

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES	
			J	1	14
2. AMENDMENT/MODIFICATION NO. 0003	3. EFFECTIVE DATE 06-Dec-2002	4. REQUISITION/PURCHASE REQ. NO. W16ROE-2262-6382		5. PROJECT NO.(If applicable)	
6. ISSUED BY USA ENGINEER DISTRICT, NEW YORK ATTN: CENAN-CT ROOM 1843 26 FEDERAL PLAZA (DACW51) NEW YORK NY 10278-0090	CODE DACW51	7. ADMINISTERED BY (If other than item 6) See Item 6		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code)			X	9A. AMENDMENT OF SOLICITATION NO. DACW51-03-B-0001	
			X	9B. DATED (SEE ITEM 11) 30-Oct-2002	
				10A. MOD. OF CONTRACT/ORDER NO.	
				10B. DATED (SEE ITEM 13)	
CODE			FACILITY CODE		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input checked="" type="checkbox"/> is extended, <input type="checkbox"/> is not extended.					
Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. ACCOUNTING AND APPROPRIATION DATA (If required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
D. OTHER (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) The purpose of this amendment is as follows: Incorporate updated Water Quality Certificate dated 11/26/02; revised bid schedule, Partnership Implementation Plan, incorporate insurance requirements and description of vehicle and boat required. Bid Opening date originally scheduled for 12 December 2002 at 11:00 A.M. is hereby changed to 16 December 2002 at 11:00 A.M. local time in Room 1841.					
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)		
			TEL: _____ EMAIL: _____		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
_____ (Signature of person authorized to sign)		BY _____ (Signature of Contracting Officer)		06-Dec-2002	

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

SECTION SF 30 - BLOCK 14 CONTINUATION PAGE

The following changes shall be made to the specifications and plans.

SPECIFICATIONS:SECTION 00010

1. Replace Price Schedule and notes with the attached new Price Schedule.

SECTION 00800

1. Delete Section 00800-para 1.32 (A and B) and replace with the new paragraph below

1.32 Insurance Procured by Contractor**1.32A**

a. At the Government's option, to be exercised in writing no later than 120 days after contract Notice to Proceed (NTP), the Contractor shall procure and maintain during the entire period of its performance under this contract the following insurance policies:

1. Commercial General Liability Insurance in limits of not less than Three Million Dollars (\$3,000,000) combined single limit per occurrence for bodily injury, death, personal injury and property damage including but not limited to coverage for premises-operations, products-completed operations, independent contractors, broad form property damage, property damage arising out of explosion, collapse or underground property damage hazards with a contractual liability coverage covering the risks assumed and indemnification given by the Port Authority under the project Cooperation Agreement for the Arthur Kill Channel, Howland Hook Marine Terminal, New York and New Jersey Project. A copy of such Agreement shall be furnished to the insurance underwriter.
2. Automobile Liability Insurance covering owned, non-owned, and hired auto with a limit of not less than \$3,000,000 per accident.
3. Maritime Protection and Indemnity Insurance in limits of not less than Five Million Dollars (\$5,000,000) combined single limit per occurrence for bodily injury, death, and property damage including covering for Masters and members of crews.
4. Environmental Liability Insurance in limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, death, and property damage indemnification given by under this agreement.

