

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY  
MINUTES OF THE  
FINANCE, ADMINISTRATION AND OPERATIONS  
COMMITTEE MEETING**

**July 17, 2013**

The Illinois State Toll Highway Authority held the Finance, Administration and Operations (FAO) Committee Meeting on Wednesday, June 17, 2013 at approximately 8:35 a.m. at the Central Administration Building in Downers Grove, Illinois.

Committee Members Present:

Committee Chair Peterson

Director D'Arcy

Director Gonzalez

Committee Chair Peterson called the meeting to order and opened the floor for public comment. No public comment was offered.

CHAIR – FINANCE, ADMINISTRATION AND OPERATIONS

Committee Chair Peterson deferred approval of the minutes of the Finance Administration Operations Committee Meeting held on June 19, 2013 to the next scheduled committee meeting in August.

EXECUTIVE DIRECTOR

Executive Director Kristi Lafleur provided an update on the refunding of a portion of the Tollway's 2005 Series A bonds with additional detail provided by Chief of Finance, Mike Colsch.

Executive Director Lafleur introduced the Illinois Finance Authority Senior Policy Analyst, Sohair Omar, and the Chicago Community Loan Fund Senior Loan Officer, Wendell Harris, who provided information on the Small Contractor Bridge Program, which provides working capital loans to small contractors, including disadvantaged, minority- and women-owned businesses.

Detailed information was provided on the Small Contractor Bridge Program budget and administration, application and approval process, and outreach.

Executive Director Lafleur next introduced Terry Emmert and Gary Wagner from Emmert International and David Adey from Fermilab who provided an update on the transport of the Muon g-2 ring, a 50-foot-wide electromagnet that was being transported from New York to Fermilab in Batavia utilizing the Illinois Tollway.

Committee Chair Peterson asked about the weight of the Muon g-2 ring and the load capacity of the roadway. Mr. Emmert responded that the allowable limit per axle is 50 thousand pounds and the trailers involved in the transport carried 13 thousand pounds per axle. Paul Kovacs, Chief Engineer, added that there are no excessive weight capacity issues for the Tollway.

Committee Chair Peterson asked about possibility of lost revenue. John Benda, General Manager of Maintenance and Traffic, responded that loss of revenue is not anticipated because the road will undergo a moving closure where traffic is still moving behind the unit. Further detail regarding weather, motorist safety, unit height and estimated moving time were provided.

Mr. Kovacs thanked Fermilab and Emmert International for coordinating with the Tollway and the State Police on this effort.

Mr. Colsch then presented the following **Finance** item:

*Item 1: Early payment of total balance owed to Rosemont for cost of Balmoral Ramp in the amount of \$8,226,538.09*

Director D'Arcy made a motion for approval of **Finance Item 1**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full consent agenda.

Committee Chair Peterson called on John Donato, Chief of Procurement, to present the following **Procurement** item:

*Item 1: Award of Contract 13-0134 to Unisys Corporation for Unisys Mainframe Upgrade, Maintenance, and Support in an amount not to exceed \$1,689,322.00 (Tollway Sole Source).*

Mr. Donato provided further information on the sole source process and the proprietary nature of the software.

Director Gonzalez made a motion for approval of **Procurement Item 1**; seconded by Director D'Arcy. The motion was approved unanimously to move to the full consent agenda.

Mr. Kovacs and Gustavo Giraldo, Chief of Diversity and Strategic Development, provided an Unbundling Update as shown in the [attached presentation](#).

Highlights of the presentation included a 52% increase in contracts let under \$5 million to increase access to small businesses; status of outreach efforts; new initiatives to assist small businesses; and actions taking place to address challenges.

Committee Chair Peterson asked if a decrease in bids being submitted on smaller contracts means that firms have reached capacity. Mr. Giraldo

responded that, among other reasons, proximity of the construction work relative to where firms are located plays an important role, particularly when competing with agencies such as the City of Chicago, IDOT and others that are in competition with Tollway construction projects. Mr. Kovacs provided further details on the challenges such as bidding process complexity, risk and timing and geography.

Director D'Arcy noted that information about Tollway construction opportunities is reaching the construction community as demonstrated by the increase of new prime and subcontractors on projects. Executive Director Lafleur concurred and acknowledged the work of the Engineering Department in unbundling projects.

Committee Chair Peterson called on Mr. Kovacs to present the following **Engineering** Items:

*Item 1: Award of Contract I-13-4133 to Curran Contracting Company for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90), from Milepost 24.9 (Genoa Road) to Milepost 33.5 (Anthony Road), in the amount of \$48,582,986.70.*

*Item 2: Award of Contract I-13-4134 to R.W. Dunteman Company for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90), at Milepost 18.4 (Kishwaukee River) to Milepost 24.9 (Genoa Road), in the amount of \$43,880,930.69.*

*Item 3: Award of Contract I-13-4137 to William Charles Construction Company, LLC for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90), from Milepost 17.8 (Mill Road) to Milepost 18.4 (East of Kishwaukee River), in the amount of \$11,908,290.50.*

*Item 4: Award of Contract I-13-4136 to F.H. Paschen, S.N. Nielsen & Assoc. for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90), from Milepost 41.5 (US 20) to Milepost 45.5 (IL 47), in the amount of \$29,180,178.22.*

Committee Chair Peterson asked about the schedule of completion for the Westbound Jane Addams and the maintenance of traffic. Mr. Kovacs responded the project will be completed in 2014 and there have been improvements to the traffic flow in the area.

*Item 5: Award of Contract RR-13-5674 to Plote Construction, Inc. for Shoulder Rehabilitation on the Jane Addams Memorial Tollway (I-90), from Milepost 54.2 (Elgin Plaza 9) to Milepost 79.5 (Kennedy Expressway), in the amount of \$8,841,695.65.*

*Item 6: Award of Contract RR-13-4135 to GFS Construction, LLC for Guard Rail, Drainage Repairs and Slope Stabilization on the Reagan Memorial Tollway (I-88), from Milepost 115.7 (Orchard Road) to Milepost 139.5 (I-294 Tri-State Tollway), in the amount of \$2,591,288.75.*

*Item 7: Award of Contract RR-13-4138 to Herlihy Mid-Continent Company for Bridge and Noise Wall Repairs on the Veterans Memorial Tollway (I-355), from Milepost 3.8 (167th Street) to Milepost 26.3 (Prairie Path), in the amount of \$3,065,909.35.*

*Item 8: Award of Contract RR-13-5669 to R.W. Dunteman Company for Pavement and Bridge Repairs on the Veterans Memorial Tollway (I-355), from Milepost 0.0 (I-80) to Milepost 28.9 (Fullerton Avenue); on*

*the Reagan Memorial Tollway (I-88), at Milepost 129.1 (Yackley Road); on the Jane Addams Memorial Tollway (I-90), at Milepost 5.4 (Burr Oak Road); and on the Tri-State Tollway (I-94), at Milepost 16.1 (IL 176), in the amount of \$4,086,501.65.*

Committee Chair Peterson asked if there was a concern that there was one bidder on the project. Mr. Kovacs responded that as a standard practice the Engineering Department follows up with plan holders after a bid opening and provided a summary of the reasons given by the firms for not submitting a bid.

*Item 9: Award of Contract RR-13-9138 to McDermaid Roofing and Insulating Company for Roof Repairs and Replacements on the Jane Addams Memorial Tollway (I-90), at Milepost 42.5 (US 20); and on the Reagan Memorial Tollway (I-88), at Milepost 54.2 (IL 26), Milepost 50.1 (Atkinson Road), Milepost 81.75 (Woodlawn Road) and Milepost 91.3 (Annie Glidden Road), in the amount of \$283,189.00.*

*Item 10: Acceptance of Proposal from Clark Dietz, Inc. on Contract I-13-4609 for Construction Management Services for Roadway Widening and Resurfacing on the Elgin O'Hare Western Access, US Route 20 to Roselle Road, in an amount not to exceed \$5,361,000.00.*

*Item 11: Acceptance of Proposal from Civiltech Engineering, Inc. on Contract I-13-4610 for Construction Management Services for Bridge Reconstruction on the Elgin O'Hare Western Access, Devon Avenue Bridge, in an amount not to exceed \$1,799,750.00.*

*Item 12: Acceptance of Proposal from Collins Engineers, Inc. on Contract I-13-4611 for Construction Management Services for Roadway Widening and Reconstruction on the Elgin O'Hare Western*

*Access, Meacham Road / Medinah Road to Rohlwing Road, in an amount not to exceed \$3,556,927.00.*

*Item 13: Acceptance of Proposal from Hey and Associates, Inc. on Contract I-13-4612 for Construction Management Services for Wetland Mitigation on the Elgin O'Hare Western Access, in an amount not to exceed \$1,244,000.00.*

*Item 14: Acceptance of Proposal from Ciorba Group, Inc. on Contract I-13-4110 for Design Services Upon Request for tasks associated with the Jane Addams Memorial Tollway (I-90), in an amount not to exceed \$2,500,000.00.*

*Item 15: Acceptance of Proposal from SPAAN Tech, Inc. on Contract I-13-4109 for Construction Management Services Upon Request for tasks associated with the Jane Addams Memorial Tollway (I-90), in an amount not to exceed \$2,500,000.00.*

*Item 16: Acceptance of Proposal from Robert E. Hamilton Consulting Corp. on Contract I-13-4111 for Construction Management for Document Compliance Services related to the Tollway's Diversity and Strategic Development Department, in an amount not to exceed \$3,360,000.00.*

Committee Chair Peterson asked if there were any conflicts of interest in Robert E. Hamilton Consulting Corp. performing on this contract. Mr. Kovacs responded that, since the consultant is overseeing construction contractors and not Professional Services, there are no conflicts.

*Item 17: Acceptance of Proposal from Bloom Companies, LLC on Contract RR-13-4118 for Design Services Upon Request for tasks*

*associated with Systemwide Pavement and Ramp Repairs, in an amount not to exceed \$2,500,000.00.*

Committee Chair Peterson asked how many Design Upon Request contracts does the Tollway have under contract and how are they determined. Mr. Kovacs responded the number of Design Upon Request contracts are typically 3-5. He further provided a summary of the benefits of having these types of contracts available.

*Item 18: Acceptance of Proposal from Aero-Metric, Inc. on Contract I-13-4119 for Systemwide Aerial Mapping Services Upon Request, in an amount not to exceed \$1,500,000.00.*

*Item 19: Final Release of Retainage on Contract I-12-4035 to Lorig Construction Company for Roadway and Bridge Reconstruction and Widening, Tri-State Tollway (I-294) from Milepost 8.2 (over 147th Street Bridge/Route 83) to Milepost 8.5 (Kedzie Avenue), in the amount of \$ 43,780.00.*

*Item 20: Final Release of Retainage on Contract RR-11-9106R to A.C. Pavement Striping Company for Pavement Markings, Systemwide, in the amount of \$96,575.05.*

*Item 21: Amended DiBenedetto (Identification of Real Estate Parcels associated with Elmhurst Road and Elgin O'Hare Western Access (EOWA). Cost to the Tollway: N/A.*

Director D'Arcy made a motion for approval of **Engineering Items 1 and 2**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson made a motion for approval of **Engineering Item 3**; seconded by Director Gonzalez. The motion was approved unanimously, with the recusal of Director D’Arcy, to move to the full Board consent agenda.

Director D’Arcy made a motion for approval of **Engineering Items 4 through 8**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

**Engineering Item 9** is being deferred to the full Board.

Director Gonzalez made a motion for approval of **Engineering Items 10 through 12**; seconded by Director D’Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson made a motion for approval of **Engineering Item 13**; seconded by Director Gonzalez. The motion was approved unanimously, with the recusal of Director D’Arcy, to move to the full Board consent agenda.

Director D’Arcy made a motion for approval of **Engineering Item 14**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Director Gonzalez made a motion for approval of **Engineering Item 15**; seconded by Director D’Arcy. The motion was approved unanimously, with the recusal of Committee Chair Peterson, to move to the full Board consent agenda.

Director D’Arcy made a motion for approval of **Engineering Items 16 through 18**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Director Gonzalez made a motion for approval of **Engineering Items 19 and 20**; seconded by Director D'Arcy. The motion was approved unanimously to move to the full Board consent agenda.

**Engineering Item 21** will be deferred to the full Board meeting.

Director Gonzalez requested the breakdown of construction and professional services contract awards by dollars and DBE group. **Mr. Kovacs committed to provide the requested information.**

Committee Chair Peterson called on David Goldberg, General Counsel, to present the following **Legal** items:

*Item 1:* An Intergovernmental Agreement with the Cook County Forest Preserve District. Cost to the Tollway: \$0

*Item 2:* An Intergovernmental Agreement with the Village of Gilberts. Cost to the Tollway: An amount not to exceed \$822,600.

*Item 3:* An Intergovernmental Agreement with the Illinois Department of Transportation. Cost to the Tollway: \$0

*Item 4:* Litigation Settlement. Cost to the Tollway: To be discussed during Executive Session.

Director D'Arcy made a motion for approval of **Legal Item 1 through 3**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

**Legal Item 4 will be discussed in Executive Session.**

There being no further business, Committee Chair Peterson requested a motion to adjourn. Motion to adjourn was made by Director D'Arcy;

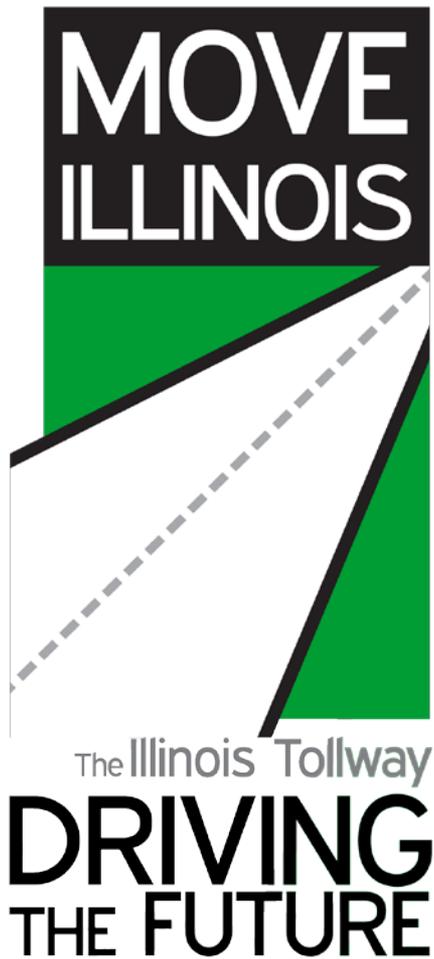
seconded by Director Gonzalez. The motion was approved unanimously.

The meeting was adjourned at approximately 10:22 a.m.



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

Marlene Vick  
Assistant Board Secretary  
Illinois State Toll Highway Authority



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# Unbundling Update

Finance Administration Operations Committee

July 17, 2013

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# Creating Opportunity

- ▶ **The Tollway has initiated multiple approaches to increase opportunities for small business**

<p><b>Unbundling</b></p>	<p>Have let 23 contracts under \$5 million so far this year (compared to 15 last year). Currently, 52 percent of total <i>Move Illinois</i> construction contracts are unbundled.</p>
<p><b>Small Business Initiative</b></p>	<p>Launched a program to set aside contracts for small businesses, and soon, pending approval from the CPO, will establish small business goals on large contracts.</p>
<p><b>Outreach and Networking</b></p>	<p>Held 317 events since January 2012, with 44 more planned before year’s end – helping businesses understand opportunities.</p>
<p><b>Technical Assistance and Training</b></p>	<p>Direct assistance and partnership with multiple agencies on programs such as Small Contractor Bridge, Construction Business Development Center and Coaching for Growth.</p>

- ▶ **We are actively engaged in helping small businesses benefit from *Move Illinois***

# Good Progress With Challenges to Overcome

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- ▶ **Two new small businesses**
  - ▶ Earthwerks Land Improvement & Development Corp. and McDermaid Roofing & Insulating Inc. (pending July Board approval)
- ▶ **Two new DBE construction primes**
  - ▶ Acura Inc. and Reyes Group
- ▶ **Tremendous amount of work on the street**
  - ▶ Small jobs are readily available
  - ▶ 106 *Move Illinois* projects have contracted:
    - ▶ 72 unique primes and 382 unique subs
    - ▶ 12 unique DBE/SB primes and 136 unique DBE/SB subs
  - ▶ Since January 2012, the capital program has created or sustained up to 5,400 jobs
- ▶ **Decreasing response to small contract opportunities**
  - ▶ No bids
  - ▶ High bids

# Understanding the Market

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- ▶ **Uncover the reason for low/no bids**
  - ▶ Market availability (Are there small businesses to do the work?)
  - ▶ Market capacity (Do they need the work?)
  - ▶ Complexity of the Tollway's bidding process
  - ▶ Risk (Would small businesses rather work as a sub to reduce their risk?)
  - ▶ Bid timing
  
- ▶ **ACTION: Market analysis underway**
  - ▶ Disparity study
  - ▶ Online survey in development
  - ▶ Roundtable discussion with large and small businesses
  - ▶ Analyze contract packaging, bid timing and geography

# Continuous Improvement

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- ▶ **Based on input and analysis, a number of options could emerge:**
  - ▶ Advertising in new publications
  - ▶ Targeted unbundled contracts that match market availability
  - ▶ Refined packaging and contract sizes
- ▶ **The Tollway's multiple approaches are an investment for now and the future**