



Record of Meeting | January 20, 2016

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Wednesday, January 20, 2016 in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Pledge of Allegiance / Roll Call

Committee Chair Joe Gomez called the Meeting to order at approximately 9:35 a.m. and stated that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee (“FAO Committee”) of the Tollway Board of Directors. He invited attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

| Committee Members Present: |
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| Committee Chair Joe Gomez |
| Director David Gonzalez |
| Director Nick Sauer |
| Director Corey Brooks [entered at 9:44 a.m.] |
| Director Earl Dotson, Jr. [entered at 9:41 a.m.] |

| Committee Members Not Present: |
|--------------------------------|
| None |

The Board Secretary declared a quorum present.

Public Comment

Committee Chair Gomez opened the floor for public comment. No public comment was offered.

Committee Chair’s Items

Committee Chair Gomez called for a motion to approve the Minutes of the regular Finance, Administration and Operations Committee meeting held on December 9, 2015. Director Gonzalez



made a motion for approval; seconded by Director Sauer. Committee Chair Gomez then called for a vote. The motion PASSED unanimously.

Committee Chair Gomez stated that he has no further items and called on Greg Bedalov, Executive Director.

Executive Director's Items

The Executive Director announced he has no items to report to the Committee.

Items for Consideration

Finance

Committee Chair Gomez called on Mike Colsch, Chief of Finance, to present to the Committee the following Finance items:

Item 1: Approval of the 2015 Retiree Health Insurance Payment to Central Management Services (CMS) per ILCS 375-11.

Item 2: Award of Contract 15-0173 with RSUI Indemnity Company and Chubb Insurance Company through Mesirow Insurance Services for the Property Insurance Program for the combined annual premium of \$939,072.00 (Order Against CMS Master Contract).

[Director Dotson entered the Meeting at approximately 9:41 a.m.]

Item 3: Amendment of Resolution No. 20901 authorizing the extension of Liquidity Facilities.

[Director Brooks entered the Meeting at approximately 9:44 a.m.]

Upon conclusion of the presentation of items by Mr. Colsch, Committee Chair Gomez called for a motion to consolidate Finance Items 1 through 3 for consideration and action. Director Sauer made a motion to consolidate; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez then called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Finance Items 1 through 3** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Sauer made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there



are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion PASSED unanimously.

Procurement

Committee Chair Gomez called on John Donato, Chief of Procurement, to present to the Committee the following Procurement items:

Item 1: Award of Contract 15-0188 to AT&T DataComm, LLC for the purchase of Cisco Equipment for NGN2 in an amount not to exceed \$12,961,370.95 (Order Against CMS Master Contract).

Director Sauer asked for clarification of the purpose of the networking equipment proposed for purchase. Joe Kambich, Chief of Information Technology, responded that the existing equipment supporting the Tollway's Optical Wide Area Network, through which all toll collection information is passed, has become obsolete and reached its useful life expectancy. He further explained that this contract would provide a source for the purchase and installation of Cisco equipment required to upgrade the Tollway's current Optical Wide Area Network with a newer and more scalable platform, having enhanced capabilities, higher capacity, and more secure options – including allowing the encrypted transmission of credit card information.

Item 2: Award of Contract 15-0180 to Patson, Inc. (d.b.a. TransChicago Truck Group) and Rush Truck Centers of Illinois, Inc. (d.b.a. Rush Truck Center, Springfield East) for the purchase of Snowplow Trucks in an aggregate amount not to exceed \$2,797,535.00 (Order Against CMS Master Contract).

Item 3: Award of Contract 15-0156 to Storage Battery Systems, LLC for the purchase of DC Battery System Upgrade and Rectifier/Charger Replacement in an amount not to exceed \$2,229,592.00 (Order Against CMS Master Contract).

Item 4: Award of Contract 15-0176 to CDW Government LLC (CDW-G) for the purchase of Microsoft Support Agreement for Windows Server in an amount not to exceed \$568,215.00 (Order Against CMS Master Contract).

Director Dotson inquired whether the agreement with Microsoft is a recurring contract for support services. Mr. Kambich responded affirmatively, explaining that the contract provides for the maintenance and support of the Tollway's existing Microsoft Windows Server.

Item 5: Award of Contract 15-0184 to Dell Marketing L.P. for the purchase of Dell Hardware Maintenance and Support in an amount not to exceed \$457,673.36 (Order Against CMS Master Contract).



Item 6: Award of Contract 13-0194RR to Wolters Kluwer Financial Services, Inc. for the purchase of Internal Audit Management System Software, Support, and Maintenance in an amount not to exceed \$107,890.00 (Tollway Request for Proposals).

Item 7: Award of Contract 14-0092 to Morrow Brothers Ford, Inc. for the purchase of Light-Duty Trucks in an amount not to exceed \$5,163,202.00 (Tollway Invitation for Bids).