- b. The policies described in 1, 2, 3 and 4 above shall be endorsed to include the Port Authority of New York and New Jersey (the "Port Authority") as an additional insured and shall contain a provision that the policies may not be cancelled, terminated or modified without thirty days written notice to the Contracting Officer, US Army Corps of Engineers, 26 Federal Plaza, New York, New York 10278-0090 and the General Manager, Risk Management/Treasury, The Port Authority NYNJ, **225 Park Avenue South, 12th Floor, New York, New York 10003** (Attention: Risk Management). Moreover, the Commercial Liability policy shall not contain any provisions for exclusions from liability other than provisions for exclusions from liability forming part of the standard, basic unamended and unendorsed commercial general liability policy. The policies described in 1, 2, 3 and 4 above shall include cross-liability coverage and must be stated on the certificate of insurance.
- c. Further, the liability policies shall be specifically endorsed to prohibit the insurance carrier from raising any defense involving in any way jurisdiction of the Tribunal, immunity of the Port Authority, governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority without obtaining written expressed advance permission from the General Counsel of the Port Authority. The certificates of insurance shall include this language.
- d. The Contractor shall take out and maintain Workers Compensation Insurance (including another state coverage) in accordance with requirements of law. The policy shall include the Untied States Longshore and Harbor Workers Compensation Act Endorsement.
- e. In the event the Government exercises the option provided for in this Section, the Contractor shall furnish to the Contracting Officer and to the Port Authority at the above addresses, within five (5) calendar days of the award of the opinion, a certificate of insurance evidencing the above required insurance. The policies and the certificate of insurance evidencing required insurance shall contain an endorsement to the effect that cancellation or any material change in the policies adversely affecting the interests of the Port Authority in such insurance shall not be effective for such a period as may be prescribed by the laws of the State in which this contract is to be performed and in no event less than thirty (30) days after written notice thereof to the Contracting Officer and the Port Authority. The Contracting Officer and the Port Authority shall have the right, upon written notice, to receive copies of the policies required hereunder.
- f. Prior to exercise of the option provided for in this Section, the Contractor will be required to submit to the Contracting Officer a certification from the Contractor's insurance carrier that the amount inserted by the Contractor in the item entitled "Additional Cost for Optional Insurance" of the Price Schedule represents only the additional premium paid by the Contractor as a direct result of the specific insurance requirements of this Section and excludes those premium costs which would have otherwise been incurred by the Contractor if the insurance option had not been exercised.
- g. Prior to any exercise of the option provided for in this Section, the Contractor shall furnish a computation from his insurance carrier, which sets for the elements of the said additional premium, including, but not limited to the following: the additional costs of the Port Authority of New York and New Jersey being named as an additional insured broken down by policy type; any other additional costs due to the insurance requirement and the nature thereof.
- h. Prior to any exercise of the option provided for in this Section, the Contractor shall furnish a computation as to that amount, if any, of the premium costs of his existing insurance coverage he

is allocated to the work of this contract. The Contractor shall indicate whether such attribution is pursuant to a standard formula or cost administration practice or was otherwise derived.

- i. The Government reserves the right to request a further elaboration with regard to this computation at any time before exercise of the option.
 - a. Payment items for insurance premium procured by the Contractor under this paragraph shall be made at contract lump sum price listed in the Price schedule, Item No. 0002, Additional Cost for Optional Insurance, if the optional item is awarded.

1.32B Insurance Procured by the Port Authority

The Port Authority will procure and maintain in force at its own cost an Environmental Insurance Policy covering Contractor's pollution legal liability and professional liability, including cleanup, with a limit of \$20,000,000 each claim and in the aggregate and a deductible of \$100,000 as it relates to the work of this Contract for dredging and disposal of dredged material. The policy will be in effect commencing on the date that the Government awards this Contract and will include the Contractor and approved subcontractors as named insured for such period that is appropriate for the methods used by the Contractor and subcontractor for dredging and disposal of dredged material.

The Contractor and the subcontractors must refer to the policy form to determine all coverage included and excluded and to determine their rights and responsibilities as insureds under the policy form. A copy of the policy may be examined during normal business hours by the contractor or, at the Contractor's request, by any of the subcontractors performing work for the contractor under this Contract, at the office of the General Manager, Risk Management/Treasury, 225 Park Avenue South, 12th Floor, New York, NY 10003 at the office of the General Manager, Risk Management/Treasury, the Port Authority (Attention: Risk Management). The Contractor and the subcontractors are responsible for payment for all losses within the deductible and losses not covered by the Environmental Insurance Policy.

The Contractor and subcontractors shall comply with all obligations as insureds or in connection with the above policy.

