’ in length, which was based on historical data, and in actuality they turned out to be 120’ in length. So the addition of the extra 20’ pile length and the delay in schedule is the reason for the change order. The extra work related to splicing the additional pile length added approximately two weeks onto the job.

Presently, vessels that called at Pier 80 are being diverted to Packer Avenue Marine Terminal for offloading and the high quality paper products are trucked back to Pier 80 for warehousing. Staff needs to expedite the repairs so to prevent damage to the cargo while being trucked. This is a 10% increase to their contract.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 12**

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Board Resolution 2004-35 (as amended) on December 17, 2004, authorized the PRPA to enter into a contract with Commerce Construction Corporation for repairs to the north apron and seawall of pier 80 in an amount not to exceed \$3,660,376.70 with a 10% contingency; and

WHEREAS, due to unforeseen situations as outlined in Exhibit "A" and incorporated herein by reference, the cost of this project will exceed 10% to maintain the ability to berth ships at Pier 80 by April 1, 2005; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to authorize a change order increasing the scope of work and expenditure of funds for repairs in an amount not to exceed \$387,400.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a change order with the Contractor to perform the services described in Exhibit "A".
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2005-09 and Exhibit "A" on file with the Authority.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
March 18, 2005
Page 13

Mr. Preski said he and PRPA staff met with Phil Goldsmith, the Managing Director of City of Philadelphia, concerning overweight container trucks on Philadelphia streets. He asked Mr. McDermott to brief the Board. Mr. McDermott said the Australian meat trade is converting from 20' containers to 40' containers. A special permit is required for container trucks weighing over 80,000 lbs. on city streets. The Managing Director's Office has preliminarily approved a plan to transport the cargo and PRPA staff has provided them with traveling routes. It is a work in motion and the City of Philadelphia is being very cooperative.

UPDATES:

Chairman Preski asked Michael Meehan of Reed Smith to update the board on the litigation regarding the Summit building collapse. He said the discovery phase is set to close on March 31, 2005. He is working with DRS to keep the same deadlines so the trial date in July remains set. He added that everything is going well for the port and hopefully this issue will be resolved without going to trial.

Chairman Preski added that he spoke to John Estey who said that in regarding to Parcel 7 (Pier 74) that issue will be brought before the DRPA Board next month.

PRESENTATION:

Mr. Mahoney said cargo was up considerably in 2004. Steel, wood and cocoa beans have shown huge increases and fruit and project cargoes are up as well. Paper is slightly down but should increase in 2005. He added that military cargo continues to grow. He concluded his presentation by saying that 2005 should be even better.

With no further business to come before the Board the meeting was adjourned.

Respectfully submitted,

Marian F. Simpson