

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY  
MINUTES OF THE FINANCE-ADMINISTRATION  
COMMITTEE MEETING  
July 26, 2011**

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, July 26, 2011 at approximately 8:00 a.m. at the Central Administration Building in Downers Grove, Illinois.

Directors on the Committee in attendance were as follows:

Committee Chair Maria Saldana

Director Tom Canham

Director Bill Morris

Others in attendance:

Chair Paula Wolff

Director Banks

Director Carl Towns

Director Tom Weisner

Committee Chair Saldana called the meeting to order. Director Morris moved to approve the Minutes of the Finance-Administration Committee meeting held on June 30, 2011; seconded by Director Canham. The motion was approved unanimously.

Committee Chair Saldana called upon Mike Colsch, Chief of Finance. Mr. Colsch requested approval of the following for the Consent Agenda:

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, 2011 through August 31, 2012, in an amount not to exceed \$420,000 and increase of

the upper limit for the current contract year expiring August 31, 2011, by \$10,000, from \$390,000 to \$400,000.

Mr. Colsh noted that this renewal will be subject to the Illinois State Treasurer's successful negotiation of the contract renewal terms.

Board Chair Wolff and Committee Chair Saldana asked for clarification on the total and remaining number of renewals for this contract. Mr. Colsch indicated that this is the third one-year contract renewal and the contract allows up to six one year renewals.

Director Canham asked what the currency verification process entailed. Mr. Colsch indicated that when the Tollway transfers money from the money room to Bank of America with a deposit slip, Bank of America must verify the amount indicated on the deposit slip. Director Canham asked whether there is any reason to believe the Illinois State Treasurer's office would not approve the contract renewal. Mr. Colsch indicated that the Treasurer's Office indicated to the Tollway and the Bank of America that their intent is to renew the contract if acceptable terms can be reached with Bank of America.

Director Canham moved to approve said renewal; seconded by Director Morris. Director Saldana called for a vote. The motion was approved unanimously.

Committee Chairman Saldana called upon Shana Whitehead, Acting Chief of Business Systems. Ms. Whitehead requested approval for the following:

Award of Contract No. 11-0196 to Kapsch TrafficComm IVHS Inc. for transponder purchases in the amount of \$5,000,000. (Sole Source)

Ms. Whitehead indicated that the Tollway as well as other member agencies of the E-ZPass Group, would like to approve a short term contract to bridge with the current vendor until the Group completes the negotiations with Kapsch for the long-term contract. The Tollway purchases 40,000 transponders a month and needs to maintain purchasing access during the negotiation.

Ms Whitehead explained that the current contract approval will extend through February 2012 but it can be cancelled and replaced if the new contract is approved within that time period.

Executive Director Lafleur indicated that up to fifty percent savings are expected at the completion of E-ZPass Group's negotiation with the vendor which has been underway since 2006.

Director Canham asked whether the Tollway is considering charging higher fees for the transponder. Ms. Lafleur indicated that the Customer Service Committee will consider the feasibility of assessing additional fees related to E-ZPass usage to customers. Director Morris confirmed that this topic is on the agenda for the Customer Service Committee but he does not necessarily support the concept.

Director Canham asked how long the transponders typically last. Ms. Whitehead indicated eight years.

**Director Morris asked that staff give a presentation on the new contract from the E-ZPass Group.** Ms. Lafleur indicated that once the contract terms have been finalized by the E-ZPass Group, staff would present it to the Board.

Chair Wolff asked Ms. Lafleur about her sense of the contract status based on her visit with the E-ZPass Group the previous week. Ms. Lafleur commented that she believes the other member organizations are ready to close the negotiations. There was a long testing process. Based

on the results of that testing the member organizations are ready to move forward.

Ms. Lafleur emphasized that customers will not need to take any action related to the transponders as a result of this contract.

Director Morris moved to approve said award. The motion was seconded by Director Canham. The motion was approved unanimously.

Committee Chair Saldana called upon John Donato, Procurement Chief. Mr. Donato requested approval for the following:

Award of Contract No. 11-0063 to Bridgestone Americas, Incorporated for Tires, in an amount not to exceed \$350,000.00 (CMS Master Contract).

Award of Contract No. 11-0129 to Morrow Brothers Ford, Incorporated for Ford Fusion Hybrid Sedans, in an amount not to exceed \$198,520.00 (CMS Master Contract).

Award of Contract No. 11-0130 to Morrow Brothers Ford, Incorporated for Ford Escape Hybrid SUVs, in an amount not to exceed \$113,760.00 (CMS Master Contract).

Director Morris commended management for moving toward hybrid vehicles and obtaining competitive pricing.

Director Canham moved to approve said awards. The motion was seconded by Director Morris. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award of Contract No. 11-0183 to Xerox Corporation for Copier Equipment – Office Setting, in an amount not to exceed \$198,314.00 (CMS Master Contract).

Award of Contract No. 11-0197 to AT&T, Incorporated for Cisco Maintenance/Support Smartnet, in an amount not to exceed \$888,503.02.

Award of Contract No. 11-0205 to Clark Devon Hardware Company, Incorporated for Fasteners, Nuts and Bolts, in an amount not to exceed \$60,000.00 (CMS Master Contract).

Committee Chair Saldana asked for clarification on why bid amounts were not listed on the item summary sheets for all bidders for contracts 11-0197 and 11-0205. Mr. Donato indicated that these procurements were secured through CMS and CMS does not provide the non-winning bid amounts. He noted that CMS has historically resisted providing that information, especially when the initial procurement/bids were initiated several years ago and therefore the bidder information is difficult to retrieve. He indicated that he is trying to establish a relationship with CMS to get complete information on a more routine basis.

Director Morris suggested that CMS should provide an email confirming that the bid winner made the lowest responsible bid especially when the bid amounts cannot be readily accessed by CMS. Mr. Donato answered that CMS routinely provides the suggested documentation when the contract award is publicly announced.

Director Canham asked whether leasing the Xerox equipment was an option. Mr. Donato indicated that evaluation of the lease and purchasing options showed that purchasing the product was more cost-effective.

Director Canham moved to approve said awards. The motion was seconded by Director Morris. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award of Contract No. 11-0137 to Macklin, Incorporated, Renner Quarries Ltd., and William Charles Construction Company LLC for Sand, Stone and Gravel, in an amount not to exceed \$53,110.00 (CMS for Tollway).

Renewal of Contract No. 10-0123 to Computer Data Products & Supplies for Thermal Receipt Paper, increasing the dollar limit by \$17,000.00, from \$28,000.00 to \$45,000.00 (CMS for Tollway).

Dollar limit increase of Contract No. 09-0105 to Christian County Farmers Supply, for E85 Fuel, increasing the contract upper limit by \$35,000.00 from, \$4,624,499.60 to \$4,659,499.60 (CMS for Tollway).

Director Saldana asked staff to explain what E85 fuel is and when it is used. Mr. Donato explained that E85 fuel is comprised of 85 percent ethanol and 15 percent unleaded fuel. This fuel is used for the Tollway's fleet vehicles.

Director Weisner asked whether the Tollway planned to phase out E85 vehicles with the hybrid vehicles. Ms. Lafleur indicated that hybrid vehicles are not ideal for all applications . **She also indicated that a presentation on this topic could be prepared for a future Committee or Board meeting.**

Director Canham asked for clarification on the budgetary impact of the E85 fuel contract shown on the item summary sheet. Mr. Donato and Mr. Colsch explained that the budget impact shown on the item

summary sheet reflects fuel for all vehicles and not just the current contract for E85 fuel.

Director Canham moved to approve said awards. The motion was seconded by Director Morris. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award of Contract No. 11-0070 to Prairie International Trucks for Consignment Sale of Used Authority Vehicles for 15% of the retail sale price (Tollway IFB).

Renewal of Contract No. 05-0052 to Xerox Corporation for Leasing of Production Equipment, increasing the dollar limit by \$186,352.50, from \$1,885,769.40 to \$2,072,121.90 (Tollway RFP).

Award of Contract No. 11-0203 to Unisys Corporation for Unisys Maintenance and Support, in an amount not to exceed \$840,364.00 (Tollway Sole Source).

Chair Saldana asked whether there were plans to implement an ERP system and if so when. Joe Kambich, Chief of Information Technology, responded that requirements are being developed currently but the actual selection and implementation are expected to be completed in approximately 3 years.

Director Canham moved to approve said award; seconded by Director Morris. The motion was approved unanimously.

Committee Chair Saldana called upon Mike Stone, Chief of Administration. Mr. Stone asked that discussion of the following item be deferred to Executive Session prior to being referred to the Board for action:

Approval of Collective Bargaining Agreement with AFSCME.

Committee Chair Saldana called upon Paul Kovacs, Chief Engineer. Mr. Kovacs requested approval for the following:

Award of Contract No. RR-11-5625 to William Charles Construction Company, LLC and Northwest Illinois Construction Company (Joint Venture) for Roadway Repairs and Improvements on the Reagan Memorial Tollway (I-88) Milepost 44.2 (Rock Falls, U.S. 30) to Milepost 140.5 (Eisenhower Expressway), and Veterans Memorial Tollway (I-355) Milepost 0.0 (I-80 South Terminus) to Milepost 29.8 (Army Trail Road) in the amount of \$3,539,564.08. (Recusal by Director Towns)

Mr. Kovacs noted that although only two bids were submitted for this contract, the bids were very competitive and in line with historical prices. Director Towns asked whether the Earned Credit Program (ECP) had any bearing on the outcome of the bid. Mr. Kovacs responded that it did not in this case. Director Morris asked for explanation of the ECP referenced in the supporting documents. Mr. Kovacs explained that ECP allows contractors to earn up to \$250,000 in bid credits for employing disenfranchised individuals. Director Morris clarified that this program is different than a Disadvantage Business Enterprise (DBE) program, which focuses on the ownership of the business.

**Chair Wolff asked that staff provide an overview to the Board on the variables that affect pricing, including set-aside programs like the ECP, so the Board has a sense of how these programs are working.** She asked Ms. Lafleur to determine which Board committee should review this issue. Director Saldana suggested that staff examine its overarching policy goals in terms of awarding contracts. She also indicated that it was important to differentiate the contracting methods for engineering, procurement and other departments.



Director Canham expressed concern that the engineer's estimate of the project costs was much higher than the actual bid - \$4,170,943 compared to \$3,539,564.08. Mr. Kovacs indicated that the engineers rely on historical information for their estimates. Ms. Lafleur added that due to the economy, the Tollway has seen very competitive pricing this year. Director Canham suggested that he would be more confident in the engineer's estimates if they were within ten percent of the actual bid. Ms. Lafleur indicated that most of the engineer's estimates are within that range.

Award of Contract No. RR-11-5626 to R.W. Dunteman Company for Roadway Repairs and Improvements on the Tri-State Tollway (I-294) from Milepost 0.0 (Ford/ Calumet Expressway) to Milepost 44.5 (Ballard Road) and Tri-State Tollway (I-94) from Milepost 1.4 (Old U.S. Route 41) to Milepost 11.0 (IL Route 120/Belvidere Road) in the amount of \$2,621,945.50.

Award of Contract No. RR-11-5627 to Curran Contracting Company for Hot Mix Asphalt Repairs on the Jane Addams Memorial Tollway (I-90) from Milepost 15.0 (Business U.S. 20 Ramp) to Milepost 77.9 (I-294 Tri-Level Bridge) in the amount of \$6,258,949.25.

Director Morris moved to approve said awards. The motion was seconded by Director Canham. The motion was approved unanimously. Mr. Kovacs requested approval for the following:

Award of Contract No. RR-11-5628 to John Burns Construction Company for Violation Enforcement System Camera Wash System at Various Toll Plazas – Systemwide in the amount of \$2,205,009.

Mr. Kovacs noted that this is a non-proprietary system developed by Tollway employees that enables the Tollway to get clear images of toll violators license plates. Director Morris explained that toll violations are routinely dismissed during hearings if the license plate image is not clear. Clearer images will bolster collections from toll violators. Director Morris asked whether any recognition has been given to Tollway employees who invented this system. Lafleur indicated these employees have been recognized but additional recognition is warranted.

Director Morris moved to approve said awards. The motion was seconded by Director Canham. The motion was approved unanimously. Mr. Kovacs requested approval for the following:

Supplement to Contract No. RR-10-5618 with Michael Baker Jr., Inc. for Construction Upon Request Systemwide in the amount of \$300,000, increasing the contract upper limit from \$1,000,000 to \$1,300,000.

Director Canham asked when this work is expected to be completed. Mr. Kovacs indicated that it should be completed by the end of the year.

Director Morris moved to approve said supplement. The motion was seconded by Director Canham. The motion was approved unanimously. Mr. Kovacs requested approval for the following:

Partial Release of Retainage on Contract No. RR-10-5612 to William Charles Construction Company, LLC/Northwest Illinois Construction Co. (Joint Venture) for Ramp Rehabilitation on the Jane Addams Memorial Tollway (I-90) at Milepost 53.5 (Genoa Road Interchange) Ramps A, B, C, D & AB by \$87,738.87 from \$116,958.87 to \$29,200.  
(Recusal by Director Towns)

Full Release of Retainage on Contract No. RR-08-5561 to GFS Fence, Guardrail & Signage, Inc. for Roadway Signage Upon Request, Systemwide, in the amount of \$95,456.08.

Final Release of Retainage on Contract No. RR-06-9961 to Divane Bros. Electric Company for Wireless CCTV Installation and Integration on the Tri-State Tollway (I-294) from Milepost 0.0 (Calumet Expressway) to Milepost 24.3 (I-394 and I-55) in the amount of \$10,200.

Director Morris moved to approve said releases of retainage. The motion was seconded by Director Canham. The motion was approved unanimously.

Committee Chair Saldana called upon Tom Bamonte, General Counsel. Mr. Bamonte requested approval for the following:

An Addendum to an Intergovernmental Agreement with the University of Illinois at Chicago. Cost to the Tollway: \$0.

Director Canham moved to approve said addendum. The motion was seconded by Director Morris. The motion was approved unanimously. Mr. Bamonte requested approval for the following:

Workers Compensation Settlement – Frank Cataudella. Cost to the Tollway: \$67,536.20.

Director Saldana asked General Counsel whether he recommended settlement of this case. He replied yes.

Director Canham moved to approve said settlement. The motion was seconded by Director Morris. The motion was approved unanimously. Mr. Bamonte requested approval for the following:

Property Settlement – Donna Gommel – No. 06-ED-05. Additional Cost to the Tollway: \$0.

Property Settlement – Robert Gommel – No. 06 ED 04. Additional Cost to the Tollway: \$16,560.00.

Director Morris moved to approve said settlements. The motion was seconded by Director Canham. The motion was approved unanimously. Mr. Bamonte requested approval for the following:

Amendment to By-Laws: Standard Committees. Cost to the Tollway: \$0.

Chair Wolff and Committee Chair Saldana emphasized that the Directors had discussed changes to the bylaws extensively in previous meetings.

Director Morris moved to approve said amendment. The motion was seconded by Director Canham. The motion was approved unanimously.

Chair Wolff pointed out that a recusal should have been noted on Procurement Item 7 of the Committee Agenda for Director Towns. She noted that this oversight did not affect the voting during this meeting because Director Towns is not a voting member of this committee but this will be noted again during the vote on the Board Consent Agenda.

At approximately 8:45 a.m., Director Morris made a motion to enter into Executive Session of the Finance Administration Operations Committee and to allow Directors who are not on this Committee to participate in the discussion; seconded by Director Canham. The motion was approved unanimously.

The open Finance Administration Operations Committee meeting resumed at approximately 9:40 a.m.

Director Morris made a motion to approve the Collective Bargaining Agreement with AFSCME; seconded by Director Canham. The motion was approved unanimously.

There being no further business Committee Chair Saldana requested a motion to adjourn. Director Morris moved to adjourn; seconded by Director Canham. The motion was approved unanimously.

Meeting adjourned at approximately 9:40 a.m.

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

Tranece Artis  
Board Secretary  
Illinois State Toll Highway Authority