2. Delete Section 00800-para 1.36 and replace with the new paragraph below

1.36 PARTNERSHIP IMPLEMENTATION PLAN

To more effectively accomplish this contract, the Government proposes to form a partnership with the Contractor. This partnership would draw on the strengths of each organization in an effort to achieve a quality product within budget and on schedule. This partnership would be bilateral in make-up and participation would be required. A facilitator subject to approval by the Contracting Officer shall be hired who would be responsible to arrange for an offsite conference location for the initial session, provide all workshop materials, and compile and distribute a completed partnering agreement to all participants within 30 calendar days of the partnering session. The conference site location will be coordinated with the Contracting Officer for approval.

The Contractor should plan for attendance of approximately 15-20 individuals from the Government in addition to the Contractor's and subcontractor's personnel. The cost of the facilitator and conference facility will be borne by the Contractor. It is anticipated that subsequent partnership conferences will be one day each time and will be held on a monthly basis. After the first partnering conference, the Contracting Officer will prepare the agenda of each monthly partnering conference and the Contractor will prepare the minutes no later than 48 hours after each partnering conference was held.

- 3- Add the attached new section 00800-para-**1.42 FACILITIES**

1.42 FACILITIES

The Contractor shall provide and maintain as a minimum one boat in good running condition and less than one year old or equivalent subject to the approval of the Contracting Officer Representative (COR), used exclusively by the Government representatives. The contractor shall provide all fuel, maintenance and repairs for the boat until the contract completion date.

- The boat shall meet the following specifications: 26' length Aluminum Hull with weatherproof cabin. USCG safety package, anchor, boarding ladder, heat and air conditioning, ship log, VHF radio, Contractor's frequency Radio (if other than VHF), Class B EPIRB, Loud Hailer, cooler, torsion tow bar with line, and crash rail, (2) Remote spot lights.

* Power options: twin outboards or single inboard engine with standby outboard engine.

* Contractor to provide year round docking facilities in the City of Bayonne, NJ for the duration of the contract adjacent to the construction site and subject to the approval of the Contracting Officer Representative.

* Products of manufacturers may be substituted provided they are equivalent in all respects, are similarly equipped and are 26 feet LOA, subject to the approval of the Contracting Officer. Safety equipment required by the US Coast Guard shall also be provided for the boat. The contractor shall hold the Government harmless for any damage to the boat, other than that caused by negligent operation.

- The contractor shall provide and maintain as minimum two (2) vehicles in good running condition and less than one year old or equivalent subject to the approval of the Contracting Officer Representative exclusively for use by Government representatives. The Contractor shall provide all fuel, maintenance, weekly cleaning (inside and outside), insurance and repairs for the vehicles until the contract completion date without restriction.

* One (1) vehicle shall be a full size 4-door vehicle with Power Windows AM/FM Stereo, Air Conditioning with locking rear differential.

* One (1) vehicle shall be a Chevrolet, Ford, GMC, (Suburban, Expedition, Excursion) or equal that can carry 7 passengers or more with power windows, AM/FM Stereo and Air Conditioning with tow package.

* 1 of the above vehicle shall be 4x4.

* Products of other manufacturers may be substituted provided they are equivalent in all respects and are similarly equipped and subject to the approval of the Contracting Officer. The Contractor shall hold the Government and the PANYNJ harmless for any damage to the vehicles, other than that caused by negligent operation.

a. The Contractor shall take out and maintain an Automobile Liability Insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability in limits of not less than \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage covering the operation of all automobiles provided for the Government employee use in connection with performing the contract. The liability policy shall be endorsed to include the US Army Corps of Engineers, as an additional insured and shall contain a provision that the policies may not be cancelled, terminated or modified without thirty days notice to the Contracting Officer.

b. No separate payment will be made for providing the above accommodations and all costs in connection therewith will be considered the obligation of the contractor. All facilities shall be removed from the project site at the contract completion date or when and as directed by the Contracting Officer.

SECTION 00903

1. Add an updated New Jersey DEP Federal Consistency Determination/Water Quality Certification dated 26 November 2002 Pages 00903-19 (Amend. 3) thru 00903-21 (Amend. 3), which accompany.

SECTION 01130

1. Add to Section 01130 para 1.7 b **'Spillage'** this sentence at the end " In case of spillage the contractor shall instantly inform by telephone call the US Coast Guard, EPA and appropriate State and Local Authorities of the spillage and the actions taken."

SECTION 02900

1. Section 02900 para 6.2
Sub-para 1), change the Point of Contact for OENJ to Mr. Mark Sanborn, Chief Operating Officer, (201) 377-9343.
Sub-para 2), change the Point of Contact for Newark Bay Confined Disposal Facility (NBCDF) to Mr. Atef Ahmed (212) 435-4271.
- 2 Delete section 02900 para 6.6.sub para 7, page 02900-12 and replace it with the paragraph below

7) Should decanting of water from barges be required before disposal, PANYNJ will make berthing area(s) available for dewatering purpose (Section 00902). The Contractor may use the berthing area located in the Arthur Kill Channel designated by the

Contracting Officer for this project unless otherwise directed by the Contracting Officer. **TOSCO berthing area B north** is the area designated by the Contracting Officer for this project unless otherwise directed by the Contracting Officer. All operation and management rules shall be in accordance with the requirements specified in the State of New Jersey Water Quality Certificate (WQC)/Federal Consistency and NY WQC. POC- Angelo Trotto 212-435-4272

DRAWINGS:

1. The following drawings which accompanies, has been amended:
Drawings: CC-AK-101, CC-AK-102, CC-AK-104 and CC-AK-105.

Bidders must acknowledge receipt of this amendment by the date specified in the solicitation (or as amended) by one of the following methods: in the space provided on the SF 1442, by separate letter or telegram, or by signing block 15 below. FAILURE TO ACKNOWLEDGE AMENDMENT BY THE DATE AND TIME SPECIFIED MAY RESULT IN REJECTION OF YOUR BID IN ACCORDANCE WITH THE LATE BID, LATE MODIFICATIONS OF BIDS OR LATE WITHDRAWAL OF BIDS. (FAR 14.304).

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	BASE BID ITEMS CONSTRUCT NAVIGATION CHANNEL PURCHASE REQUEST NUMBER: W16ROE-2262-6382				

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AA	MOBILIZATION AND DEMOBILIZATION	1	Lump Sum		

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AB	DEBRIS AND WOODEN DIKE REMOVAL AND DISPOSAL	600	Ton	_____	

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AC	DREDGING, TRANSPORTATION, DELIVERY FFP PROCESSING AND PLACEMENT OF NON-ROCK MATERIALS, UNSUITABLE FOR PLACEMENT AT THE HARS, EXCLUDES DEWATERING: ITEM 0001AD (PLACEMENT AT either the OENJ CHEROKKE BAYONNE LANDFILL REMEDIATION AND/OR AT THE CONTRACTOR'S PROPOSED DISPOSAL FACILITY (IES) Name of Site(s) _____ Name of POC(s) _____ Address of Site (s) _____ _____ _____ Phones(s) _____	566,000	CY	_____	

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AD	DEWATERING IN ACCORDANCE WITH THE HOST STATE WQC AND DISPOSAL FACILITY TERMS AND CONDITIONS FOR UPLAND PLACEMENT	566,000	Cubic Yard	_____	

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AE	SUBSURFACE DRILLING AND SAMPLING	15	Each	_____	

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AF	FIELD OFFICE	1	Lump Sum		

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AG	DREDGING, TRANSPORTATION, DELIVERY AND PLACEMENT OF NON-ROCK MATERIALS SUITABLE FOR PLACEMENT UPLAND, EXCLUDES DEWATERING, ITEM 00001AH AND WITHOUT PROCESSING (PLACEMENT AT EITHER THE OENJ CHEROKEE BAYONNE LANDFILL REMEDIATION AND/OR AT THE CONTRACTOR'S PROPOSED DISPOSAL FACILITY (IES) AS ITEM 0001AC)	278,000	Cubic Yard	_____	

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AH		278,000	Cubic Yard	_____	
DEWATERING IN ACCORDANCE WITH THE HOST STATE WQC AND DISPOSAL FACILITY TERMS AND CONDITIONS FOR UPLAND PLACEMENT					

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AJ		35,000	Cubic Yard	_____	
DREDGING, TRANSPORTATION, DELIVERY AND PLACEMENT OF NON-ROCK MATERIALS UNSUITABLE FOR PLACEMENT AT THE HARS (PLACEMENT AT THE NEWARK BAY CONFINED DISPOSAL FACILITY.					

