



**Record of Meeting | February 18, 2016**

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Thursday, February 18, 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 9:36 a.m., stating 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:
Committee Chair Joe Gomez
Director David Gonzalez
Director Nick Sauer
Director Corey Brooks

Committee Members Not Present:
Director Earl Dotson, Jr.

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 January 20, 2016. Director Sauer made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez then called for a vote. The motion PASSED unanimously.



Having no further items, Committee Chair Gomez called on Executive Director Greg Bedalov.

### Executive Director's Items

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

### Items for Consideration

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#### Finance

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

*Item 1: Award of Contract 15-0160 to Vantiv LLC for the purchase of Merchant Card Processing Services in an amount not to exceed \$32,000,000.00 (Tollway Sole Source).*

Committee Chair Gomez called for a motion to approve placement of **Finance Item 1** on the February 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.

Director Sauer asked the last time the contract for merchant card processing services was let. Mr. Colsch responded that the prior contract was awarded at the end of 2011.

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

*Item 2: Authorization to assign Underwriters for the next two bond issues and to increase authorized new money bond issuance for the Move Illinois Program by \$300 million.*

Committee Chair Gomez called for a motion to approve placement of **Finance Item 2** on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Brooks 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 16-0015 to Morrow Brothers Ford, Inc. for the purchase of Police Pursuit Vehicles in an amount not to exceed \$324,475.00 (Order Against CMS Master Contract).*

Committee Chair Gomez inquired about the methods utilized by the Tollway for the disposal of vehicles which are being replaced. Mr. Donato responded that decommissioned vehicles are sold at public auction, with a limited number retained for spare parts.

*Item 2: Award of Contract 14-0095 to McCann Industries, Inc. and Atlas Bobcat LLC for the purchase of Off-Road Equipment in an aggregate amount not to exceed \$1,031,906.40 (Tollway Invitation for Bid).*

*Item 3: Award of Contract 15-0147 to Alert IT Solutions, Inc. for the purchase of Tripwire Software, Licenses, Maintenance, Support, and Services in an amount not to exceed \$412,656.20 (Tollway Invitation for Bid).*

*Item 4: Award of Contract 14-0103 to Everlights, Inc. for the purchase of Luminaires and Components in an amount not to exceed \$367,271.00 (Tollway Invitation for Bid).*

*Item 5: Award of Contract 14-0093 to Chicago United Industries, Ltd. for the purchase of Equipment Trailers in an amount not to exceed \$237,780.00 (Tollway Invitation for Bid).*

*Item 6: Award of Contract 13-0100R to Schaaf Equipment Co., Inc. for the purchase of Walk-Behind Concrete Saws in an amount not to exceed \$155,500.00 (Tollway Invitation for Bid).*

Director Sauer requested confirmation that smaller roadway repair work is typically performed by the Tollway, not outsourced. Mr. Donato confirmed.

*Item 7: Renewal of Contract 13-0039RR to Shoop & Sons for the purchase of Wood Sign Posts in an amount not to exceed \$50,000.00 (Tollway Invitation for Bid).*

Upon conclusion of the presentation of items by Mr. Donato, Committee Chair Gomez called for a motion to approve placement of **Procurement Item 1**, an order against CMS master contract, on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Brooks 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.

Committee Chair Gonzalez then called for a motion to consolidate for consideration and action Procurement Items 2 through 7, each Tollway invitations for bid. Director Sauer made a motion to consolidate; seconded by Director Brooks. 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 2 through 7** on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gonzalez 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 then 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:

Prior to presentation of the items, Mr. Kovacs highlighted that the ten construction contracts on the Meeting agenda represent approximately \$56 million in overall improvements, 25% of which is proposed for award to disadvantaged business enterprise ("DBE") or veteran-owned firms. He additionally highlighted that four of the construction contracts have been identified for set-aside as part of the Tollway's Small Business Initiative and these contracts received 18 bids in total, reflecting well on the agency's efforts to increase opportunities for small companies to participate in the *Move Illinois* Program. He reported to the Committee that overall interest in the Tollway's contracts remains strong, remarking that one of the construction contracts received 12 bids, a record number for the *Move Illinois* Capital Program.

Committee Chair Gomez suggested that the numbers reported seem to reflect positively on the Tollway's outreach efforts to provide more opportunities for small and minority-, veteran- and women-owned businesses to participate. Mr. Kovacs concurred, highlighting that since the inception of the Tollway's Small Business Initiative in 2014, 25 small business set-aside contracts have been awarded, including to 16 firms which are new to the Tollway.

