

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

**January 23, 2014**

The Illinois State Toll Highway Authority met in regular session on Thursday, January 23, 2014, 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 Paula Wolff stated that this is the regularly scheduled meeting of the Board of The Illinois State Toll Highway Authority and asked the Board Assistant Secretary to call the roll. Those Directors present and absent were as follows:

Present:

Chair Paula Wolff  
Director Terry D’Arcy  
Director Earl Dotson, Jr.  
Director David Gonzalez  
Director Mark Peterson  
Director Jeff Redick  
Director Tom Weisner

Not Present:

Governor Pat Quinn  
Secretary Ann Schneider  
Director Jim Banks  
Director James Sweeney

#### PUBLIC COMMENT

Chair Wolff called for public comment. No public comment was received.

#### CHAIR’S ITEMS

Chair Wolff called for a motion to approve the minutes of the Board Meeting held on December 19, 2013. Director D’Arcy made a motion to approve; seconded by Director Weisner. The motion was approved unanimously.

#### STANDING COMMITTEE REPORTS

##### Finance, Operations, and Administration Committee

Director Peterson reported on the January 15, 2014 meeting of the Finance, Administration and Operations Committee (FAO).

**PROCUREMENT** presented six items which were approved by the FAO Committee. Highlights included:

- An award of an order against a CMS master contract to purchase 14 snow plow trucks. All of these trucks are replacements.
- Prasad Alavilli, Senior Manager of Strategic Initiatives, provided a brief status update of the Tollway's ERP initiative, which currently includes three RFPs. John Donato, Chief of Procurement, presented the award of this first RFP for ERP Advisory Services. The selected vendor will be the Tollway's partner throughout this initiative.
- Procurement recommends award of two Tollway procurements for Winter Roadway Abrasives.
- Mr. Donato updated the FAO Committee on a pending procurement for discussion at the full Board meeting. This item is for a recommendation of award of a Vendor Managed Inventory program that was identified in 2012 as a streamlining effort. The vendor will be responsible for managing and supplying parts for the Tollway's fleet-related operations.

Paul Kovacs, Chief of Engineering, presented the Tollway's process for evaluating Errors and Omissions (E&O) on its consultant contracts to the FAO Committee. The Tollway has a low volume of potential errors and omissions and has a process that is consistent with best practices promoted by the American Association of Highway and Transportation Officials (AASHTO) and other agencies. The current threshold for performing a detailed evaluation of potential errors and omissions will be raised from \$50,000 to \$100,000.

**ENGINEERING** presented 22 items for consideration and all were placed on the consent agent, except for Item 21, which is a DiBenedetto

land acquisition item to be discussed in Executive Session prior to full Board action.

A summary of the engineering items were:

- 3 new construction contract awards
- 12 new professional services contracts (4 new Tollway prime consultants)
- 1 supplement on a design contract
- 1 change order on a construction contract
- 3 requests for final release of retainage on construction contracts, and
- 2 land acquisition items.

**LEGAL** Presented three Intergovernmental Agreements (IGA):

- 1. IGA between Tollway and the Village of Gilberts** – In connection with work on I-90, Tollway must mitigate storm-water runoff per state environmental requirements, and the Village has a regional storage facility and capacity to sell “credits” to the Tollway. Tollway will purchase 8 acre feet of “detention credits”, at a total cost of \$480,000.
- 2. IGA between Tollway and the Village of Hampshire** – As part of I-90 work, the Tollway will remove and replace the bridge carrying Brier Hill Road over the toll road. This agreement calls for the Tollway to conduct and pay for these project costs, and then the IGA addresses rights and responsibilities for the bridge after reconstruction. Essentially, the Village agrees to maintain the roadway portion of the bridge, with Tollway getting access and maintaining those portions of the structure that have impacts on tollroad operations.
- 3. IGA between Tollway, Village of Itasca and IDOT** -- In connection with the Elgin-OHare work, the Village is agreeing to transfer two needed parcels of real estate to the Tollway. In

exchange, the Tollway is agreeing to construct certain sidewalks and noise walls within the Village's jurisdiction. The agreed value of the parcels coming to the Tollway exceed the expected engineering and construction costs of the improvements to be built for the Village, so any overage will be considered a credit to the Village on potential future activities that may arise.

### Strategic Planning Committee

Director Weisner reported on the December 13, 2013 meeting of the Strategic Planning Committee.

Chief of Diversity and Strategic Planning, Gustavo Giraldo, presented an update of the Diversity and Strategic Development Department's achievements and 2014 goals.

### Accomplishments and Outreach

- Payments to D/M/WBEs for construction and professional services totaled \$712.9 million, or 23.8 percent of the total \$3.0 billion spent on construction and professional services contracts.
- The Tollway received the Rosa Parks Diversity Leadership and Friend of the Cosmopolitan Chamber of Commerce award.
- A marketplace survey was conducted and the results were presented to better understand the needs of small businesses.
- The Department conducted community outreach events for the disparity study.

### Vendor and Contractor Diversity

- The Tollway has enacted partnerships to provide technical assistance to companies seeking to do business with the Tollway to support and promote business growth and participation in Tollway contract opportunities: the Construction Business Development

Center (CBDC), a partnership with various Community Colleges; and the Construction Coaching for Growth Program (CC4G), a partnership with the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Hispanic Chamber of Commerce.

- The Tollway has also initiated a partnership with the Chicago Community Loan Fund and the Illinois Finance Authority (IFA) to promote the Small Contractor Bridge Program. This program helps small and diverse firms obtain surety bonding and get preapproved for loans to help them compete for public works projects.
- The Tollway will be releasing two RFPs in 2014 that will expand Technical Assistance programs and develop a Diversity and Compliance Tracking system.
- The Department will be continuing to work with Engineering on unbundling contracts on a more targeted basis.
- The Tollway launched a Small Business Set-Aside Program with plans in 2014 to implement Small Business Goals on certain contracts.
- The Tollway is exploring an Owner Controlled Insurance Program, replacing the need for surety and other insurance for individual companies on Tollway projects. An RFP for insurance broker services is underway. **Staff will report back on progress; the Board wanted to make sure efforts were targeted to help the pipeline for small and mid-sized businesses, not just large companies.**

#### Workforce Diversity

- Staff presented an overview on Tollway workforce programs, I-Work (created for the 294-57 project) and the Earned Credit Programs (ECP). There was discussion about what the Tollway's

goals should be for these programs. There was some discussion that a community hiring program, like I-Work, may not be a long term solution to provide opportunities to access the trades since projects in a given community are typically only short-term and success in the industry requires that workers be able to travel throughout the region. The Tollway will continue to monitor I-Work over the next year, but perhaps increase focus on ECP or other programs that provide longer term views and greater geographic reach.

**Staff will provide progress updates to the committee on Diversity programs and initiatives.**

Director Gonzalez inquired if statistics on vendors completing work as a part of Diversity goal setting could be reported to the Board based on ethnicity. Executive Director Lafleur stated that this information was available in the Tollway capital report.

Interchange Planning and Performance Update Summary

Rocco Zuccherro, Deputy Chief of Engineering for Planning, provided a brief overview of the current interchange planning and performance of recently constructed interchanges. Five of the most recent interchanges constructed were evaluated to assess their performance in accordance with the Interchange Policy goals: 1) economic development, 2) traffic and operation improvement, and 3) return on investment.

All are meeting the performance expectations to varying degrees. Some of the interchanges built prior to the recession are beginning to realize the economic development that was anticipated. All of the new or expanded interchanges appear to be meeting the goal for return on investment, which is to recover the Tollway investment within 10-15

years. Most are projected to meet the return on investment within 10 years. The interchange at I-88 and Eola Road is realizing slower growth than the others, but growth is increasing.

Staff also briefed the Committee on how revisions to the Interchange Policy that were adopted in late 2012 are allowing new or expanded interchanges to advance.

In the coming months several interchange Agreements will be brought to the Board for consideration. The construction along the I-90 corridor is serving the impetus for local communities to move the interchanges forward and they are responding by lining up the necessary funds.

#### Customer Service Committee

Director Redick reported on the December 14, 2013 meeting of the Customer Service Committee.

The Committee reviewed the 2013 Business Systems Work Plan and discussed completed items and the status of items carried over for future years. In addition, a further discussion was held on violation notice protocols and additional discussion on violation notice protocols is anticipated in future committee meetings.

Director Redick stated that I-Pass feedback transponder prototypes are expected to be delivered to the Business Systems Department for testing, and further stated procurement for the devices is anticipated in 2015, as the Tollway looks to required updates to lane maintenance equipment.

The Committee discussed Tollway fleet policies, including potential changes and enhancements to the existing policies. Director Redick additionally reported on the Tollway fleet round-table discussion held over the previous months. These round-table discussions with



representatives of fleet entities were held to gauge and review questions and concerns from fleet industries. The Committee provided further guidance to staff to investigate changes, updates, and enhancements to Tollway fleet policy. The Committee intends to discuss these matters at upcoming meetings.

Discussion was held on anticipated 2014 procurements, including needed replacement of cameras, scheduled updates of lane maintenance software and hardware. In addition, as a result of the lack of manufacture and replacement parts, coin toll devices will need to be removed and replaced. Tollway staff is investigating automatic toll payment device technology, for potential use on portions of the system.

The Committee expects updates on Tollway towing and recovery policy at the March, 2014 meeting, and on grace period pay improvements and settlement guidelines at the May, 2014 meeting.

### Audit Committee

Director Gonzalez reported on the December 13, 2013 meeting of the Audit Committee.

Cassaundra Rouse, Chief of Internal Audit, presented an update to the committee which included a presentation of the 2014-2015 Internal Audit Plan, an overview of the Internal Audit Department and departmental staffing resources for 2014. The Internal Audit Department will seek to fill the Internal Audit Manager position and a new Construction Auditor role in 2014. The current staff includes 3 Internal Auditors, an Information Systems Auditor and the Chief of Internal Audit.

Ms. Rouse provided an overview of the Risk Assessment process that was conducted to develop the 2 year Internal Audit Plan presented before the committee for approval. Presentation of the 2-year Internal

Audit Plan is required by the Fiscal Control and Internal Auditing Act. The plan outlines the work the department will undertake in the coming year. It is based on an agency-wide complex and lengthy risk assessment and includes interviews of executive staff, surveys, research into statutes and regulations, detailed reviews of prior audit results, and consideration of the current control structure.

Chair Wolff thanked Director Weisner for serving as Acting Chair at the December 2013 Board meeting.

Chair Wolff then thanked Tollway roadway maintenance staff for their work during snow conditions during the winter season.

#### EXECUTIVE DIRECTOR

Executive Director Lafleur updated the Board on a pending bond refunding issue, stating the Tollway Finance team started the process to refund approximately \$437 million of Series 2005 bonds. Final pricing for the issue will occur January 28, 2014. The Tollway has targeted refunding savings of \$30 million or more.

Executive Director Lafleur also updated the Board that the installation of 70 mph speed limit signs on portions of the roadway designated to have a 70 mph speed limit, and confirmed sign installation along I-88 and I-90 is complete.

Executive Director Lafleur introduced John Donato, Chief of Procurement, to provide a Streamlining Update Presentation. See attached presentation.

Director Dotson inquired if the Procurement Department was operating at a sufficient level of staffing. Mr. Donato stated the department was

filling several vacancies, but was operating sufficiently with the current staff.

Discussion ensued on the subject of utilizing reverse auction process for procurements. Chair Wolff inquired if the reverse auction concept presented any potential challenges. Executive Director Lafleur stated that bidders may provide bids which are below the bidder's ability to actually meet the requirement of the bid. Executive Director Lafleur indicated the Tollway intended to provide education to potential vendors. Mr. Donato further explained the process of vendor education should a reverse auction process be utilized.

Chair Wolff asked if the use of a reverse auction system would allow for the Tollway to ensure bidders would meet bid specifications. Mr. Donato stated that the Procurement Department would work with prospective bidders to ensure items would meet specifications.

Director Dotson inquired if contracts are awarded to the lowest responsible bidder. Executive Director Lafleur stated contracts were awarded to the lowest responsible bidder.

Discussion then ensued on the subject of Vendor Managed Inventory (VMI). Director Peterson inquired if the vendor under consideration for the Tollway's VMI program had worked with other government agencies. Mr. Donato confirmed the vendor had worked with other government agencies.

Director Peterson then asked if the streamlining process in the Procurement Department may lead to staffing reductions. Mr. Donato stated that, based on the anticipated workload, a reduction in staff was

unlikely. Executive Director Lafleur stated that the streamlining process may lead to slower growth in staffing needs.

### Consent Agenda

Chair Wolff reminded the Board and guests that items on the Consent Agenda were previously reviewed in detail in Committee.

Chair Wolff then began the Consent Agenda by calling for a motion to approve the following **Procurement** resolutions:

*Item 1: Award of Contract 14-0001 to Rush Truck Centers for the purchase of Snow Plow Trucks in amount not to exceed \$2,141,827.68 (Order Against CMS Master Contract).*

*Item 2: Award of Contract 13-0142 to Independent Recycling Services, Inc. and Allied Waste Transportation, Inc. (d.b.a. Republic Services, Inc.) for the purchase of Waste-Hauling Services in an aggregate amount not to exceed \$360,654.00 (Order Against CMS Master Contract).*

Chair Wolff asked Mr. Donato to present **Procurement Item 3**.

Director Peterson asked Mr. Donato to describe the bidding process for this item. Mr. Donato described the bidding process, and stated the vendor under consideration had current contracts with other area governments and had committed to meeting Tollway diversity goals.

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

*Item 3: Award of Contract 13-0171 to Genuine Parts Company (d.b.a. NAPA Auto Parts) for the purchase of a Vendor Managed Inventory (“VMI”) Program in an amount not to exceed \$15,495,877.84 (Tollway Request for Proposal).*

Director Dotson made a motion for approval of **Procurement Item 3**; seconded by Director Weisner. The motion was approved unanimously.

*Item 4: Award of Contract 13-0002 to International Consulting Acquisition Corporation (d.b.a. ISG Public Sector) for the purchase of Enterprise Resource Planning (“ERP”) Advisory and Management Services in an amount not to exceed \$4,029,500.00 (Tollway Request for Proposal).*

*Item 5: Award of Contract 13-0099 to Martin Implement Sales, Inc. and WHE, Ltd. for the purchase of Mowing Tractors and Equipment in an aggregate amount not to exceed \$581,711.00 (Tollway Invitation for Bid).*

*Item 6: Award of Contract 13-0188 to Thelen Materials, LLC for the purchase of Winter Roadway Abrasives in an amount not to exceed \$329,196.00 (Tollway Invitation for Bid).*

*Item 7: Award of Contract 14-0002 to Thelen Materials, LLC for the purchase of Winter Roadway Abrasives in an amount not to exceed \$158,358.00 (Tollway Emergency).*

Director Dotson made a motion for approval of **Procurement Items 1 and 2, and 4-7**; seconded by Director D’Arcy. The motion was approved unanimously.

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

*Item 1: Award of Contract I-13-4620 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Bridge Demolition and Grading on the Jane Addams Memorial Tollway (I-90) from Milepost 74.3 to Milepost 74.4 (Des Plaines Oasis), in the amount of \$4,066,901.50.*

*Item 2: Award of Contract I-13-5686 to Plote Construction, Inc. for Retaining Wall and Noise Wall Construction on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (West of IL 25) to Milepost 59.1 (IL 59), in the amount of \$12,570,063.58.*

*Item 3: Award of Contract I-13-4165 to Meade, Inc. for Intermediate Power Distribution and Communication (IPDC) Facility Fabrication and Installation on the Jane Addams Memorial Tollway (I-90) from Milepost 18.5 (East of Kishwaukee River) to Milepost 53.1 (West of Elgin Plaza), in the amount of \$10,366,603.06.*

*Item 4: Acceptance of Proposal from Parsons Transportation Group, Inc., on Contract RR-13-4116 for Design Services for Roadway Reconstruction on the Reagan Memorial Tollway (I-88) from Milepost 138.1 (York Road Plaza) to Milepost 140.5 (I-290), in an amount not to exceed \$3,348,578.95.*

*Item 5: Acceptance of Proposal from Graef-USA Inc., on Contract I-13-4625 for Design and Construction Management Upon Request Services on the Elgin O'Hare Western Access (EOWA), in an amount not to exceed \$3,000,000.00.*

Item 6: Acceptance of Proposal from Civiltech Engineering, Inc., on Contract I-13-4626 for Construction Management Services for Advance Work on the Elgin O'Hare Western Access (EOWA) from I-290 to IL 83, in an amount not to exceed \$4,247,645.00.

Item 7: Acceptance of Proposal from Omega & Associates, Inc., (MBE) / AMEC Environment & Infrastructure, Inc., (JV), on Contract I-13-4152 for Construction Management Upon Request Services on the Jane Addams Memorial Tollway (I-90), in an amount not to exceed \$7,000,000.00.

Item 8: Acceptance of Proposal from EJM Engineering, Inc. (D/WBE), on Contract RR-13-4151 for Design Upon Request Services, Systemwide, in an amount not to exceed \$6,500,000.00.

Item 9: Acceptance of Proposal from Infrastructure Engineering, Inc. (MBE), on Contract RR-13-5681 for Design Upon Request Services, Systemwide, in an amount not to exceed \$3,999,969.56.

Item 10: Acceptance of Proposal from David Mason & Associates of Illinois, Ltd. (MBE) / Horner & Shifrin, Inc. (JV), on Contract RR-13-9149 for Design Upon Request Services, Systemwide, in an amount not to exceed \$2,500,000.00.

Item 11: Acceptance of Proposal from Cotter Consulting, Inc. (D/WBE) / CivCon Services, Inc. (D/MBE) (JV), on Contract RR-13-4153 for Construction Management Upon Request Services, Systemwide, in an amount not to exceed \$6,500,000.00.

*Item 12: Acceptance of Proposal from Accurate Group, Inc. (D/MBE), on Contract RR-13-5682 for Construction Management Upon Request Services, Systemwide, in an amount not to exceed \$5,000,000.00.*

*Item 13: Acceptance of Proposal from Atlas Engineering Group, Ltd. (D/WBE), on Contract RR-13-9150 for Construction Management Upon Request Services, Systemwide, in an amount not to exceed \$2,500,000.00.*

*Item 14: Acceptance of Proposal from HBK Engineering, LLC, on Contract RR-13-4154 for Utility Location and Identification Upon Request Services, Systemwide, in an amount not to exceed \$5,000,000.00.*

*Item 15: Acceptance of Proposal from S.T.A.T.E. Testing, LLC, on Contract RR-13-4155 for Materials Engineering Upon Request Services, Systemwide, in an amount not to exceed \$5,000,000.00.*

Director Redick made a motion for approval of **Engineering Items 1-15**; seconded by Director Dotson. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Engineering resolution**:

*Item 16: Acceptance of Proposal from BCP Tollway Partners (JV) on Contract I-11-5633 for Supplemental Design Services for Reconstruction and Add Lane on the Jane Addams Memorial Tollway (I-90) from Milepost 41.8 (U.S. Route 20) to Milepost 53.8 (Elgin Plaza) in the amount of \$178,500.00 from \$12,232,048.16 to \$12,410,548.16. (Director D'Arcy recusal)*



Director Redick made a motion for approval of **Engineering Items 16**; seconded by Director Gonzalez. The motion was approved unanimously, with Director D'Arcy recusing himself.

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

*Item 17: Extra Work Order on Contract I-12-4066 to Lorig Construction Company for Roadway Widening & Bridge Reconstruction, I-57 Ramp B on the Tri-State Tollway (I-294) at I-57 Interchange, from Milepost 7.5 to Milepost 7.8, in the amount of \$285,000.00.*

*Item 18: Final Release of Retainage on Contract I-13-4091 to Reyes Group, Ltd. (DBE) for Municipal Utility Relocation on the Tri-State Tollway (I-294) at I-294/I-57 Interchange, from Milepost 7.7 to Milepost 8.4, in the amount of \$45,779.02.*

*Item 19: Final Release of Retainage on Contract RR-13-4094 to Earthwerks Land Improvement & Development Corp. for Drainage Improvements on the Tri-State Tollway (I-294) from Milepost 9.1 (Midlothian Creek) to Milepost 9.6 (Rexford Avenue), in the amount of \$37,273.16.*

*Item 20: Final Release of Retainage on Contract I-11-5629 to R.W. Dunteman Company for Interchange Grading and Dixie Creek Realignment on the Tri-State Tollway (I-294) from Milepost 7.25 to Milepost 7.65, in the amount of \$173,590.24.*

Director Peterson made a motion for approval of **Engineering Items 17-20**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Engineering resolution**:

*Item 22: Resolution Authorizing Augmenting Funds for Land Acquisition for the Elgin O'Hare Western Access (EOWA), Project I-11-4011.*

Director D'Arcy made a motion for approval of **Engineering Item 22**; seconded by Director Gonzalez. The motion was approved unanimously.

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

*Item 1: An Intergovernmental Agreement with the Village of Gilberts. Cost to the Tollway:*

*Item 2: An Intergovernmental Agreement with the Village of Hampshire. Cost to the Tollway: \$0*

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

Director Dotson made a motion for approval of **Legal Items 1-3**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff stated the following **Legal** Items would be deferred to a future meeting:

*Item 6: Board Committee Composition.*

*Item 7: Amendment of By-Laws.*

At approximately 10:03 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway personnel matters, pending litigation, and real estate acquisition in Executive Session pursuant to Sections 2(c)(1), 2(c)(5), and 2(c)(11) of the Open Meetings Act. Director Weisner made the motion to enter into Executive Session; seconded by Director Redick. The motion was approved unanimously.

At approximately 11:23 a.m., the Committee re-entered the public session of the Board meeting.

Chair Wolff called for a motion to approve the following **Engineering** resolution:

*Item 21: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90)). Cost to the Tollway: N/A.*

Director D'Arcy made a motion for approval of **Engineering Item 21**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff called for a motion to approve **Legal Items 4 and 5**.

*Item 4: Litigation Settlement – Santilli v. Mauro. Cost to the Tollway: As discussed in Executive Session.*

*Item 5: Litigation Settlement – Lenhardt v. Mauro. Cost to the Tollway: As discussed in Executive Session.*

Director D’Arcy made a motion for approval of **Legal Items 4 and 5**; seconded by Director Weisner. The motion was approved unanimously.

**Legal Items 6 and 7** were deferred to a future Board meeting.

There being no further business, Chair Wolff requested a motion to adjourn.

Motion to adjourn was made by Director Weisner; seconded by Director Gonzalez. The motion was approved unanimously.

The meeting was adjourned at approximately 11:26 a.m.

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



Robert J. Baren

Assistant Board Secretary

Illinois State Toll Highway Authority



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# **Streamlining Procurement**

## **Update**

**January 23, 2014**

# Procurement Challenges

## ■ Duration of procurement processes

- Typical IFB - 6 to 7 months
- Typical RFP - 9 to 12 months
- Potential conflict of interest process - up to 75 days

## ■ 88 expired contracts in 2012

## ■ Emergency contracts



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# 2013 Accomplishments

- ✓ **Vendor Managed Inventory (VMI)**
- ✓ **Added three staff members**
- ✓ **Increased small purchase threshold to \$50,000 – CPO**
- ✓ **Emergency procurements down 69 percent from 2012**
- ✓ **Hosted IT Networking Event**
- ✓ **Completed 1,900 transactions**

# Vendor Managed Inventory (VMI)

- **Streamlined approach to inventory management and order fulfillment**
- **Designed to stock parts for all types of fleet**
  - Light-, medium- and heavy-duty trucks
  - Pursuit vehicles
  - Off-road equipment
- **City of Chicago, Chicago Transit Authority (CTA), Indiana Department of Transportation, city of Boston, and city of Aurora**



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# Vendor Managed Inventory (VMI)

- Gain efficiencies
- Reduce number of contracts by 65
- 27 percent BEP commitment
- Eliminate obsolete parts
- Increase buyer productivity
- Implementation – end of 1<sup>st</sup> quarter 2014

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# 2014 Targeted Goals

- **Job order contracting (JOC)**
- **Vendor portal – CPO**
- **Expiring contracts**
- **Reverse auctions**



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**THANK YOU**