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AK		108,000	Cubic Yard	_____	
DREDGING, TRANSPORTATION, DELIVERY AND PLACEMENT AT THE HARS PLACEMENT OF NON-ROCK (RED- BROWN) SILT AND CLAY) MATERIALS AS SHOWN IN THE DRAWINGS FOR PLACEMENT AT THE HARS					

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AL		159,500	Cubic Yard	_____	

THE DRILLING, BLASTING, DREDGING
AND DISPOSAL OF ROCK MATERIALS AT THE ARTIFICIAL REEF

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AM		1	Lump Sum		

REMOVAL AND DISPOSAL OF
CONCRETE NAVIGATION FOUNDATION

NET AMT

TOTAL BASE BID ITEMS: _____

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002 OPTION		1	Lump Sum		

OPTIONAL ITEMS
ADDITIONAL COST FOR OPTIONAL INSURANCE

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003		255,000	Cubic Yard	\$()	
OPTION	OPTIONAL ITEMS/DIFFERENCE IN COST TO THE PROJECT FOR PLACEMENT AT THE HARS PLACEMENT OF NON-ROCK (sand and gravel) MATERIALS (as in Item 0001AG and 0001AH) (NEGATIVE NUMBERS TO BE SHOWN IN PARENTHESIS)				
					NET AMT
TOTAL BASE BID PLUS OPTIONAL BID ITEMS _____					

NOTES FOR PRICE SCHEDULE:

1. Bidders are required to bid on both the Base Bid Item and the Optional Items on the Price Schedule or their bid will be rejected.
2. The low bidder for the purpose of award will be the conforming responsible bidder offering the lowest amount for the Total Base Bid & Optional Items.
3. Any bid which is materially unbalanced as to the price for the Base Bid Item and Optional Items may be rejected. An unbalanced bid is one, which is based on price significantly less than the cost for some work and prices are significantly overstated for other work.
4. Bidders are reminded that they must bid on the issued plans and specifications as amended. Any deviations, conditions or attachments made by the bidders thereto may render the bid non-responsive and be cause for its rejection.
5. The Optional Items, if awarded, will be awarded within 180 calendar days of the Notice to Proceed date. The Government is under no obligation to award the Optional Items.
6. The Newark Bay Confined Disposal Facility may not be used unless directed by the Contracting Officer or the Contracting Officer's Representative.
7. In Line Item 0001AC and Line Item 0001AG a bidder may bid on using either OENJ and/or a site(s) of their choice.
8. Should bidders choose to supply their own site in 0001AC and Line Item 0001AG, the apparent low bidder shall submit the documents specified Section 00800: Special Contract Requirements, Alternate Disposal Site Compliance. If the apparent low bidder does not submit the information required to be submitted within the times specified the Contractor will be considered non-responsible and its bid rejected

9. Should bidders choose to supply their own site(s) in 0001AC and 0001AG, bidders will write on the blank lines provided on the Price Schedule Line Item 0001AC the name(s) of the site(s), POC(s), address(s) and phone(s) of their site(s) included in that line item.

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State of NJ

James E. McGreevey
Governor

Department of Environmental Protection
Site Remediation Program
Office of Dredging and Sediment Technology
P.O. Box 028
Trenton, NJ 08625
(609) 292-1250
FAX (609) 777-1914

Commissioner

November 26, 2002

Mr. Frank Santomauro, P.E., Chief
Planning Division
Department of the Army
New York District, Corps of Engineers
Jacob K. Javits Building
Federal Building
New York, New York 10278-0090

RE: Federal Consistency Determination / Water Quality Certification
File: 0000-92-0031.7
Project: Arthur Kill Channel - Howland Hook Deepening Project
Contract 1 (Areas A and B)

Dear Mr. Santomauro:

This letter is a revised version of the NJDEP's November 23, 1998, and October 5, 2000 Federal Consistency and Water Quality Certification for the above referenced project to address Contract 1. The November 23, 1998 and October 5, 2000 letters were forwarded in response to your September 24, 1998, November 20, 1998 and September 7, 2000 request for a Federal Consistency Determination, as required by Section 307 of the federal Coastal Zone Management Act (16 USC 1451 et seq.) and Water Quality Certification as required by Section 401 of the federal Clean Water Act (33 USC 1251 et seq.) for the entire project. The changes have been made pursuant to a Plans and Specifications solicitation package for Contract 1, dated October 30, 2002, and letters dated September 9, 2002 and September 16, 2002 from the Port Authority of New York and New Jersey (Port Authority) regarding placement sites for the dredged material from this Contract.

The entire project involves deepening the existing Arthur Kill Channel to -41 ft below Mean Low Water (MLW) plus 2 feet allowable overdredge from its confluence with Kill Van Kull Channel and Newark Bay down to the Howland Hook Marine Terminal (approximately 2 miles); and to -40 ft below MLW plus 2 feet of overdredge from the Howland Hook Marine Terminal to the Tosco and GATX oil facilities in Linden (approximately 1 mile). Approximately 3.25 million cubic yards (MCY) of material will be dredged for this project. Of that total, approximately 1.1 MCY of material will be dredged in Contract 1. Contract 1 consists of 151,000 cubic yards of rock material, 108,000 cubic yards of red-brown clay material, 285,000 cubic yards of Pleistocene Till material (glacial till), and 570,500 cubic yards of unconsolidated material unsuitable for use as remediation material at HARS (non-HARS material)

The rock material is proposed to be deposited at the Sandy Hook artificial reef site. The 108,000 cubic yards of red-brown clay material will be used as remediation material at the HARS.

Regarding the 285,000 cubic yards of glacial till material, HARS testing of the material was initiated on October 30, 2002. The Plans and Specifications (P & S) package currently proposes to use this material, without processing, at the OENJ Cherokee Bayonne Site and/or at another permitted facility (ies). The P&S package includes an option that this material may be used as remediation material at the

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HARS provided the above referenced testing finds the material acceptable for this use. Should the glacial till material fail HARS testing, and a suitable upland placement site is not identified through the bidding process, then the 285,000 of glacial till material may be placed, upon separate written approval from the NJDEP, in the Newark Bay Confined Disposal Facility (NBCDF). The October 30, 2002 P&S package provides for a contingency of up to approximately 10% of the project's glacial till material (approximately 31,000 cubic yards) to be placed in the NBCDF.

Of the remaining 570,500 cubic yards of unconsolidated material, the NJDEP has reviewed the sediment data submitted by the Port Authority for Contract 1. With the exception of approximately 4,500 cubic yards of material to be removed from Acceptance Area G and H between Stations 165+00 to 166+00 as shown on the Contract plans, the remaining 566,000 cubic yards of unconsolidated material is acceptable for placement at the OENJ Cherokee Bayonne Site (OENJC-Bayonne) or any other permitted upland site. Due to elevated levels of 4,4 DDD and 4,4 DDT in sediment data reported for the material between Stations 165+00 to Stations 166+00 above the OENJC-Bayonne placement criteria, the NJDEP has determined that the 4,500 cubic yards of material from this area may be disposed of at the NBCDF. Taken together with the above referenced 31,000 cubic yards of glacial till material, the NJDEP agrees with the placement of up to 36,000 cubic yards of material from Contract 1 at the NBCDF.

The Rules on Coastal Zone Management (N.J.A.C. 7:7E) constitute New Jersey's enforceable policies under its federally approved Coastal Zone Management Program. Contract 1 of the Arthur Kill deepening project has been reviewed under the following Rules on Coastal Zone Management: Navigation Channels (7:7E-3.7), Ports (7:7E-3.11), Submerged Infrastructure Routes (7:7E-3.12), Intertidal and Subtidal Shallows (7:7E-3.15), Wetlands (7:7E-3.27), Historic and Archaeological Resources (7:7E-3.36), Special Hazards Areas (7:7E-3.41), New Dredging (7:7E-4.2(g)), Dredged Material Disposal in Water (7:7E-4.2(h)), Dredged Material Disposal on Land (7:7E-7.12) Marine Fish and Fisheries (7:7E-8.2) and Water Quality (7:7-8.4). Based on the above summary of details of the project as presented in the September 24, 1998, November 20, 1998 and September 7, 2000 request for a FC/WQC for the entire Arthur Kill-Howland Hook Deepening Project (as approved on November 23, 1998 and October 5, 2000), and the October 30, 2002 P&S package for this contract; I have determined that Contract 1 is consistent with the Rules on Coastal Zone Management and New Jersey's federally approved Coastal Management Program.

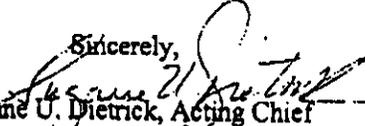
I have also reviewed this Contract for potential water quality impacts. Provided that the following conditions are met, as modified from those originally imposed in the November 23, 1998 FC/WQC, I have determined that this project is not likely to cause a violation of New Jersey's Surface Water Quality Standards (N.J.A.C. 7:9B-1.1 et seq.). Therefore, this determination includes the State's Water Quality Certification pursuant to Section 401 of the federal Water Pollution Control Act (33 USC 1251 et seq.) subject to the following conditions:

1. A "No barge overflow" condition applies to the dredging and transport of any contaminated dredged material.
2. All dredging of contaminated fine grained material shall be accomplished using a closed clam shell "environmental" bucket dredge.
3. Dredged material shall be placed deliberately in the barge in order to prevent spillage of material overboard.

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4. The dredge shall be operated so as to maximize the bite of the clamshell. This will reduce the amount of free water in the dredged material and the number of bites required to complete the job.
5. The clamshell shall be lifted slowly through the water column, generally 2 feet per second or less.
6. All barges or scows used to transport sediment shall be of solid hull construction or be sealed with concrete, except for material permitted for aquatic placement.
7. The gunwales of the dredge scows shall not be rinsed or hosed during dredging.
8. All decant water holding scows shall be water tight and of solid hull construction.
9. Decant water from non-HARS material may only be discharged at the dredging site under this Water Quality Certificate. Discharge to another receiving waterbody requires prior approval of a New Jersey Pollutant Discharge Elimination System Permit.
10. All decant water shall be held in the decant holding scow a minimum of 24 hours after the last addition of water to the decant holding scow prior to discharge. Should the permittee or its contractor wish to reduce the required holding time, the permittee or its contractor shall demonstrate that the reduced holding time is sufficient to meet a total suspended solids (TSS) action level of 60 mg/L. The total suspended solids shall be determined through gravimetric analysis. No discharge shall be permitted from the decant holding scow until the results of the gravimetric analysis have confirmed that the 60 mg/L action level has been achieved. No additional water shall be added to the decant holding scow between the time of sample acquisition and discharge. Upon successful demonstration that the reduced holding time is sufficient to meet the TSS action level of 60 mg/L, the monitoring of TSS may be suspended and the demonstrated settling time shall replace the 24 hour minimum. A successful demonstration of the reduced holding time efficiency shall be determined once three consecutive TSS analyses have confirmed that the 60 mg/L action level has been achieved by the reduced holding time. Should the permittee, or its contractors wish to demonstrate a reduced holding time, all records including time of last addition of decant water into the scow, time of TSS sampling and the results of TSS sampling shall be submitted to the NJDEP as soon as they become available, together with a request for a reduced holding time.
11. During pumping of the decant water from the holding scow, great care shall be taken to avoid resuspending or pumping sediment which has settled in the decant holding scow.

Should you have any questions regarding this determination and certification, please do not hesitate to contact me at (609) 292-8838.

Sincerely,

Suzanne U. Dietrick, Acting Chief
Office of Dredging and Sediment Technology

- C: Richard Gimello, Executive Director, Office of Maritime Resources
Lawrence Schmidt, Director, Office of Coastal Planning and Program Coordination

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