*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-15-4245 to Foundation Mechanics, LLC for Landscaping Improvements and Genoa Road Detention Pond on the Jane Addams Memorial Tollway (I-90) from Milepost 20.75 (west of Irene Road) to Milepost 51.00 (west of Randall Road) in the amount of \$1,580,422.00.*



Mr. Kovacs advised the Committee that whenever an Engineering contract receives a single bid, follow-up is performed to evaluate the cause of the low response. He then provided an overview of the follow-up responses received from the 18 vendors which pulled plans for this job, noting that the majority of these vendors (12 of 18) did not bid because they were ineligible to participate in the small business set-aside contract. He added that the Engineering Department is satisfied with the bid received and the vendor's capacity to complete the work.

*Item 3: Award of Contract I-15-4664 to Rausch Infrastructure, LLC for Detention Basin Improvements and Pump Station, on the Elgin O'Hare Western Access (IL-390) from Milepost 10.5 (Plum Grove Road) to Milepost 10.8 (west of Meacham Rd.), in the amount of \$1,397,341.00.*

*Item 4: Award of Contract RR-15-9186 to Autumn Construction Services, Inc. for Systemwide Plaza HVAC Repairs on the Tri-State Tollway (I-294) at Plazas 32, 35, 41; Jane Addams Memorial Tollway (I-90) at Plazas 4, 8, 10, 12, 14, 18, 31; Veterans Memorial Tollway (I-355) at Plaza 73 in the amount of \$932,500.00.*

*Item 5: Award of Contract RR-15-9187 to Pagoda Electric & Construction for Central Administration Building Improvements at the Tollway Central Administration Building in the amount of \$1,379,000.00.*

Committee Chair Gomez asked when the improvements planned for Tollway Headquarters are scheduled to commence. Mr. Kovacs responded that he believes the scheduled start date is April 21, 2016.

*Item 6: Award of Contract RR-15-4244 to National Power Rodding Corporation for Clean and Televisive Drainage System on the Tri-State Tollway (I-294) from Milepost 0.0 (I-94/I-394) to Milepost 17.6 (95th Street) in the amount of \$1,499,579.00.*

*Item 7: Award of Contract RR-15-4243 to Sheridan Plumbing & Sewer, Inc. for Clean and Televisive Drainage System on the Veterans Memorial Tollway (I-355) from Milepost 0.00 (I-80) to Milepost 29.8 (Army Trail Road), and Reagan Memorial Tollway (I-88) from Milepost 131.3 (I-355) to Milepost 132.8 (south of Lacy Creek) in the amount of \$5,403,088.35.*

Director Sauer inquired if staff can speak to the significant difference in amount between the two bids received for the contract. Mr. Kovacs responded that while he is not able to speak knowingly about the specific high bid received, it is not uncommon for vendors bidding on multiple projects to factor a premium into certain of their bids for projects on which they have not placed a priority. He noted that the Engineering Department is satisfied with the low bid selected for award, which is approximate in amount to the Engineer's Estimate.

*Item 8: Award of Contract RR-15-9182 to RoadSafe Traffic Systems, Inc. for Pavement Markings, Systemwide, in the amount of \$850,000.00.*



Committee Chair Gomez inquired about the status of the Tollway's implementation of pavement markings to identify lanes for use during egress to intersecting roadways. Mr. Kovacs responded that a pilot program was initiated with mixed results, some implementations proving helpful and others creating some confusion, these being subsequently removed. Committee Chair Gomez commented that he, personally, has found such markings helpful.

*Item 9: Award of Contract I-13-5663 to Judlau Contracting, Inc. for Southbound Roadway Widening on the Veterans Memorial Tollway (I-355), Milepost 15.0 (south of 75th Street) to Milepost 16.7 (north of 71st Street) in the amount of \$6,695,100.86.*

*Item 10: Award of Contract I-15-4663 to Lindahl Brothers, Inc. for Detention Pond, Pump Station, and Advanced Earthwork Construction on the Elgin O'Hare Western Access (EOWA) adjacent to Milepost 0.2 to Milepost 0.7 in the amount of \$9,423,010.78.*

*Item 11: Acceptance of Proposal from Wight & Company/GSG Consultants, Inc., on Contract I-15-4659 for Design and Construction Management Services Upon Request, on the Elgin O'Hare Western Access (EOWA), in an amount not to exceed \$6,500,000.00.*

*Item 12: Acceptance of Proposal from Hey and Associates, Inc. on Contract I-13-4612 for Supplemental Construction Management for Wetland Mitigation, on the Elgin O'Hare Western Access (EOWA), in the amount of \$ 200,000.00 from \$1,244,000.00 to \$1,444,000.00.*

Director Sauer noted that, upon hearing more detail on the item, he may conclude he has a conflict due to his role as a Lake County Forest Preserve Commissioner. General Counsel responded that the Director is fine recusing today while he further assesses his situation.