Item 8: Award of Contract 15-0153 to En Pointe Technologies Sales, LLC for the purchase of Random Access Memory for Cisco Servers in an amount not to exceed \$191,078.40 (Tollway Invitation for Bids).

Item 9: Award of Contract 15-0063 to Chicago United Industries, Ltd. for the purchase of Breakaway Aluminum Light Pole Bases in an amount not to exceed \$88,110.00 (Tollway Invitation for Bids).

Director Sauer asked whether the Tollway has previously implemented breakaway bases for light poles on the Tollway System. Mr. Donato responded affirmatively.

Item 10: Renewal of Contract 12-0124R to Johnson Controls, Inc. for the purchase of Chiller Preventive Maintenance and Repair Services in an amount not to exceed \$94,065.00 (Tollway Invitation for Bids).

Item 11: Renewal of Contract 12-0259R to J.P. Simons & Co. for the purchase of Miscellaneous Electrical Supplies in an amount not to exceed \$75,755.75 (Tollway Invitation for Bids).

Upon conclusion of the presentation of items by Mr. Donato, Committee Chair Gomez called for a motion to consolidate Procurement Items 1 through 5, each an order against an Illinois Department of Central Management Services (CMS) master contract, for consideration and action. Director Sauer made a motion to consolidate; seconded by Director Dotson. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez then called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez then called for a motion to approve placement of **Procurement Items 1 through 5** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Sauer. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez then called for a vote. The motion PASSED unanimously.



Committee Chair Gomez then called for a motion to consolidate Procurement Items 6 through 11 for consideration and action. Director Sauer made a motion to consolidate; seconded by Director Dotson. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez then called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Procurement Items 6 through 11** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Sauer. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion PASSED unanimously.

Engineering

Committee Chair Gomez called on Paul Kovacs, Chief Engineer, to present to the Committee the following Engineering items:

Item 1: Award of Contract I-15-4234 to Walsh Construction Company II LLC for Inside Roadway Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 65.5 (Roselle Road) to Milepost 68.1 (IL-53/I-290) in the amount of \$27,197,286.33.

Item 2: Award of Contract I-13-4617 to Martam Construction, Inc. for Roadway Reconstruction at Elmhurst Road and Oakton Street Intersection north of the Jane Addams Memorial Tollway (I-90) in the amount of \$7,280,156.19.

Item 3: Award of Contract RR-15-5712 to Civil Constructors Inc. for Bridge Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 44.2 (US Route 30) to Milepost 55.1 (US Route 52) in the amount of \$12,848,537.20.

Item 4: Acceptance of Proposal from HDR Engineering, Inc. on Contract I-15-4660 for Land Acquisition Services Upon Request, Systemwide, in an amount not to exceed \$3,000,000.00.

Item 5: Acceptance of Proposal from Omega & Associates, Inc. on Contract I-13-4096 for Supplemental Construction Management for Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 53.8 (Elgin Toll Plaza 9) to Milepost 68.2 (IL Route 53), in the amount of \$4,000,000.00 from \$14,000,000.00 to \$18,000,000.00.



Executive Director Bedalov advised that because Mr. Kovacs' son is an employee of Omega & Associates, Inc., Mr. Kovacs is recusing himself from participating in the award of this contract, pursuant to terms of prior arrangements with the Board. Mr. Bedalov then presented Item 5 for the benefit of the Committee.

Item 6: Acceptance of Proposal from AMEC Environment & Infrastructure, Inc. / Jacobs Engineering Group, Inc. / RM Chin & Associates, Inc. on Contract I-13-4103 for Supplemental Construction Management for Widening and Reconstruction, on the Jane Addams Memorial Tollway (I-90) from Milepost 68.2 (IL Route 53) to Milepost 78.6 (Kennedy Expressway), in the amount of \$3,800,000.00 from \$14,800,000.00 to \$18,600,000.00.

Item 7: Extra Work Order on Contract I-14-4208 to Walsh Construction Company II LLC / K Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290 / IL 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$493,040.00.

Item 8: Extra Work Order on Contract I-14-4209 to Walsh Construction Company II LLC / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street), in the amount of \$540,721.38.

Director Dotson, referencing Engineering Items 7 and 8, asked whether winter cold weather protection measures for concrete installation are provided for in the original contract. Mr. Kovacs responded that Tollway contracts do have specifications for addressing cold weather issues with concrete, but it is not known when such measures may be implemented, thus this Extra Work Order is now raised in light of current conditions.

Item 9: Change Order / Extra Work Order on Contract I-14-4209 to Walsh Construction Company II LLC / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street), in the amount of \$1,170,332.37.

Director Sauer requested confirmation it was unforeseen that a platform would need to be constructed in order to perform the retaining wall revisions originally approved. Mr. Kovacs confirmed.

