

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

February 19, 2014

The Illinois State Toll Highway Authority held the Finance, Administration and Operations (FAO) Committee Meeting on Wednesday, February 19, 2014 at approximately 8:36 a.m. at the Central Administration Building in Downers Grove, Illinois.

Committee Members Present:

Committee Chair Mark Peterson

Director Terry D'Arcy

Director David Gonzalez

Also Attending:

Chair Paula Wolff

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 called for a motion to approve the Minutes of the Finance Administration Operations Committee Meeting and Executive Session held on October 16, 2013, November 13, 2013, and January 15, 2014. Director Gonzalez made a motion for approval; seconded by Director D'Arcy. The motion was approved unanimously.

EXECUTIVE DIRECTOR

Committee Chair Peterson introduced Kristi Lafleur, Executive Director. Executive Director Lafleur complimented the Tollway roadway maintenance staff for their efforts during the winter season. Committee Chair Peterson additionally expressed his appreciation for roadway maintenance efforts.

Committee Chair Peterson called on Mike Colsch, Chief of Finance, to present the following **Finance** items:

Item 1: Approval of the 2013 Retiree Health Insurance Payment to Central Management Services (CMS) per ILCS 375-11.

Committee Chair Peterson asked if the payment included additional retirees from 2013. Mr. Colsch stated that the payment included additional retirees from 2013.

Committee Chair Peterson then asked if the payment was affected by legislation regarding pension costs and payments which had recently passed into state law. Mr. Colsch stated that changes may be made to the program for 2014; however, as the payment is for 2013, there was not an effect on the payment under consideration by the Committee. John Hauk, Insurance Risk Manager, offered several further comments regarding the recently enacted legislation and concurred with Mr. Colsch that there was no expected impact on this item.

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 Board consent agenda.

Item 2: Amend Resolution number 19400 to increase the upper limit on Contract 11-0044 to Vantiv Holding LLC. for merchant card services by

\$10,000,000 from \$35,000,000 to \$45,000,000. (Director Peterson recusal)

Director D'Arcy inquired if the transaction fee charged was 2%. Mr. Colsch responded that the average overall transaction fee was about 2.1%. Director D'Arcy then asked if the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 had an effect on fees paid by the Tollway. Mr. Colsch stated the amendment helped reduce fees paid by the Tollway and lowered the overall amount requested in this item.

Director D'Arcy made a motion for approval of **Finance Item 2**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda, with Committee Chair Peterson recusing himself.

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

Item 1: Award of Contract 13-0010 to FMLASource, Inc. for the purchase of Family Medical Leave Act ("FMLA"), Victims' Economic Security and Safety Act ("VESSA"), and Authorized Leave Without Pay ("ALWOP") Administration Services in an amount not to exceed \$86,130.00 (Tollway Request for Proposal).

Item 2: Award of Contract 13-0026R to Raeco-LIC LLC for the purchase of Carbon Monoxide Detectors in an amount not to exceed \$55,868.80 (Tollway Invitation for Bid).

Director Peterson inquired if the price of the detectors included labor costs for installation. Mr. Donato stated that labor costs were not

included in the bid, as the items would be installed by Tollway staff. Mr. Donato further stated that the detectors are a different variety from carbon monoxide detectors located in the typical home and would be linked to the Tollway's monitoring system should an emergency occur.

Item 3: Award of Contract 12-0087R to Datamation Imaging Services Corporation for the purchase of an Archive Writer in an amount not to exceed \$62,064.80 (Tollway Invitation for Bid).

Item 4: Emergency Extension of Contract 08-0001 to Meade Electric Company, Inc. for the purchase of Traffic and Security Monitoring and Management System Maintenance in an amount not to exceed \$225,000.00 (Tollway Request for Proposal).

Director D'Arcy made a motion for approval of **Procurement Items 1 through 4**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

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

Item 1: Award of Contract RR-14-4173 to Penhall Company for Diamond Grinding and Pavement Markings on the Ronald Reagan Memorial Tollway (I-88) from Milepost 117.4 (Fox River) to Milepost 122.9 (IL 59), in the amount of \$3,076,781.55.

Committee Chair Peterson asked if this item was a part of the Tollway's unbundling program. Mr. Kovacs confirmed it was a part of the unbundling program.

Item 2: Award of Contract RR-13-5687 to Lorig Construction Company

for Des Plaines River Valley Bridge Repairs on the Veterans Memorial Tollway (I-355) from Milepost 0.0 (I-80) to Milepost 12.5 (I-55), in the amount of \$3,298,685.55.

Committee Chair Peterson inquired, generally, about the capacity for Disadvantaged Business Enterprise (DBE) certified sub-contractors to continue supporting the volume of Tollway work. Mr. Kovacs responded that the volume of work undertaken by the Tollway is leading to a high demand for DBE firms and, while the DBE firms are working on multiple Tollway jobs, he also hoped the volume of work would encourage additional firms to seek certification. Mr. Kovacs also stated that, of the work presented to the Committee, 20% will be performed by DBE firms.

Item 3: Award of Contract RR-13-5688 to Era Valdivia Contractors, Inc. (D/MBE) for Systemwide Bridge Painting on the Tri-State Tollway (I-294) at Milepost 40.8 (I-90) and 43.5 (Algonquin Road); and the Veterans Memorial Tollway (I-355) at Milepost 12.3 (I-55) and Milepost 26.5 (Union Pacific Railroad), in the amount of \$3,456,620.52.

Item 4: Award of Contract RR-13-9153 to Broadway Electric, Inc. for Maintenance Facility Improvements on the Jane Addams Memorial Tollway (I-90) at Milepost 15.7 (US 20); and the Reagan Memorial Tollway (I-88) at Milepost 91.4 (Annie Glidden Road) and Milepost 54.1 (IL 26), in the amount of \$2,191,000.00.

Item 5: Award of Contract I-14-4174 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Advance Ramp Toll Plaza Modifications on the Jane Addams Memorial Tollway (I-90) from Milepost 62.2 (Barrington Road) to Milepost 70.0 (East of IL 58), in the amount of \$5,323,701.59.

Committee Chair Peterson noted the lowest bid on this item was above the engineer's estimate for the work. Mr. Kovacs stated that the nature of the work likely led to a higher cost among bids received. Mr. Kovacs further stated that, in the future, similar contracts will be reviewed to establish if the engineer's estimates need to be adjusted. Mr. Kovacs also indicated that the overall I-90 project remains on budget.

Item 6: Award of Contract I-13-4169 to William Charles Construction Company, LLC for Ramp Construction on the Jane Addams Memorial Tollway (I-90) at Milepost 20.8 (Irene Road), in the amount of \$1,434,800.52.

Item 7: Award of Contract I-13-4104 to Plote Construction, Inc. for IL 25 Interchange Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 55.8 (East of the Fox River Bridge) to Milepost 56.7 (West of IL 25), in the amount of \$59,221,518.61.

Item 8: Award of Contract I-13-4156 to F.H. Paschen, S.N. Nielsen & Associates, LLC for I-90 Westbound Roadway, and Bridge Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 77.6 (I-294) to Milepost 79.2 (Kennedy Expressway), in the amount of \$18,338,113.29.

Item 9: Award of Contract I-13-4166 to Lorig Construction Company for Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 65.6 (Roselle Road), in the amount of \$22,391,150.09.

Committee Chair Peterson asked if this contract was awarded as a result of the use of Earned Credit Program (ECP) credits, and if once used, ECP credits applied to a winning bid would then be exhausted. Discussion then ensued on the use of ECP credits, and Mr. Kovacs

stated that ECP credits used on a winning bid would then be exhausted.

Committee Chair Peterson then inquired if the accrual of ECP credits was continuously monitored by the Tollway. Gustavo Giraldo, Chief of Diversity and Strategic Development, stated that the Tollway monitors the accrual of ECP credits; as well as adjusting credits which are used upon the award of a contract.

Director D'Arcy made a motion for approval of **Engineering Items 1 through 9**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Item 10: Award of Contract I-13-4167 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 60.4 (Bartlett Road), in the amount of \$6,465,340.50. (Director D'Arcy recusal)

Director Gonzalez made a motion for approval of **Engineering Item 10**; seconded by Committee Chair Peterson. The motion was approved unanimously to move to the full Board consent agenda, with Director D'Arcy recusing himself.

Item 11: Award of Contract I-13-4168 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 67.4 (Meacham Road), in the amount of \$22,949,996.70.

Director D'Arcy made a motion for approval of **Engineering Item 11**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Item 12: Award of Contract I-13-5689 to Dunnet Bay Construction Company for Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 62.2 (Barrington Road), in the amount of \$15,209,546.07. Under review. (Director D'Arcy recusal)

Director Gonzales made a motion for approval of **Engineering Item 12**; seconded by Committee Chair Peterson. The motion was approved unanimously to move to the full Board consent agenda, with Director D'Arcy recusing himself.

Item 13: Award of Contract I-13-4601 to Lorig Construction Company for Roadway Reconstruction and Widening on the Elgin O'Hare Expressway (IL 390) from Milepost 11.1 (Meacham Road/Medinah Road) to Milepost 12.0 (Rohlwing Road), in the amount of \$30,540,952.56.

Item 14: Award of Contract I-13-4602 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Rehabilitation and Widening on the Elgin O'Hare Expressway (IL 390) from Milepost 7.6 (IL 19) to Milepost 10.1 (East of Roselle Road), in the amount of \$44,867,874.97.

Item 15: Award of Contract I-13-4619 to PirTano Construction Company, Inc. for Wetland Mitigation at the Pine Dunes Forest Preserve located in Newport Township, in the amount of \$9,335,000.00.

Committee Chair Peterson inquired as to the scope of a wetlands mitigation project. Mr. Kovacs stated that two contracts would be awarded in a wetlands mitigation contract, one contract for design and one contract to perform the work.

Item 16: Acceptance of Proposal from exp US Services, Inc., on

Contract I-13-4624 for Design Upon Request Services on the Elgin O'Hare Western Access (EOWA), in an amount not to exceed \$5,000,000.00.

Item 17: Acceptance of Proposal from Delcan Corporation, on Contract RR-14-9156 for Traffic and Incident Management System (TIMS), Systemwide, in an amount not to exceed \$8,534,822.30 (Tollway Request for Proposal).

Committee Chair Peterson noted that a single bid was received for the contract. Mr. Kovacs explained that in light of the specialized nature of this work, outreach was performed on this item, including a vendor conference. Executive Director Lafleur then described the nature of a Tollway vendor conference, which includes inviting potential bidders to further discuss the parameters of the contract and making inquiries of the Tollway regarding those parameters. Mr. Donato stated that, due to the specialized nature of the contract, several potential bidders chose not to submit bids for the contract.

Item 18: Acceptance of Proposal from Environmental Design International, Inc. (M/WBE) on Contract RR-11-4024 for Supplemental Design and Construction Management Services for Ramp Reconstruction on the Reagan Memorial Tollway (I-88) and Jane Addams Memorial Tollway (I-90) in the amount of \$122,642.80 from \$944,242.72 to \$1,066,885.52.

Item 19: Change Order on Contract I-13-4134 to R.W. Dunteman Company for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 18.4 (Kishwaukee River) to Milepost 24.9 (Genoa Road), in the amount of \$260,655.72.

Mr. Kovacs noted for the Committee that, while this Change Order is warranted, Tollway staff is continuing to assess options against the Construction Manager and/or the contractor to mitigate this cost.

Item 20: *Change Order on Contract I-13-4134 to R.W. Dunteman Company for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 18.4 (Kishwaukee River) to Milepost 24.9 (Genoa Road), in the amount of \$260,719.76.*

Item 21: *Extra Work Order on Contract I-13-4126 to William Charles Construction Company for Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 33.5 (Anthony Road) to Milepost 41.5 (US Route 20), in the amount of \$415,000.00.*

Item 22: *Partial Release of Retainage on Contract I-11-4000 to Plote Construction Inc. for Reconstruction on the Jane Addams Memorial Tollway (I-90) and IL Route 47 Interchange from Milepost 45.6 (Sandwald Road) to Milepost 47.3 (IL Route 47), by \$642,274.34 from \$1,930,234.09 to \$1,287,959.75.*

Item 23: *Partial Release of Retainage on Contract I-12-4076 to F.H. Paschen, S.N. Nielsen & Associates, Inc. for Widening and Reconstruction on Eastbound Jane Addams Memorial Tollway (I-90) from Milepost 45.5 (IL 47) to Milepost 49.7 (Union Pacific Railroad), by \$958,033.02 from \$1,014,533.02 to \$56,500.00.*

Item 24: *Partial Release of Retainage on 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), by \$376,704.36 from \$433,504.36 to \$56,800.00. Under review.*

Mr. Kovacs stated the contractors for Items 25 through 28 had met Tollway specifications for Final Release of Retainage.

Item 25: Final Release of Retainage on Contract I-12-4068 to Lorig Construction Company for Coon Creek Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 34.8.

Item 26: Final Release of Retainage on Contract I-12-4069 to Lorig Construction Company for Mosquito Creek Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 27.4.

Item 27: Final Release of Retainage on Contract RR-12-4085 to R.W. Dunteman Company for Ramp Reconstruction on the Ronald Reagan Memorial Tollway (I-88), York Road Ramp A at I-88/I-294, Milepost 138.7.

Item 28: Final Release of Retainage on Contract RR-12-4086 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Ramp Reconstruction on the Ronald Reagan Memorial Tollway (I-88), at Highland Avenue, Ramp A, Milepost 134.3 and at Spring Road, Ramps A and B, Milepost 137.1.

Item 29: Final Release of Retainage on Contract RR-12-4089 to Acura, Inc. (D/MBE) for Ramp Reconstruction on the Tri-State Tollway (I-294) from Milepost 40.1 to Milepost 40.6 (I-90 / I-190 / River Road Interchange).

Item 30: Final Release of Retainage on Contract RR-11-5634 to K-Five Construction Corp. / Lorig Construction Co. (JV) for Northbound

Roadway and Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 17.6 (95th Street) to Milepost 30.0 (Cermak Road Plaza); and on the Reagan Memorial Tollway (I-88) at Milepost 138.7 (Cermak Road).

Item 31: Final Release of Retainage on Contract RR-12-9131 to Stenstrom Excavation & Blacktop Group for Fuel System Rehabilitation - Phase II, Systemwide.

Director Gonzalez, by referring back to Item 7 by way of example, inquired as to the accounting when contracts close-out either higher or lower than estimated. Mr. Colsch noted that the Finance Department generally makes determinations with regard to overall project budgets, which will include multiple contracts, and that sometimes a project budget may be adjusted; but usually only toward latter stages of a project would funds transfer to a capital reserve.

Director D'Arcy made a motion for approval of **Engineering Items 13 through 31**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated **Engineering Items 32 through 34** would be deferred to the February Board of Directors meeting.

Item 32: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access Project (EOWA)). Cost to the Tollway: N/A.

Item 33: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90)). Cost to the Tollway: N/A.

Item 34: Administrative Documentation – Land Acquisition for the Elgin O’Hare Western Access Project (EOWA).

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

Item 1: An Intergovernmental Agreement with the Illinois Department of Transportation (I-294 northbound at Milwaukee Avenue). Cost to the Tollway: \$0

Item 2: An Intergovernmental Agreement with the Illinois Department of Transportation (I-294 southbound at Milwaukee Avenue). Cost to the Tollway: \$0

Item 3: An Intergovernmental Agreement with the Village of Rosemont. Cost to the Tollway: \$0

Item 4: An Intergovernmental Agreement with the Village of Hoffman Estates. Cost to the Tollway: \$0

Director D’Arcy made a motion for approval of **Legal Items 1 through 4**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

At approximately 9:33 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway pending litigation in Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act. Director Gonzalez made the motion to enter into Executive Session; seconded by Director D’Arcy. The motion was approved unanimously.

At approximately 9:50 a.m., the Committee re-entered the public session of the meeting.

Committee Chair Peterson called for a motion to approve **Legal Item 5**:

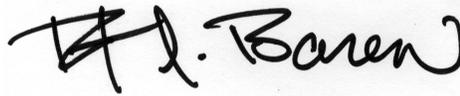
Item 5: Workers Compensation Settlement – Elsa Garcia. Cost to the Tollway: As discussed in Executive Session.

Director Gonzalez made a motion for approval of **Legal Item 5**; seconded by Director D’Arcy. The motion was approved unanimously to move to the full Board consent agenda.

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 9:53 a.m.

Minutes taken by: _____



Robert J. Baren
Assistant Board Secretary
Illinois State Toll Highway Authority