*Item 13: Extra Work Order on Contract I-13-4168 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 67.4 (Meacham Road), in the amount of \$240,000.00.*

Committee Chair Gomez inquired about the dollar threshold above which Board authorization is required for contract award. Mr. Kovacs provided a summary of the approval authorities granted by the Board to the Chairman and various positions of management, clarifying that Board authorization is required for contracts which are equal to or greater than \$200,000. He advised that a comprehensive listing of all capital program contract awards, including those under \$200,000 which are approved by management, are provided to Directors in the quarterly program reports. He emphasized that in addition to the change orders/extra work orders that the Board is accustomed to considering, there are frequently offsetting positive variances to contracts for which no Board action is required. He provided as an example the Tollway's Congestion Relief Capital Program, of which change orders/extra work orders represent an average variance of just 0.081% from original contract award, and which is nearing completion approximately \$100 million under the original budget.



Item 14: Extra Work Order on Contract I-14-4206 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 60.8 (Higgins Road) to Milepost 65.5 (Roselle Road), in the amount of \$291,000.00.

Committee Chair Gomez inquired about the thresholds under which cold weather protection measures for concrete installation are specified. Mr. Kovacs responded that Tollway contracts include separate specifications for addressing concrete installation at temperatures below approximately 32 degrees Fahrenheit and 20 degrees Fahrenheit, absent snow cover.

Item 15: Extra Work Order on Contract I-14-4207 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway and Bridge Reconstruction and Widening 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 \$322,000.00.

Item 16: Change Order / Extra Work 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 \$1,370,126.03.

Item 17: 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 Item 17, related to land acquisition activities, be deferred to the Executive Session of the February Board of Directors meeting.

Upon conclusion of the presentation of items by Mr. Kovacs, Committee Chair Gomez called for a motion to consolidate for consideration and action Engineering Items 1 through 10, each construction contracts. Director Sauer made a motion to consolidate; seconded by Director Brooks. 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 10** on the February 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 called for a motion to approve placement of **Engineering Item 11**, a professional services contract, on the February Board of Directors meeting agenda with the



Committee's recommendation for approval by the Board. Director Brooks 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 approve placement of **Engineering Item 12**, a professional services contract, on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Brooks 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 by unanimous vote of those Directors participating; Director Sauer having recused himself.

Committee Chair Gomez called for a motion to consolidate for consideration and action Engineering Items 13 through 16, each of which are extra work orders and/or change orders. 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 13 through 16** on the February 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 stated that consideration of **Engineering Item 17** will be deferred until the Executive Session of the February 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 Schaumburg and Cook County for the sharing of costs associated with the reconstruction of the Roselle Road Bridge over I-90. Cost to the Tollway: \$0*

Director Sauer inquired about responsibility for ongoing maintenance of the Roselle Road Bridge. Mr. Goldberg responded that the Tollway would be responsible for structural maintenance,





including bearings, beams, girders, slope walls, abutments and piers, with the Village and County having maintenance responsibility for all remaining portions of the bridge.

*Item 2: A First Addendum to an Intergovernmental Agreement with the Illinois Community College Board for consulting services. Cost to the Tollway: Estimated at \$0.*

Executive Director Bedalov advised the Committee that in the interest of potentially expanding coverage and services, the consulting services which are subject of Legal Items 2 and 3 are to be competitively bid upon the expiration of the proposed addendums.

*Item 3: A First Addendum to an Intergovernmental Agreement with the Illinois Department of Commerce and Economic Opportunity for consulting services. Cost to the Tollway: Estimated to be \$0.*

*Item 4: An Intergovernmental Agreement with the Illinois Department of Transportation concerning Elgin O'Hare land transfers. Cost to the Tollway: \$0.*

*Item 5: Settlement Agreement (condemnation) – Tollway Parcel EO-1A-12-012. Cost to the Tollway: As discussed in Executive Session.*

*Item 6: Settlement Agreement (condemnation) – Tollway Parcel EO-1A-12-026. Cost to the Tollway: As discussed in Executive Session. 1*

Mr. Goldberg requested that consideration of Legal Items 5 and 6 be deferred to the Executive Session of the February Board of Directors meeting.

Upon conclusion of the presentation of items by Mr. Goldberg, Committee Chair Gomez called for a motion to consolidate for consideration and action Legal Items 1 through 4, each an intergovernmental agreement. Director Sauer made a motion to consolidate; seconded by Director Gonzalez. Committee Chair Gomez 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 **Legal Items 1 through 4** on the February 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.

Director Gonzales, referencing Legal Item 2, asked whether the extension of the Intergovernmental Agreement with the Illinois Community College Board provides for supplementary locations of the Construction Business Development Center ("CBDC"). Gustavo



Giraldo, Chief of Diversity and Strategic Planning, responded that the CBDC would continue operating from the existing campus locations.

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

Committee Chair Gomez stated that consideration of **Legal Items 5 and 6** will be deferred until the Executive Session of the February Board of Directors meeting.

### 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 10:34 a.m.

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority