

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING**

**January 24, 2013**

The Illinois State Toll Highway Authority met in regular session on Thursday, January 24, 2013, at approximately 9:00 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  
Director James Sweeney  
Director Carl Towns  
Director David Gonzalez  
Director Tom Weisner

Absent:

Governor Pat Quinn  
Secretary Ann Schneider

Chair Wolff thanked the Directors for attending both the earlier Special Board Meeting as well as the scheduled January Regular Board Meeting. Chair Wolff opened the floor for public comment. No public comment was offered.

## CHAIR'S REPORT

Chair Wolff requested a motion to approve the minutes of the Regular Board Meeting and Executive Session held on December 15, 2012. Director Weisner made a motion to approve the minutes; seconded by Director Towns.

## STANDING COMMITTEE REPORTS

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

### Finance Administration Operations (FAO) Committee

**FINANCE** presented two items to the Committee, including renewal of the claims administration services with CCMSI (Canon Cochran Management Services Inc.), and renewal of the employee life insurance program with Minnesota Life. Each was selected through an RFP process in 2009 and is in the final year of optional renewal. RFPs will be issued for these services for the coming year. Fees for CCMSI are the same as the expiring contract, while premiums quoted by Minnesota Life will be reduced 15%.

**PROCUREMENT** presented 5 items which were approved by the FAO Committee. The committee amended award amount to Miles Chevrolet, Inc. for the purchase of Police Pursuit Vehicles. After the December Board Meeting, CMS, per the terms of the contract, amended the master contract to allow the vendor an economic adjustment due to the manufacturer adding standard equipment to the 2013 model. The upper limit of this purchase will be revised by a total of \$38,000.00 from \$2,021,407.00 to \$2,059,407.00.

Also approved were:

- 1 Order Against CMS Master Contract to Mythics, Inc. for Oracle Software Licensing Support and Maintenance.
- 1 Tollway Invitation for Bid ("IFB") to Anderson Lock Company for Safe Repair and Maintenance Services.
- 1 contract renewal of a Tollway Request for Proposal ("RFP") to Cullen & Associates for Legislative Liaison Services.

- 1 emergency procurement to Quimex, Inc. for Lubricants, Greases and Oils (Virgin).

**ENGINEERING** presented 19 items during the FAO Committee meeting. Of these, 12 items were placed on today's consent agenda.

Engineering recommended that 2 items be removed from the agenda.

Action on 5 items was deferred and will be presented today for approval.

Mr. Kovacs, Chief of Engineering will provide further detail on those items today.

3 construction and 8 professional services contracts were presented.

These contracts include 7 prime contractors and 32 subcontractors who are certified as disadvantaged, minority- and women-owned business enterprises.

Of the \$99.1 million in awarded contracts, nearly \$30 million, or 30 percent, is committed to these firms.

In addition, Engineering presented:

- A contract renewal for traffic engineering services through December 31, 2014
- 1 request for partial release of retainage, and
- 1 request for final release of retainage.
- 3 items that address land acquisition.

The Chief Engineer also provided an overview of improvements planned for 9 maintenance facilities under the Move Illinois Program. Construction is scheduled to start this year and will continue through 2026. The contracts will be reviewed for unbundling opportunities providing greater access for small business participation.

**LEGAL** presented one item. This is a third extension of an IGA with the University of Illinois, which conducts research benefiting the Tollway in the areas of pavement materials, lane safety, signage effectiveness, and environmental aspects of Tollway projects. The University has been performing these services since March 2010, and this Addendum will extend the relationship through Feb 2014.

### Strategic Planning Committee

Strategic Planning Committee Chair Director Weisner provided a summary of the committee's 2012 accomplishments including:

- Adopted new policies for noise abatement;
- Initiated new levels of outreach for our diversity programs;
- Adopted new policies for interchange and roadway cost sharing;
- Discussed environmental sustainability policy and will pursue further policy development in the coming year;
- Discussed and presented multi-model plans;
- Adopted a new sign policy and,
- Discussed landscaping and permitting policies.

### Goals for 2013

- Customer Survey finalization from I-90 study;
- Freight accommodation plans;
- Cost sharing plans;
- Opting (?) pricing incentives and tolling review and,

- Environmental sustainability plans for maintenance facility and roadway projects;

The Strategic Planning Committee moved the traffic generator sign policy to the December board for full approval. The Committee is currently working on a consistent and flexible landscaping policy that will include communication with the local government entity on special projects or changes. The policy is currently on the website and open for public comment until February 1.

### Customer Service Committee

The Customer Service Committee conducted a review of the workplan and engaged in a detailed financial look on the Tollway fine and enforcement structure. The committee requested Tollway staff to take a customer-based approach to the enforcement and collection policy. The review found an increase in leakage percentage with the toll increase. The committee proceeded to recommend a restructure of the Tollway notice timeline. Further information will be presented by Shana Whitehead, Chief of Business Systems.

Also reviewed were the settlement guidelines on toll disputes and the fleet guidelines.

The Request for Proposal (RFP) for Businesses Systems back office functions was advertised and the Tollway received five responses. The proposals are being reviewed and the Committee hopes to have a recommendation ready for the March 2013 Board meeting.

Customer Service Committee Chair Jeff Redick introduced Ms. Whitehead, who proceeded to present the Violations Framework Analysis as shown in the attached presentation.

Committee Chair Redick indicated the Customer Service Committee will continue to monitor the impacts of the proposed changes to the violations notice timeline.

Chair Wolff further explained the proposed changes would require approval by the Joint Committee on Administrative Rules (JCAR) and thanked the committee for the thoughtful analysis involved in developing them.

### EXECUTIVE DIRECTOR

Executive Director Lafleur introduced Colleen McShane, new Senior Manager of Program Development. Ms. McShane brings experience from both the government and the non-profit sector. She will spearhead future Tollway strategic initiatives.

Ms. Lafleur recognized District 15 Illinois State Trooper James Bradley for assisting a motorist who was having a heart attack. Trooper Bradley administered aid to the motorist for twenty minutes until paramedics arrived.

### Procurement Process Update

Executive Director Kristi Lafleur introduced John Donato, Chief of Procurement, to present Procurement Process Update as shown in the attached presentation.

Chair Wolff asked if the procurement process shown applies to both Tollway specific and Central Management Services (CMS) procurements. Mr. Donato responded that the process applies to both types of procurements and the timeline also includes other ancillary processes, such as approval from the Office of Management and Budget (OMB).

Chair Wolff requested examples of typical Requests for Proposal (RFPs) and Invitations for Bid (IFBs). Mr. Donato provided back office services as an RFP example, where technical considerations are the focus, and rock salt as an IFB example, where the lowest bid is the focus.

Chair Wolff asked what conflicts of interest would need to be disclosed during review. Mr. Donato responded relationships such as ownership levels, relatives involved on boards of other agencies as well as litigation and firm structure. He noted that the disclosure process has added an average of three months to the current process.

Discussion ensued on process improvements initiated by the Tollway Procurement Department and its impact on the timeline.

In addition, Directors and staff discussed Vendor Managed Inventory and its potential impacts on the current system and timeline.

Director Weisner inquired if additional Tollway staff was necessary due to the Procurement process changes. Mr. Donato responded that additional staff had been added to address the increased workload and process changes in procurement procedures.

Discussion ensued regarding the funding of the development of the proposed vendor portal. **Executive Director Lafleur committed to exploring cost sharing options with vendors for the development of the portal since it would be of benefit to both the government agencies and the vendor community.**

### **EOWA Memorandum of Understanding**

Executive Director Lafleur announced the approval of the Memorandum of Understanding (MOU) by the Federal Highway Administration (FHWA) and USDOT between the Tollway, IDOT and FHWA for the Elgin O'Hare Western Access project. She noted that it is a major milestone and an important step towards project completion. The Tollway is appreciative of the support from both IDOT and the Governor's office.

Both Chair Wolff and Executive Director Lafleur thanked the Tollway staff for all of their hard work on this endeavor.

#### 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 with Cannon Cochran Management Services, Inc. (CCMSI) for the Workers' Compensation Claim Administration for a one-year period commencing May 1, 2013 through April 30, 2014 in an annual amount of \$76,950.00 subject to a maximum of 225 claims. (For claims exceeding 225, the fees are \$425 for a lost time claim and \$75 per medical only claim.) (Director Redick recusal)*

*Item 2: Renewal of Contract with Minnesota Life Insurance for the Life Insurance Benefit Program for a period of one year commencing May 1, 2013 through April 30, 2014 in an estimated annual premium not to exceed \$450,660.00. (Director Redick recusal and Director D'Arcy recusal)*

Mr. Colsch provided further detail on Item 3 since it had not been discussed at the January Finance Administration Operation Committee

*Item 3: Resolution approving of the assignment of financial firms to provide underwriting services in connection with the first bond financing of the Move Illinois Program.*

*Item 4: Resolution authorizing a two-year extension of the Letter of Credit supporting the \$87.5M Series 2007A-2d Bonds.*

Director Sweeny made a motion for approval of **Finance Items 1**; seconded by Director Gonzalez. The motion was approved unanimously.

Director D'Arcy made a motion for approval of **Finance Items 2**; seconded by Director Weisner. The motion was approved unanimously.

Director Weisner made a motion for approval of **Finance Items 3**; seconded by Director Towns. The motion was approved unanimously.

Chair Wolff made a motion for approval of **Finance Items 4**; seconded by Director Towns. The motion was approved unanimously.

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

*Item 1: Amend Resolution No. 19830 – Dollar Amount Correction to Contract 12-0001 to Miles Chevrolet, Inc. for the purchase of Police Pursuit Vehicles in an amount not to exceed \$2,059,407.00 (Order Against CMS Master Contract).*

*Item 2: Award of Contract 13-0022 to Mythics, Inc. for the purchase of Oracle Software Licensing Support and Maintenance in an amount not to exceed \$1,475,380.11 (Order Against CMS Master Contract).*

*Item 3: Award of Contract 12-0047 to Anderson Lock Company for the purchase of Safe Repair and Maintenance Services in an amount not to exceed \$123,470.00 (Tollway Invitation for Bid).*

*Item 4: Renewal of Contract 11-0013 to Cullen, Inc. d.b.a. Cullen & Associates for the purchase of Legislative Liaison Services in an amount not to exceed \$120,000.00 (Tollway Request for Proposal).*

*Item 5: Award of Contract 13-0025 to Quimex, Inc. for the purchase of Lubricants, Greases and Oils (Virgin) in an amount not to exceed \$70,000.00 (Tollway Emergency).*

Director Sweeny made a motion for approval of **Procurement Items 1-5**; seconded by Director D'Arcy. The motion was approved unanimously.

Chair Wolff called on Paul Kovacs, Chief of Engineering, to present the following **Engineering** Items:

*Item 1: Award of contract RR-08-9043 to G4S Technology, LLC for Digital Video Migration and Traffic Operations Center (TOC) Upgrades, systemwide in the amount of \$2,277,925.00.*

Director Peterson requested further information on the reasons why contract bids submitted on item #1, RR-08-9043, during the January Finance Administration Operations Committee was deemed incomplete. Mr. Kovacs provided three reasons the bids were deemed incomplete: failure to provide pricing for line items; failure to submit disclosure forms; and failure to respond to addendum notification requirements.

*Item 2: Award of Contract I-12-4072 to William Charles Construction Company, LLC / Rock Road Companies, Inc., Joint Venture for Eastbound Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 17.7 (Mill Road) to Milepost 24.9 (Genoa Road) in the amount of \$28,672,756.59. (Recusal by Director Towns)*

*Item 3: Award of Contract I-12-4066 to Lorig Construction Company*

*for Roadway Widening & Bridge Reconstruction of Ramp B, on the Tri-State Tollway (I-294) at the I-57 Interchange, from Milepost 7.5 to Milepost 7.8 in the amount of \$29,515,070.33.*

*Item 4: Acceptance of Proposal from Cotter Consulting, Inc./CivCon Services, Inc./SE3, LLC, Joint Venture, on Contract RR-12-4047 for Construction Management Services for Roadway Resurfacing on the Veterans Memorial Tollway (I-355) from M.P. 0.0 (I-80) to M.P. 29.8 (Army Trail Road), in an amount not to exceed \$1,998,845.00.*

*Item 5: Acceptance of Proposal from Applied Research Associates, Inc. on Contract MO-12-1237 for Pavement Roadway Management Services systemwide, in an amount not to exceed \$13,005,000.00.*

*Item 6: Acceptance of Proposal from System Development Integration, LLC on Contract RR-12-9134 for Intelligent Transportation Systems (ITS) Network Support/Technical Deployment Guidance and ITS Maintenance Management/PM Support Services systemwide, in an amount not to exceed \$2,659,406.00.*

*Item 7: Acceptance of Proposal from Primera Engineers, Ltd. / EJM Engineering, Inc., Joint Venture on Contract I-12-4083 for Design Services Upon Request systemwide, in an amount not to exceed \$7,500,000.00.*

*Item 8: Acceptance of Proposal from Techknow Engineering / Hanson Professional Services, Inc., Joint Venture on Contract RR-12-9132 for Design Services Upon Request systemwide, in an amount not to exceed \$2,500,000.00.*

*Item 9: Acceptance of Proposal from Bowman, Barrett & Associates,*

*Inc. on Contract RR-12-4084 for Construction Management Services Upon Request systemwide, in an amount not to exceed \$7,500,000.00.*

*Item 10: Acceptance of Proposal from J.A. Watts, Inc. on Contract RR-12-9133 for Construction Management Services Upon Request systemwide, in an amount not to exceed \$2,500,000.00.*

*Item 11: Acceptance of Proposal from Gilbane Building Company on Contract MO-12-1234R for Construction Management Services for Construction Practices Review and Audit Services, in an amount not to exceed \$1,000,000.00.*

Mr. Kovacs provided some general background on the fulfillment of this contract, indicating it was complex and the Tollway was happy to have received four bids.

*Item 12: Continuation of Services on Contract RR-10-9974 with CDM Smith Inc., for Traffic Engineer Services Systemwide, in the amount of \$4,287,750.00 from \$9,455,372.19 to \$13,743,122.19.*

*Item 13: Partial Release of Retainage on Contract I-12-4036 to Curran Contracting Company for Shoulder Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 27.6 (Mosquito Creek) to Milepost 45.3 (Sandwald Road) by \$808,829.55 from \$908,829.55 to \$100,000.00.*

*Item 14: Final Release of Retainage on Contract RR-08-5569 to Lorig Construction Company for Bridge Rehabilitation on the Tri-State Tollway (I-294) at Milepost 40.8 (I-90) in the amount of \$194,500.00.*

*Item 15: Amendment to Resolution 19584 authorizing acquisition of real estate needed for the Jane Addams Memorial Tollway (I-90) Corridor. Cost to the Tollway: N/A*

*Item 16: Amendment to Resolution 19584 authorizing acquisition of real estate needed for the Elmhurst Road Interchange, as part of the Elgin O'Hare Western Access (EOWA). Cost to the Tollway: N/A*

*Item 17: DiBenedetto (Additional Identification of Real Estate Parcels associated with the I-294/I-57 Interchange). Cost to the Tollway: N/A. This item was deferred to Executive Session.*

Director D'Arcy made a motion for approval of **Engineering Items 1**; seconded by Director Towns. The motion was approved unanimously.

Director Sweeny made a motion for approval of **Engineering Items 2**; seconded by Director Gonzalez. The motion was approved with the recusal of Director Towns.

Director Peterson made a motion for approval of **Engineering Items 3-16**; seconded by Director Weisner. The motion was approved unanimously with the recusal of Director Towns.

Chair Wolff called on Mr. Goldberg, General Counsel, to present the following **Legal** Item:

*Item 1: A Third Intergovernmental Agreement Addendum with the Board of Trustees of the University of Illinois for Pavement Research. Cost to the Tollway \$100,000. (Director Redick recusal)*

Mr. Kovacs provided general information on the pavement research being conducted.

Director Weisner made a motion for approval of **Legal Item 1**; seconded by Director D'Arcy. The motion was approved unanimously with the recusal of Director Redick.

Chair Wolff requested the Directors mark April 22, 2013 on their calendars for the Earth Day Transportation Summit. Further details would be forthcoming.

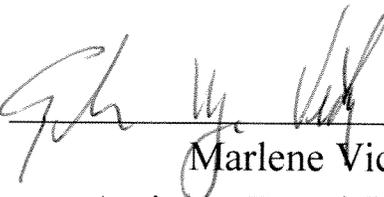
At approximately 10:30 a.m. David Goldberg, General Counsel, indicated the need to discuss collective bargaining matters and real estate acquisition in Executive Session pursuant to Section 2(c)(2) and 2(c)(5) of the Open Meetings Act. Director Redick made the motion to enter into Executive Session; seconded by Director Peterson. The motion was approved unanimously.

At approximately 10:57 a.m., the Committee re-entered the public session of the Board meeting.

There being no further business, Chair Wolff requested a motion to adjourn. Motion to adjourn was made by Director Towns; seconded by Director Sweeny. The motion was approved unanimously.

The meeting was adjourned at approximately 10:58 a.m.

Minutes taken by:

  
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Marlene Vick

Assistant Board Secretary

Illinois State Toll Highway Authority



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## **Violations Framework Analysis**

**January 24, 2013**

# Violations Framework Analysis

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- **Customer Service Committee has been working on analysis to determine potential improvements**
- **Analysis sought to balance two key goals:**
  - Protect current and anticipated revenue
  - Enhance customer service, especially for well-meaning drivers who violate without intent
- **Analysis reveals options for extending payment timeframes are possible**

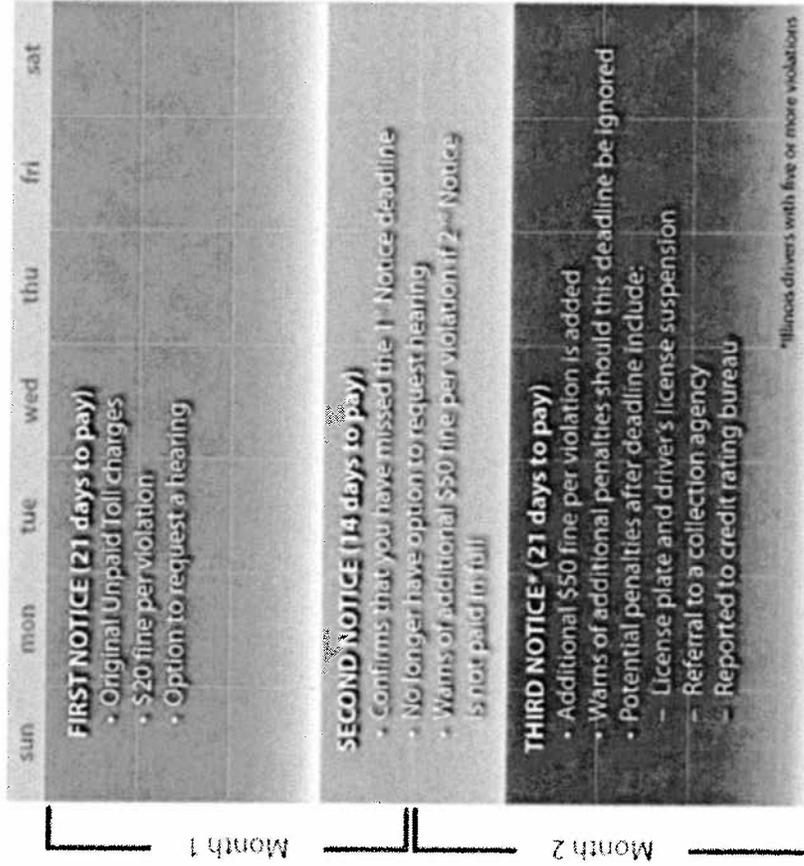
# Benchmarking: Current Days to Pay

Toll Agency	First Communication	Second Communication	Third Communication
Illinois Tollway	21 days to pay	14 days to pay	N/A
E-470 Public Highway Authority (Denver)	30 days to pay (appx)	30 days to pay (appx)	N/A
Georgia State Road and Tollway Authority (Atlanta)	30 days to pay	90 days to pay	N/A
Miami-Dade Expressway Authority	30 days to pay (appx)	30 days to pay (appx)	N/A
North Texas Tollway Authority (Dallas)	30 days to pay	30 days to pay	N/A



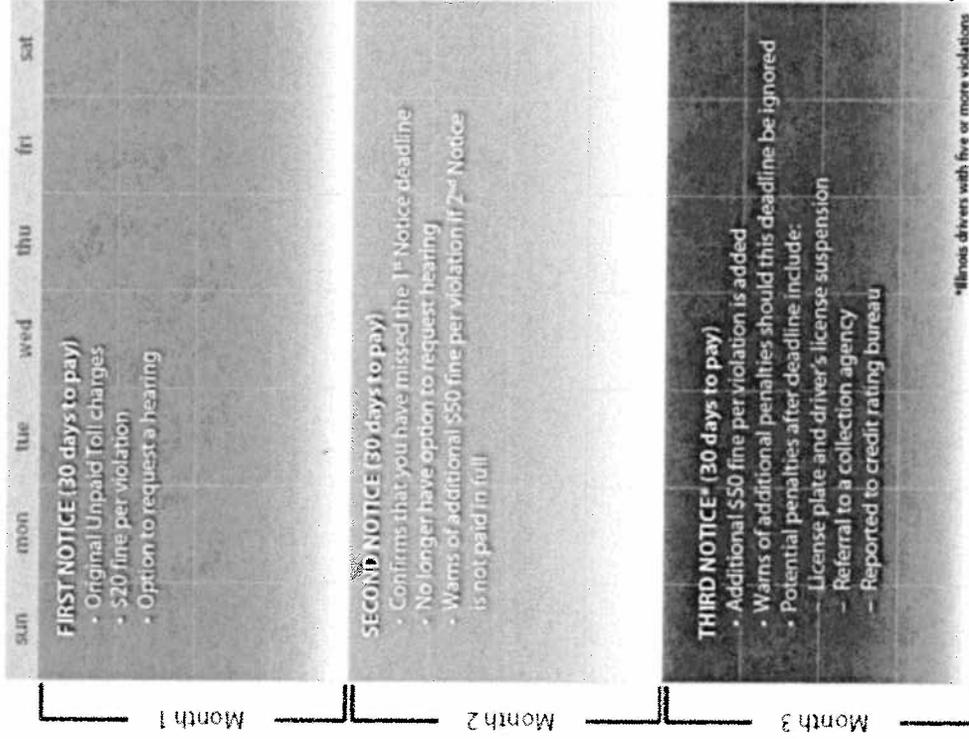
# Current Framework: Overview

## Toll Violation Notice Payment Timeline



# Proposed Framework: Overview

## Toll Violation Notice Payment Timeline



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## Possible Benefits

- **Enhance customer service**
  - Extends the payment timeline by one full month
  - Brings violations framework in line with other toll agencies
  - Adds consistency throughout the timeline
  - Enhances communication to customers and makes it easier for them to understand
- **Decrease revenue leakage**

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## **Next Steps**

- **Explore any required changes to JCAR rules**
- **Develop and implement changes to hard copy violation notices**
- **Create customer communication plan**



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**THANK YOU**



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# APPENDIX

# Current Fines: 2012 Revenue Recovery Overview

## ■ Current revenue recovery cost structure

□ Overall revenue leakage: \$55.6 million

□ Revenue recovered: \$44.8 million \*

□ Recovery expenses: \$14.5 million

□ Net revenue recovered: \$30.3 million

□ Percent revenue leakage recovered net of expenses: 54 percent

\* Violation transactions paid with \$20 fines comprise 67 percent of this revenue recovered. Violation transactions paid with \$50 fines comprise an additional 15 percent of revenue recovered.



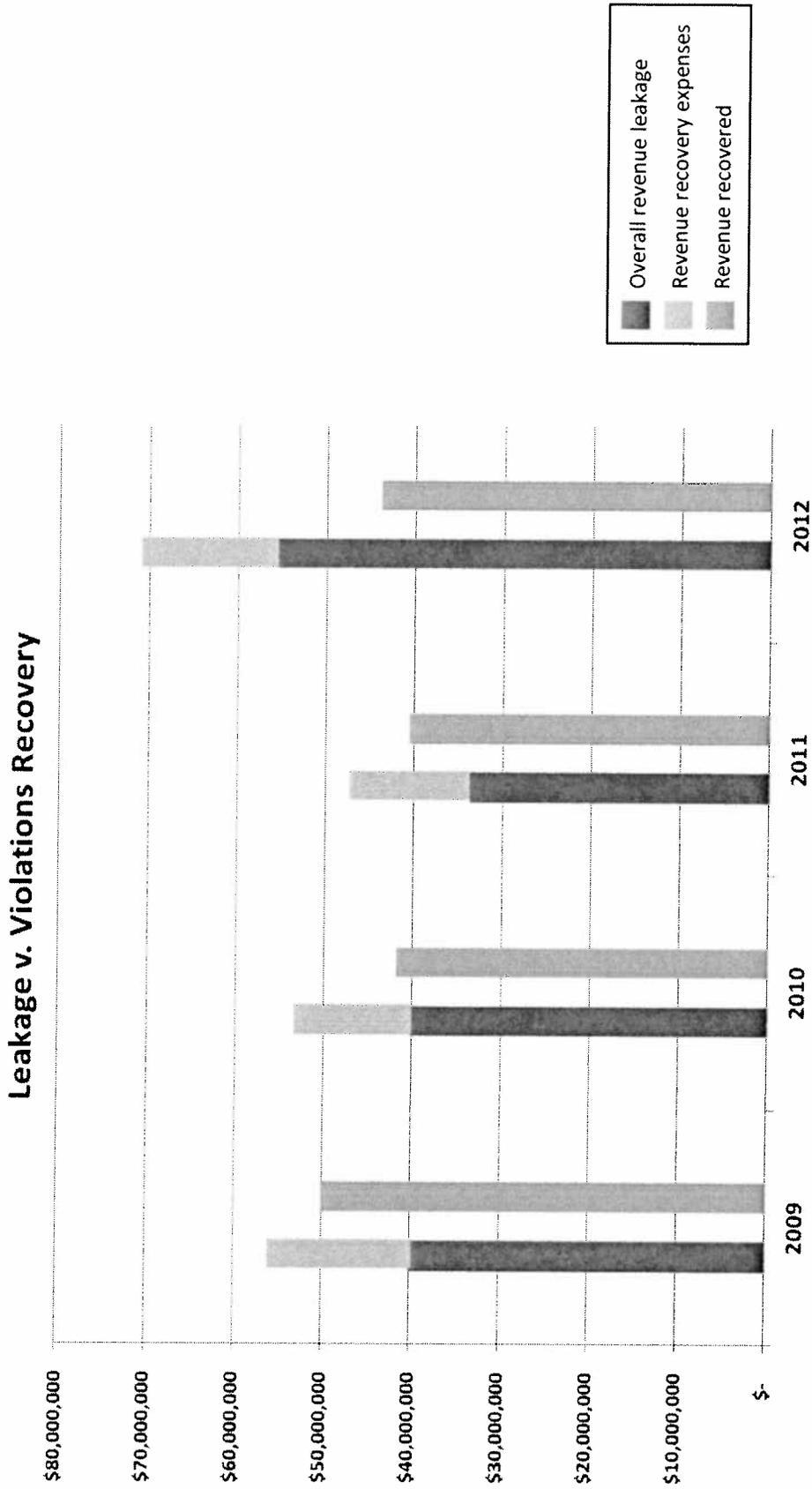
## **Current Fines: Revenue Recovery Challenge\***

- **In 2011, net revenue recovery after expenses was \$27.5 million, representing 82 percent of overall leakage**
- **In 2012, net revenue recovery after expenses (\$30.3 million) declined to 54 percent of overall leakage, despite violation transaction volumes similar to those in 2011**

\* The percent of revenue recovered has decreased in 2012 because each violation transaction is now of higher value. The overall volume of violation transactions remains similar to the overall volume in 2011.



# Current Fines: Historic Revenue Recovery\*



\* The percent of revenue recovered has decreased in 2012 because each violation transaction is now of higher value. The overall volume of violation transactions remains similar to the overall volume in 2011.



# Future Fines: Could we allow new violators to become I-PASS customers to avoid fines?

Almost half of the \$44.8 million recovered in 2012 came from new violators who paid their notices in full

Revenue recovery from new violators, payment source	Annual contribution to revenue
Notices paid in full	\$ 20,670,000
Tolls and some \$20 fines paid (I-PASS/E-ZPass)	\$ 1,810,000
Tolls only paid (I-PASS/E-ZPass)	\$ 1,250,000
Total	\$ 23,730,000

Note: Revenue break-down noted above is related only to first-time violators. Analysis based on a sample of violations payments in 2012.



# Future Fines: Could we allow new violators to become I-PASS customers to avoid fines?

Revenue recovery from new violators, payment source	Annual contribution to revenue	Revenue recovery from new violators, payment source	Current Revenue	Estimated Revenue
Notices paid in full	\$ 20,670,000	Notices paid in full	\$ 20,670,000	\$ 5,740,000
Tolls and some \$20 fines paid (I-PASS/E-ZPass)	\$ 1,810,000	Tolls and some \$20 fines paid (I-PASS/E-ZPass)	\$ 1,810,000	\$ 1,810,000
Tolls only paid (I-PASS/E-ZPass)	\$ 1,250,000	Tolls only paid (I-PASS/E-ZPass)	\$ 1,250,000	\$ 1,250,000
<b>Total</b>		<b>Total</b>	<b>\$ 23,730,000</b>	<b>\$ 8,800,000</b>

**Note:** Assumes 50 percent% eligible opt into I-PASS settlement. Also assumes those opting into I-PASS settlement pay some of the \$20 fines owed.



# Future Fines: Scenarios

## ■ 2011 Baseline:

- First level fine = \$20; Second level fine = \$50
- Net revenue recovery = \$27.5 million (82 percent of 2011 revenue leakage)

## ■ Scenario 1: 2012 Status quo

- First level fine = \$20; Second level fine = \$50
- Net revenue recovery = \$30.3 million (54 percent of 2012 revenue leakage)

## ■ Scenario 2: 2012 Status quo, but lengthen “days to pay”

- First level fine = \$20; Second level fine = \$50
- Increase notices to 30-day cycles to improve customer experience\*
- Net revenue recovery = \$30.3 million (54 percent of 2012 revenue leakage)

\* Might slightly reduce cost of printing and mailing.





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## **Procurement Initiatives**

**January 24, 2013**

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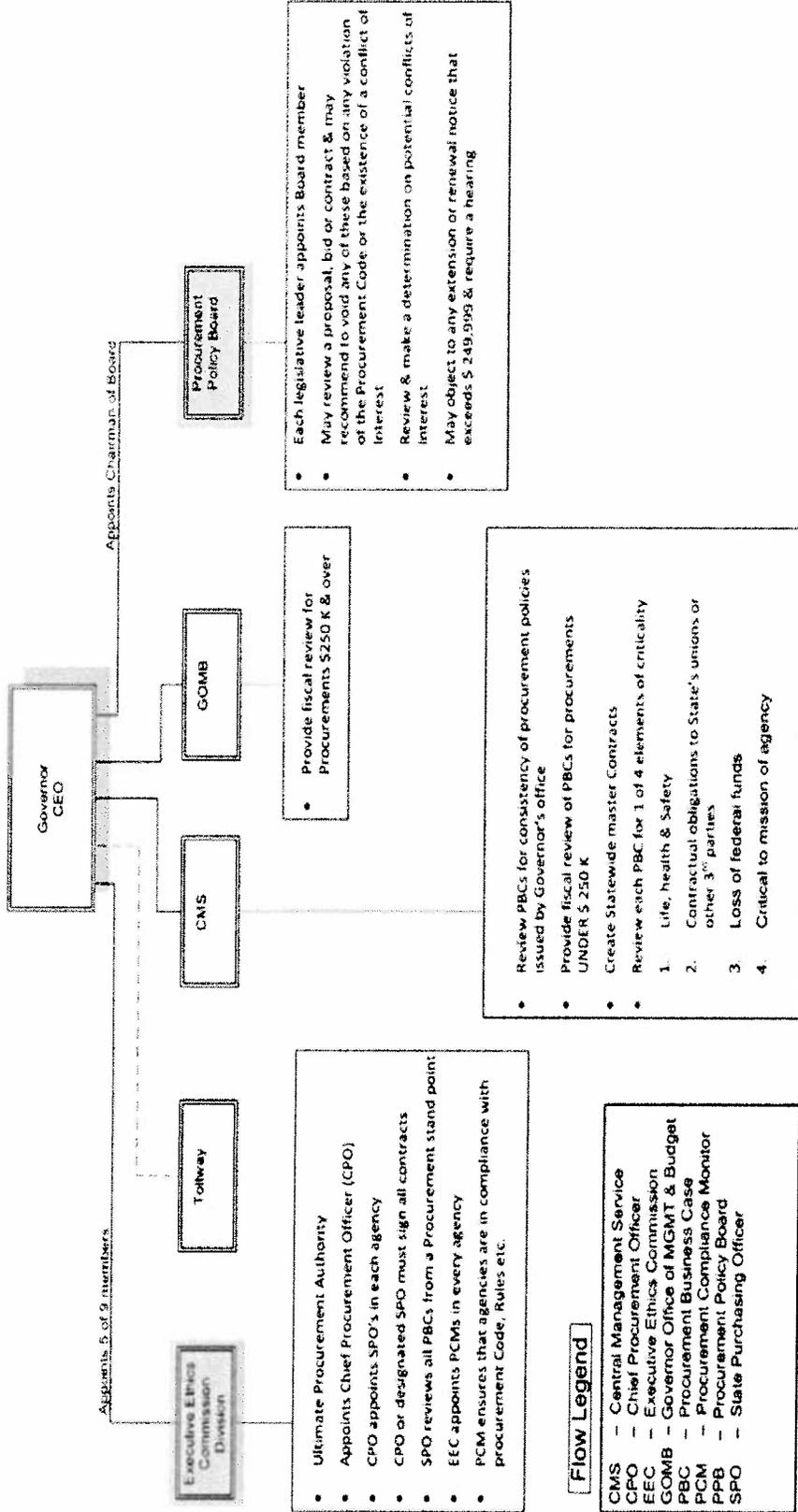
# Overview

- **Procurement challenges**
- **Expired contracts**
- **2012 procurement process changes**
- **2013 proposed solutions**
  - Internal solutions
  - External solutions

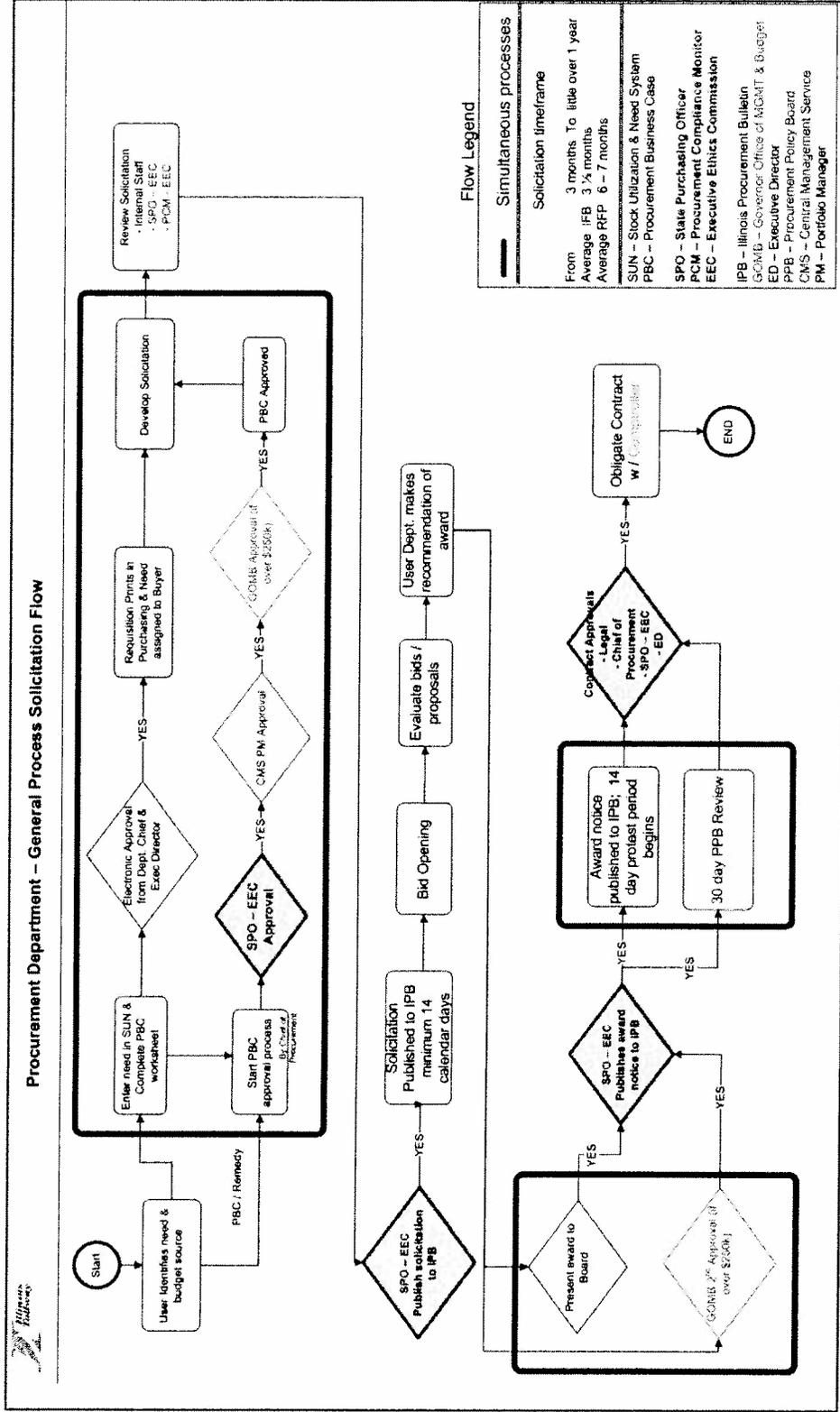


# Procurement Organizational Chart

## Procurement Process Overview



# General Process Solicitation Flow



Presented by John Donato on January 24, 2013

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## **Procurement Challenges**

- **Senate Bill 51 - Procurement authority transferred from Central Management Services (CMS) to EEC**

- Typical IFB**

- Pre-SB51 = 3 to 4 months
- Post-SB51 = 6 to 7 months

- Typical RFP**

- Pre-SB51 = 6 months
- Post-SB51 = 9 to 10 months

- Potential conflict of interest review process**

- Pre-SB51 = less than 7 days
- Post-SB51 = up to 84 days
- Added two entities



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## **Procurement Challenges (continued)**

- **63 expired contracts**
  - 350 contracts per year - 1,900 transactions
- **Goal - No interruption in business**
- **Managing these challenges**
  - Small purchases (less than \$35,000)
  - Emergency purchases (greater than \$35,000)
    - Pre-SB51 = 2 contracts in 2011
    - Post-SB51 = 18 contracts in 2012
  - Increased costs/less efficient



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## **Procurement Solutions: 2012 Changes**

- **CMS led Procurements Board resolution**
- **SharePoint/contract tracking system**
- **Increased contracts/renewals duration**



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## **Procurement Solutions: 2013 Proposed Changes**

- **Vendor managed inventory – goods based**
  - A streamlined approach to inventory management and order fulfillment
  - Designed to stock parts for all types of fleet: light-/medium-/heavy-duty, pursuit vehicles, off-road equipment
  - City of Chicago, Indiana DOT, city of Boston, city of Detroit



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## **Procurement Solutions: 2013 Proposed Changes**

- **Vendor managed inventory – positive impact**
  - Reduce number of contracts by 60-75 per year
  - 30-35 percent BEP participation
  - Eliminate obsolete parts
  - Reduce transaction costs and processing time
  - Increases buyer productivity



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# Procurement Solutions:

## 2013 Proposed Changes

- **Job order contracting – service based**
  - Method to accomplish small or medium-sized facility projects that are competitively bid, firm fixed price and pre-established unit prices
  - Over 40 percent BEP participation
  - City of Chicago, CTA, city of Naperville, Pennsylvania Turnpike Commission, United States Department of Defense
  - Reduce transaction costs and processing time
  - Increases buyer productivity

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# Procurement Solutions:

## 2013 Proposed Changes

- **Increase staffing**
  - Five positions
    - Procurement services manager (1), senior buyer(2) and clerical staff for disclosure reviews (2)
- **Vendor education**
  - BEP/general procurement requirements
    - 1st or 2nd quarter of 2013
- **External changes**
  - No SPO approval required for CMS master contracts
  - Vendor portal for disclosure forms





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**THANK YOU**