

**Illinois State Toll Highway Authority
Minutes of the Engineering-Planning Committee Meeting**

October 21, 2010

The Illinois State Toll Highway Authority held an Engineering-Planning Committee Meeting on Thursday, October 21, 2010 at approximately 9:45 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors on the Committee in attendance were as follows:

Committee Chairman Jim Roof
Director Maria Saldaña
Director Carl Towns

Administrative Manager to the Board Tranece Artis informed the Board that Director Canham requested to participate via conference call due to personal illness. Director Towns moved for approval; seconded by Director Saldaña. The motion was approved unanimously.

Committee Chairman Roof called to approve the Minutes of the Engineering-Planning Committee meeting held on September 30, 2010. Director Saldaña moved for approval; seconded by Director Towns. The motion was approved unanimously.

Director Roof called on Chief Engineer Paul Kovacs to present the Engineering agenda items. Mr. Kovacs requested approval of the following:

Proposal from AECOM Technical Services Inc. on Contract RR-10-9973 for Consulting Engineer Services Systemwide in the amount of \$22,765,478.

Director Saldaña asked if the \$7 million requested by AECOM for the 2011 Budget was dependent on hours worked and services performed, rather than distributable as a lump sum. Mr. Kovacs verified that this sum was dependent on hours worked and services performed. Mr. Kovacs noted that the Trust Indenture portion of AECOM's work, approximately 20 percent of the contract, would most likely be spent, whereas the other portion of the AECOM contract is task order work based on the Tollway's current needs. Director Saldaña asked if the Trust Indenture portion would also reflect DBE participation. Mr. Kovacs answered that there would be minority participation in that portion of the contract.

Chair Wolff asked why the Board did not receive a list of the competitors involved in this bidding process. Mr. Kovacs answered that because this is an architectural-engineering service, the first part of the selection is done based solely on qualifications. Director Saldaña inquired as to who the other respondents were. Mr. Kovacs answered that the other respondents were Parsons and UML Partners (a combination of HW Lochner, McDonough, and URS). Director Saldaña asked if receiving three responses for such a large contract was typical. Mr. Kovacs noted that AECOM did not take the application process lightly, and that he considered theirs to be a good response and was satisfied with the response to the RFP. Director Lafleur asked if the firm that received this contract would be eligible for other Tollway work. Mr. Kovacs answered that AECOM would be precluded from other work and will not be submitting other statements of interest for design or construction. Mr. Kovacs noted that AECOM has been doing an excellent job for the Tollway and that AECOM's fees are at just 1.19 percent of the Tollway's overall revenue, so the Tollway is getting the most for its money.

Director Roolf asked Mr. Kovacs to speak to changing designs and materials in the engineering industry, and the idea of trying to expand or incorporate new engineering elements or standards. Mr. Kovacs

answered that the Trust Indenture specifically requires a firm with nationwide expertise and that using a major firm like AECOM allows the Tollway to pull from a variety of resources beyond just those within the Tollway. This allows the Tollway to keep up to speed on new and innovative advancements. Jeff Heilstedt, AECOM Consultant, added that worldwide, AECOM works for 50 other toll agencies and concessionaires, and that within the United States AECOM works in some capacity for all the toll agencies. Director Roolf noted that if you are to compare what other toll agencies spend on similar services, the Illinois Tollway is on the lower end of spending on a percentage basis. He asked if it was accurate to say that the Tollway is still receiving a high quality product as a result of lower spending. Mr. Kovacs answered that the technical services portion of the contract is task order based, and since AECOM represents only 1.19 percent of the Tollways annual revenue, he does not think AECOM is being overused. Mr. Kovacs added that he continues to look for ways to incorporate internal Tollway staff to take on additional roles.

Director Morris stated that he is uncomfortable receiving only three bids on a multimillion dollar contract, considering a long relationship with firms such as AECOM. He suggested that in the future, Tollway staff should make sure a nationwide search is done for additional firms. He then acknowledged that AECOM is an excellent firm, and inquired as to where the AECOM consultants are based. Mr. Kovacs answered that there are 20 AECOM staff who work in the Central Administration building as well as staff that works in Chicago's Loop, and that AECOM taps resources elsewhere as well. Mr. Kovacs added that Wilbur Smith, the Tollway's Traffic Engineer, also has one employee located in the Central Administration building. **Chair Wolff suggested that in the future it would be wise to have several Board members be part of a committee to spend time learning about the type of operations and projects these engineering firms work on in order to be better educated about the process.**

Director Saldaña moved to put said Proposal on the Consent Agenda; seconded by Director Towns. The motion was approved unanimously.

Mr. Kovacs then requested approval of the following:

Proposal from Wilbur Smith & Associates on Contract RR-10-9974 for Traffic Engineer Services Systemwide in the amount of \$9,455,372.19.

Mr. Kovacs noted that what limited the pool of applicants for this project was the requirement of three areas of expertise: traffic analysis; revenue analysis; and economic forecasting. Mr. Kovacs stated that Wilbur Smith was the only respondent, but that Wilbur Smith did not take the presentation lightly and did a thorough job in its response to the RFP.

Director Saldaña noted that Wilbur Smith's revenue projections for 2010 were somewhat off. She inquired as to how this would affect projections for 2011. Mr. Kovacs answered that Tollway staff had addressed this issue with Wilbur Smith.

Executive Director Lafleur noted that Wilbur Smith was asked to work on both a baseline projection which assumed some growth, as well as a no-growth projection. Director Saldaña responded that for indenture purposes, the goal is to assure bondholders that someone is making reasonable projections regarding revenue, and it is up to the consultants to project in a reasonable way. Consultant Karl Fry from Wilbur Smith noted that the Wilbur Smith base-case revenue estimate is based on industry-wide standard approaches to estimating traffic revenue on toll roads, and that this estimate is reasonable and the Tollway should achieve that number. Mr. Fry noted that in its estimate, Wilbur Smith took into account both the construction present on the Tollway system as well as uncertainty in the economic climate. Director Morris responded that it would be inappropriate for a nationally recognized firm to allow the Tollway to guide them in their projections for the purpose of bond indenture, while on the other hand, the Tollway has major needs in

internal budget planning and that Wilbur Smith needs to be hyper-vigilant in their predictions considering this fact. **Chair Wolff added that it would be helpful to have a retrospective of the projections Wilbur Smith has made over the last five years versus actual results.**

Director Canham noted that not projecting downfall is the same as projecting growth, and that the most prudent thing would be to under-promise and over-perform.

Mr. Fry responded that the purpose of the annual revenue certificate is to respond to the requirements of the Trust Indenture, and that Wilbur Smith is projecting its best estimate of the expected revenue on the Tollway system. He added that Wilbur Smith provided a lower estimate for the Tollway to use for budgeting purposes.

Chair Wolff responded that if the Tollway controls the budget at a conservative level and projects correctly, then the bondholders end up in good shape based on Tollway spending. If instead the Tollway spent at an inappropriate level that was higher, it could potentially be difficult to meet operational needs and interest payments, thus jeopardizing the bond rating.

Director Saldaña moved for approval; seconded by Director Towns. The motion was approved unanimously.

Mr. Kovacs then requested approval of the following for the Consent Agenda:

Proposal from Environmental Design International, Inc. on Contract I-05-5419 for Supplemental Construction Inspection Services on the Tri-State Tollway (I-294) Milepost 44.5 (Dempster Street) to Milepost 49.0 (Willow Road) in the amount of \$60,000.

Director Towns moved for approval; seconded by Director Saldaña. The

motion was approved unanimously.

Mr. Kovacs then requested approval of the following:

Full Release of Retainage on Contract I-07-5237 to Plote Construction, Inc. for Roadway and Bridge Reconstruction and Resurfacing on Northbound Tri-State Tollway (I-94) Milepost 74.2 (Waukegan Toll Plaza) to Milepost 78.3 (Wisconsin State Line) in the amount of \$10,000.

Director Saldaña moved to approve said Full Release of Retainage for the Consent Agenda; seconded by Director Towns. Director Roolf recused himself from voting on this item. The motion was approved.

Mr. Kovacs then requested approval of the following:

Full Release of Retainage on Contract I-06-5215 to Lorig Construction Company for Widening and Reconstruction on Southbound Tri-State Tollway (I-294) Milepost 40.2 (Balmoral Avenue) to Milepost 41.3 (Devon Avenue) in the amount of \$1,316,783.33.

Full Release of Retainage on Contract RR-09-5575 to Western Remac, Inc. for Corridor Sign Replacement on the Reagan Memorial Tollway (I-88) Milepost 44 (U.S. Route 30) to Milepost 115 (Orchard Road) in the amount of \$57,308.50.

Director Saldaña moved to approve said Full Releases of Retainage for the Consent Agenda; seconded by Director Towns. The motion was approved unanimously.

Mr. Kovacs noted that in response to the Directors' request from the September Board meeting, he has been working with the Legal Department to standardize the permit process. Mr. Kovacs then requested approval of the following:

Permit NW 10-18 to Kentucky Data Link for permission to install, maintain, and operate fiber optic facilities. The fiber optic cable will be directionally bored under and across the Jane Addams Memorial Tollway (I-90) at Milepost 65.4 (Spring Brook/Spring Creek Road). Fee is \$1,000.

Permit NW 10-19 to Kentucky Data Link for permission to install, maintain, and operate fiber optic facilities. The fiber optic cable will be directionally bored under and across the Jane Addams Memorial Tollway (I-90) at Milepost 74.1 (Elevator Road). Fee is \$1,000.

Permit NW 10-20 to Kentucky Data Link for permission to install, maintain, and operate fiber optic facilities. The fiber optic cable will be directionally bored under and across the Jane Addams Memorial Tollway (I-90) at Milepost 48.6 (Garden Prairie Road). Fee is \$1,000.

Permit NW 10-21 to Kentucky Data Link for permission to install, maintain, and operate fiber optic facilities. The fiber optic cable will be directionally bored under and across the Jane Addams Memorial Tollway (I-90) at Milepost 61.8 (Newburg Road). Fee is \$1,000.

Permit EW 10-22 to Intercarrier Networks for permission to install, maintain, and operate fiber optic facilities. The fiber optic cable will be directionally bored under and across the Reagan Memorial Tollway (I-88) at Milepost 134.3 (Highland Avenue). Fee is \$1,000.

Director Saldaña moved to approve; seconded by Director Towns. The motion was approved unanimously.

Chair Wolff called for a short recess.

Director Roolf called the meeting back to order after the recess to allow Mr. Kovacs to update the Committee on the American Society of Civil Engineers award. ASCE recently recognized the Tollway interchange

improvement at Eola Road as the Outstanding Civil Engineer Project of the Year.

Chief of Staff Doug Kucia formally recognized Tollway employee Art Padron for his actions in the field, which saved the life of three Tollway patrons. Chair Wolff presented Mr. Padron with a plaque in recognition of his actions.

There being no further business, Director Towns moved to adjourn; seconded by Director Canham. The motion was approved unanimously.

Meeting adjourned at approximately 10:30 a.m.

Minutes taken by: _____
Jackie Diaz