

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
July 26, 2012

The Illinois State Toll Highway Authority met in regular session on Thursday, July 26, 2012, at approximately 8:00 a.m. in the Board Room of The Illinois State Toll Highway Authority's Central Administration Building in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Authority upon call and notice of the Meeting executed by Chair Paula Wolff and posted in accordance with the requirements of the Open Meetings Act.

Bolded entries indicate issues which will require follow-up to present to the Board.

Chair Wolff stated that this is the regularly scheduled meeting of the Board of The Illinois State Toll Highway Authority and asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

Present:

Chair Paula Wolff

Director Jim Banks

Director Terry D’Arcy

Director Mark Peterson

Director Jeff Redick (joined at 8:15 a.m.)

Director James Sweeney

Director Tom Weisner

Absent:

Governor Pat Quinn

Secretary Schneider

Director David Gonzalez

Director Carl Towns

Chair Wolff informed the Board that Director Gonzalez’s absence was due to a professional obligation and Director Towns’ absence was due to a death in the family. Chair Wolff then called the meeting to order and opened the floor for public comment. Mr. Rob Sherman of Buffalo Grove expressed concern about the Blue Ribbon Advisory Council’s (BRAC) recommendation to add tolls to Route 53 in Cook County to finance the Route 53 extension in Lake County. Chair Wolff indicated that the Strategic Planning Committee will review and discuss the BRAC report in depth at upcoming meetings.

Chair Wolff requested a motion to approve the minutes of the Regular Board Meeting and Executive Session held on June 28, 2012. Director Banks made a motion to approve the minutes; seconded by Director D’Arcy. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

Chair Wolff asked each Chair of the following standing committees to provide reports on the committee's recent activities.

Strategic Planning Committee

Director Weisner indicated that the last committee meeting was held in June. He indicated that the Committee primarily discussed possible updates to the Tollway's interchange and roadway cost-sharing policy. He emphasized the importance of having local communities participate in funding interchange projects given the dwindling federal and state funding options.

Director Weisner indicated that the Committee plans to discuss the Route 53/IL 120 Blue Ribbon Advisory Council report at the August meeting to determine what aspects of the proposed roads may need further review.

Chair Wolff asked whether there is a practical deadline for finalizing the updates to the cost-sharing policy because of the Move Illinois Capital Plan and whether the Tollway can operate under the current policy in the meantime. Executive Director Kristi Lafleur responded that the Tollway can operate under the current policy until the policy updates have been finalized. She indicated that her goal is to have a finalized policy available within the next couple of months to ensure that policy changes can be communicated to all affected communities. Director Weisner agreed with that timeline.

Finance Administration Operations Committee

Director Peterson indicated that the Committee last met on July 18. At that meeting, the Finance department presented two items for Committee

approval. The first item was a contract renewal for banking services with Bank of America and armored car services with Brinks. This contract was procured through a Request for Proposal (RFP) process led by the Office of the State Treasurer.

The second item was a renewal of collection agency contracts with Harris and Harris and NCO. Director Peterson indicated that these agencies pursue collection of property damage claims, violation payments, and other miscellaneous debts. The Committee agreed that the collection fees offered by these agencies were competitive - 13.5-14% for non-litigation cases and 20-21% for litigation cases. The committee recommends the two year renewal period requested by staff.

Director Peterson indicated that all eight items presented by Procurement were approved and placed on the Board Consent Agenda. However, Chair Wolff and Director D'Arcy requested additional explanation of the broad bid range for Item 5 Office Supplies at the Committee meeting. Director Peterson introduced John Donato, Chief of Procurement, to provide further explanation of Procurement Item 5 as shown in the [attached presentation](#).

Chair Wolff thanked Mr. Donato for his explanation and noted that the Board has little control over the vendor selection process used by the Central Management System for statewide master contracts.

Director Peterson indicated that Engineering presented one item which was a recommendation for final release of retainage. All work on that contract has been completed and accepted by the Tollway.

Director Peterson noted that the Tollway did not receive any bids for a small Engineering contract for routing and sealing pavement surface cracks on the northern portion of the Jane Addams Memorial Tollway

near Rockford. Engineering is evaluating whether this work should be combined with other work under an existing contract or re-advertised with more outreach to generate interest.

Lastly, Director Peterson noted that the Committee approved the bond counsel pool of firms and the land acquisition settlement presented by Legal as discussed in Executive Session.

EXECUTIVE DIRECTOR UPDATE

Ms. Lafleur announced that the competitive bid process for the new collection agency contract will be initiated this year because it takes a lot of time to integrate the technology.

Ms. Lafleur introduced John Michie who joined the Tollway earlier this month as the new Chief of Administration. John brings more than 25 years of broad human resources leadership expertise from both private industry and non-profit organizations.

IDOT Fatality Messaging

Ms. Lafleur indicated that the Tollway has joined with the Illinois Department of Transportation to promote a new safety campaign aimed at reducing the number of fatalities on Illinois roadways. Traffic fatalities had been on the decline for several years, but this year, the number has risen sharply. As of Tuesday, July 24, 532 people have died in crashes throughout Illinois compared to 478 lives last year.

One of the ways IDOT and the Tollway are working to get this safety message out is through the large over-the-road electronic message boards on the Tollway and expressways which post the number of

statewide roadway fatalities and urge drivers to do their part by sharing the following messages:

- Don't text and drive
- Save a life - buckle up
- Stay off the phone in work zones
- Don't drink and drive

Ms. Lafleur indicated that this initiative will help raise awareness of the number of people who have lost their lives driving on Illinois roads and what drivers can do to prevent these tragedies from occurring in the future.

Chair Wolff asked whether there are more or fewer traffic accidents during construction periods. Captain Perez responded that the frequency of traffic accidents tend to increase in construction zones due to narrowed lanes and distracted drivers. He added that the State Police have scheduled additional resources in the work zones to minimize the expected increase in traffic accidents.

Introduction of Program Management Office/Procurement Presentation

Ms. Lafleur introduced Paul Kovacs, Chief Engineer, to give a presentation on the role of the Program Management Office (PMO) in keeping the Tollway's capital program on time and on budget; the PMO contract approved last month; and the qualification-based selection process as shown in the [attached presentation](#).

Chair Wolff asked how much other transportation agencies nationwide spend on PMO services as a percentage of their overall program costs. Mr. Kovacs responded that other agencies surveyed by the Tollway spent between 1.3 to 12.5 percent on PMO services as shown on slide 14

of the presentation. The estimated PMO cost percentage for the Move Illinois Program is 1.7 percent.

Chair Wolff asked whether PMO staffing will be reduced at the end of the capital program. Mr. Kovacs referred to slide 12 of the presentation which showed that PMO staffing increased as the projects were ramped up during the Congestion Relief Program and decreased as the CRP projects were completed. The slide demonstrated similar decreases in staff at the end of the Move Illinois Program.

Director Sweeney noted that a number of Tollway staff retirements are scheduled over the next few years and asked whether staff anticipated hiring any of the PMO staff for full-time positions at the Tollway. Mr. Kovacs responded affirmatively and indicated that promoting PMO staff into open Tollway positions would be a part of the Tollway's succession planning.

Regarding the qualifications-based selection process, Chair Wolff asked how often pricing negotiations fail with the selected vendor. Mr. Kovacs responded that he only recalls one such scenario since he started employment at the Tollway in 1999.

Chair Wolff asked whether having an independent engineer on the selection process is valuable. Mr. Kovacs responded that the independent engineer can provide a different perspective from the industry that the Tollway is not aware of.

Director Sweeney asked why the lowest bid is not considered once a pool of qualified vendors is established for a particular contract. Mr. Kovacs responded that the qualifications-based vendor selection process mandated by state law does not allow pricing to be considered in the selection process. If the agency is unable to negotiate a fair price with

the first selected vendor, it is allowed to negotiate with the next highest ranked vendor within the qualified pool.

Intro for Community Outreach

Ms. Lafleur introduced Rocco Zuccherro and Stephanie Stephens to give an update on I-294/I-57 project, Earned Credit Program (ECP), and related community outreach as shown in the [attached presentation](#).

Ms. Stephens noted during the presentation that the Earned Credit Program (ECP) is part of an effort to diversify and expand the pool of firms and individuals doing business with the Tollway. Ms. Lafleur added that ECP is part of a larger community outreach initiative to support the new Move Illinois capital program.

Regarding the Earned Credit Program, Chair Wolff asked whether staff has established a goal for the program. Ms. Stephens responded that a goal has not been established. However, she added that there have been 100 ECP candidates over the last 5 years during the Congestion Relief program. **Chair Wolff encouraged staff to set a goal for the program.**

Consent Agenda

Chair Wolff began the consent agenda (which consisted of items reviewed earlier in detail by Committees) by calling for a motion adopting the following **Finance** resolutions:

Item 1: Renewal of contract issued through the Illinois State Treasurer's Office for customary banking services and armored car services with Bank of America for a one-year period, commencing September 1, 2012 through August 31, 2013, in an amount not to exceed \$400,000.

Item 2: Renewal of the Collection Agency Services contracts with Harris and Harris, Ltd. and NCO Financial Systems, Inc. for a two-year period and an increase in an amount not to exceed \$3,000,000 in the aggregate.

Director Peterson moved for adoption of the resolutions for **Finance Items 1 and 2**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff called for a motion adopting the following **Procurement** resolutions:

Item 1: Award of Contract 12-0069 to Motorola Solutions, Inc. for the purchase of Starcom21 Radio User Fees in an amount not to exceed \$10,920,000.00 (Order Against CMS Master Contract).

Item 2: Award of Contract 12-0177 to P.D. Morrison Enterprises, Inc. for Office Supplies in an amount not to exceed \$300,000.00 (Order Against CMS Master Contract).

Item 3: Award of Contract 12-0136 to Gillie Hyde Ford Lincoln for the purchase of Ford Parts in an amount not to exceed \$440,000.00 (CMS Contract for the Tollway).

Item 4: Renewal of Contract 05-0093 to Interfleet, Inc. for the purchase of an Automated Vehicle Locating System in an amount not to exceed \$140,000.00 (Tollway Request for Proposal).

*Item 5: Renewal of Contract 06-0081 to Marketing Alternatives, Inc. for the purchase of *999 Motorist Assistant Program services in an amount not to exceed \$300,000.00 (Tollway Request for Proposal).*

Item 6: Emergency Extension of Contract 06-0040 to IGOR, The Watchdog Corp., for the purchase of I-PASS Transponder Packaging, Distribution, and Back-End Support in an amount not to exceed \$1,990,450.00 (Tollway Request for Proposal).

Item 7: Award of Contract 12-0250 to Complete Temperature Systems, Inc. for the purchase of HVAC Repair and Replacement at Plaza 61 in an amount not to exceed \$47,500.00 (Tollway Emergency).

Item 8: Award of Contract 12-0251 to Penn Services, LLC for the purchase of a Salt Dome Replacement at Maintenance Building 8 in an amount not to exceed \$470,000 (Tollway Emergency). [Recusal by Director Peterson]

Director Banks moved for adoption of the resolutions **for Procurement Items 1-7**; seconded by Director Peterson. The motion was approved unanimously.

Director Redick moved for adoption of the resolution **for Procurement Items 8**; seconded by Director Banks. The motion was approved unanimously.

Chair Wolff called for a motion adopting the resolutions for the following **Engineering Items**:

Item 1: Final Release of Retainage on Contract RR-11-5625 to William Charles Construction Company LLC / Northwest Illinois Construction Company, Joint Venture, for Systemwide Roadway Repairs and Improvements on the Reagan Memorial Tollway (I-88) from Milepost 44.2 (Rock Falls, U.S. 30) to Milepost 140.5 (Eisenhower Expressway); and on the Veterans Memorial Tollway (I-355) from Milepost 0.0 (I-80 South Terminus) to Milepost 29.8 (Army Trail Road) in the amount of \$150,329.98. [Recusal by Director Towns]

Director Peterson moved for adoption of the resolution for **Engineering Items 1**; seconded by Director D'Arcy. The motion was approved unanimously.

Chair Wolff called for a motion adopting the following **Legal** resolutions:

Item 1: Bond Counsel – Approval of a pool of law firms to be used as Outside Counsel for Bond and other related financial transaction matters. Cost to the Tollway: To be determined per negotiation with pool firms. [Recusal by Director D'Arcy]

Item 2: Land Acquisition Approval of Litigation Settlements and/or Administrative Process for Contracts. Settlement – Parcel 102 (I-294-57) Cost to the Tollway: To be determined.

Director Banks moved for adoption of the resolution for **Legal Item 1**; seconded by Director Weisner. The motion was approved unanimously.

General Counsel recommended that discussion of **Legal Item 2** be deferred to Executive Session.

At approximately 9:25 a.m., General Counsel David Goldberg indicated a need to discuss personnel matters, collective bargaining matters, potential purchase of real property and pending litigation in Executive Session pursuant to Section 2(c)(1), Section 2(c)(2), Section 2(c)(5) and Section 2(c)(11) of the Open Meetings Act.

Director Redick made a motion to enter into Executive Session; seconded by Director D'Arcy. The motion was approved unanimously.

At approximately 11:45 a.m., the Board re-entered the public session of the Board Meeting.

Chair Wolff was not present when the meeting resumed in open session. Per the Chair's request, Director Peterson presided over the remainder of the meeting.

Director Peterson called for motions to approve **Legal Items 2a and 2b** as described below by General Counsel:

Approval of the land acquisition by administrative settlement for the parcel of land identified in Legal Item 2 on the publicly posted Board agenda, at an amount as discussed in Executive Session.

Director Weisner moved for adoption of the resolutions for **Legal Item 2a**; seconded by Director D'Arcy. The motion was approved unanimously.

Direct Tollway staff to memorialize the internal policies, as agreed during Executive Session, for proceeding with land acquisitions in the Administrative Settlement process, and for staff to immediately begin conducting itself in accordance with such policies.

Director D'Arcy moved for adoption of the resolutions for **Legal Item 2b**; seconded by Director Redick. The motion was approved unanimously.

There being no further business, Chair Wolff requested a motion to adjourn. Director Redick made the motion to adjourn; seconded by Director Gonzalez. The motion was approved unanimously.

The meeting was adjourned at approximately 11:55 a.m.

Minutes taken by: _____

Tranece Artis
Board Secretary