Item 10: Change Order on Contract I-14-4212 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Eastbound Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial



Tollway (I-90) from Milepost 76.6 (Mannheim Road) to Milepost 78.9 (Kennedy Expressway), in the amount of \$426,000.00.

Director Sauer inquired about the scope and purpose of the change order. Mr. Kovacs responded that to comply with Federal requirements, enacted to ensure the safety of workers, the railroad and the public, the Tollway is seeking to provide for the extension of services of the certified railroad flaggers required to coincide with the extension of bridge work over the Canadian National Railroad.

Item 11: Extra Work Order on Contract I-14-4632 to Fox Excavating, Inc for Building Removal on the Elgin O'Hare Expressway (IL 390) and Elgin O'Hare Western Access in the amount of \$264,485.25.

Item 12: Land Acquisition (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access Project). Cost to the Tollway: N/A.

Mr. Kovacs requested that consideration of Engineering Items 12 and 13, both related to land acquisition activities, be deferred to the Executive Session of the January Board of Directors meeting.

Item 13: Land Acquisition (Identification of Real Estate Parcels associated with the Central Tri-State Project). Cost to the Tollway: N/A.

Upon conclusion of the presentation of items by Mr. Kovacs, Committee Chair Gomez called for a motion to consolidate Engineering Items 1 through 3, each construction contracts, for consideration and action. Director Brooks made a motion to consolidate; seconded by Director Sauer. Committee Chair Gomez called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Engineering Items 1 through 3** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Sauer made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion PASSED unanimously.

Committee Chair Gomez called for a motion to consolidate Engineering Items 4 through 6, each professional services contracts, for consideration and action. Director Gonzalez made a motion to consolidate; seconded by Director Sauer. Committee Chair Gomez called for a vote. The motion PASSED unanimously.



The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Engineering Items 4 through 6** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Sauer made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion PASSED unanimously.

Committee Chair Gomez then called for a motion to consolidate Engineering Items 7 through 11, each of which is a change order and/or extra work order, for consideration and action. Director Dotson made a motion to consolidate; seconded by Director Sauer. Committee Chair Gomez called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Engineering Items 7 through 11** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Sauer. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion.

Director Gonzalez, referencing Engineering Item 7, commented that the vendor's DBE earned to-date on the original contract is well below its DBE commitment. He inquired about the practicality of the vendor meeting its DBE utilization goal as a percentage of the overall dollar value of work, which is to include the change order/extra work order proposed in Engineering Item 7, considering the level of performance currently. Mr. Kovacs responded that based on a cursory analysis performed, the vendor appears to be conforming to the DBE utilization plan and is anticipated to meet its overall DBE commitment. Mr. Kovacs then described the process for review and final approval by the Diversity Department of contract DBE performance and terms under which sanctions may be imposed should a vendor fail to meet its commitment.

Hearing nothing more, Committee Chair Gomez called for a vote on the pending motion. The motion PASSED unanimously.

Committee Chair Gomez stated that consideration of **Engineering Items 12 and 13** will be deferred until the Executive Session of the January Board of Directors meeting.

Legal

Committee Chair Gomez called on David Goldberg, General Counsel, to present to the Committee the following Legal items:



Item 1: An Intergovernmental Agreement with the Village of Hoffman Estates to install a casing extension for the Village's water main and sanitary sewer along the Jane Addams Memorial Tollway (I-90). Cost to the Tollway: \$0

Item 2: An Intergovernmental Agreement with the Village of Rosemont for the relocation of a Village-owned water main on the Jane Addams Memorial Tollway (I-90). Cost to the Tollway: \$0

Item 3: An Intergovernmental Agreement with the Village of Huntley for bridge deck maintenance of the Henning Road Bridge over the Jane Addams Memorial Tollway (I-90). Cost to the Tollway: \$0

Item 4: An Intergovernmental Agreement with the Village of Hoffman Estates in connection with improvements to the Jane Addams Memorial Tollway (I-90) to extend the Village's existing 12" steel casing pipe for its sanitary sewer force main. Cost to the Tollway: \$0

Upon conclusion of the presentation of items by Mr. Goldberg, Committee Chair Gomez called for a motion to consolidate Legal Items 1 through 4, each intergovernmental agreements, for consideration and action. Director Dotson made a motion to consolidate; seconded by Director Sauer. Committee Chair Gomez called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Legal Items 1 through 4** on the January Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Sauer made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion PASSED unanimously.

Adjournment

There being no further business before the Committee, Committee Chair Gomez requested a motion to adjourn. Motion to adjourn was made by Director Sauer; seconded by Director Brooks. Committee Chair Gomez called for a vote. The motion PASSED unanimously. The Meeting was adjourned at approximately 10:20 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority