

The Illinois Tollway

Minutes of the Finance-Administration Committee Meeting

April 27, 2006

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, April 27, 2006 at approximately 10:15 a.m. at the Central Administration Building in Downers Grove, Illinois. Those in attendance were as follows:

Committee Chairman Banks	Ms. Joby Berman
Director Andalcio	Mr. Greg Busey
Director Harris	Mr. Ed Flores
Director Materick - teleconference	Ms. Cathy Kendrick
Director Moore	Ms. Leslie Savickas
Director Pradel	Mr. John Hauk
Director Towns	Ms. Maria Molliconi
Acting Executive Director Brian McPartlin	Ms. Jan Kemp
Mr. Tom Bamonte	Ms. Trudy Steinhauser
Mr. Matt Beaudet	Ms. Eva Panek
Ms. Karen Burke	Ms. Nancy LaMasse-Geraci
Ms. Kathleen Cantillon	Mr. John Benda
Mr. Mike Colsch	Ms. Joelle McGinnis
Mr. Jeff Dailey	Mr. Dick Sandberg
Capt. Haukedahl	Mr. Tom Deldin
Mr. Ted Young	Mr. Greg Stukel
Ms. Tracy Smith - IG	Ms. Rusty Castillo
Mr. Rocco Zuccherro	Mr. Sharif Abou-Sabh

Committee Chairman Banks called the meeting to order and requested a motion to approve the Minutes of the Finance-Administration Committee Meeting dated March 30, 2006.

Director Pradel moved for approval; seconded by Director Harris.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Committee Chairman Banks took the agenda out of order and called on the Chief of Operations, Ms. Karen Burke to present her agenda.

Ms. Burke requested approval to purchase Currency Counting Machines from Glory U.S.A., Incorporated, in an amount not to exceed \$36,285.58.

Committee Chairman Banks called for a motion approving said item. Director Pradel moved for approval; seconded by Director Harris.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Burke then requested approval of an Award of Contract to IGOR, The Watchdog Corporation for I-PASS Transponder Packaging, Distribution and Back-End Support for the sale of I-PASS transponders at retail outlets, in an amount not to exceed \$3,292,500.00.

Committee Chairman Banks called for a motion approving said item for the Consent Agenda. Director Pradel moved for approval; seconded by Director Harris.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Committee Chairman Banks then called on Ms. Rusty Castillo to present the Agenda for Administration. Ms. Castillo requested approval of the following:

Award of Contract 06-0032 to Whelen Engineering Company, Incorporated for Whelen Lighting Products in an amount not to exceed \$37,000.00.

Award of Contract 06-0044 to Gallagher Materials Corporation, Alpha Construction Company, Chicago Materials, DuPage Materials Company, Arrow Road Construction Company, Plote Construction Company, Peter Baker & Sons, Rockford Blacktop Construction Company, Rock Road Companies Incorporated, Geneva Construction Company, and Northwest Illinois Construction for Bituminous Mix - Asphalt Hot, in an amount not to exceed \$106,737.00.

Award of Contract 06-0056 to AKT Corporation and Minnesota Mining & Manufacturing (3M) for Roadway Reflectors in an amount not to exceed \$33,500.00.

Committee Chairman Banks called for a motion approving said items for the Consent Agenda. Director Pradel moved for approval; seconded by Director Moore.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of the Ratification of an Award of Contract to CMS - State Garage Revolving Fund for Northern Illinois Mack, Incorporated, for Damage Repair to Truck #1208 (M53428), in the amount of \$28,016.66.

Committee Chairman Banks called for a motion approving said item. Director Harris moved to approve; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of an Amendment to Resolution No. 17177 on Contract 04-6707 to Petroleum Traders Corporation Conserv FS, Incorporated for Gasoline and Diesel Fuel from \$3,782,130.00 by \$400,000.00 to \$4,182,130.00.

Committee Chairman Banks called for a motion approving said item. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of the following:

Award of Contract 06-0048 to Valk Manufacturing Company for Snow Plow Blades, in an amount not to exceed \$102,000.00.

Award of Contract 06-0057 for Sand, Stone and Gravel to Conco Western Stone Company, Feltes Sand and Gravel Company, Macklin, Incorporated, Plote Construction Company, Renner Quarries, and Rockford Blacktop, in an amount not to exceed \$72,460.25.

Committee Chairman Banks called for a motion approving these awards. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of a Contract Dollar Increase on Contract 06-0025 to Airline Towing, Incorporated, Ernie's Wrecker Service, Incorporated, Maggio's Truck Center, Incorporated, RB's Automotive & Towing, Redmons Village Towing, Incorporated and Roger Whitmore Automotive Services, Incorporated for Towing Services for Tollway Vehicles, from \$54,565.00 by \$11,860.00 to \$66,425.00.

Committee Chairman Banks called for a motion approving said item. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of the Renewal of Contract 04-6616 to M. Lange, Incorporated for Safe Repairs from \$15,000.00 by \$15,000.00 to \$30,000.00.

Committee Chairman Banks called for a motion approving said item. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of an Extension of Contract 03-6564 to IGOR, The Watchdog Corporation for I-PASS Transponder Packaging, Distribution and Back-Office Support.

Committee Chairman Banks called for a motion approving said item. Director Harris moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of the following:

A Dollar Limit Increase on Contract 05-0052 to Xerox Corporation for the Leasing of Integrated Copiers/Equipment, from \$1,518,119.40 by \$21,095.00 to \$1,539,214.40.

A Contract Dollar Limit Increase and Extension of Contract 05-0072 to Precision Control Systems of Chicago, Incorporated for a HVAC Control Alarm System from \$610,260.00 by \$100,000.00 to \$710,260.00.

Committee Chairman Banks called for a motion approving said increase. Director Pradel moved for approval; seconded by Director Harris.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Ms. Castillo then requested approval of an Emergency Affidavit to Pitney Bowes for a Carrier Management System/Mailing Machine in the amount of \$24,973.00 and an Emergency Affidavit to Pitney Bowes for a Documatch Integrated Mail System in the amount of \$67,877.00.

Committee Chairman Banks called for a motion approving said Emergency Affidavits. Director Pradel moved for approval; seconded by Director Moore.

Director Andalcio asked "I've noticed on the items for Administration, only one has any DBE participation. Is this do to the fact that it's a CMS contract and there are no goals required, or is this all voluntary so no one's making the effort?"

Ms. Castillo stated, "CMS is currently working on a program. It's not in place yet but we do have a meeting scheduled next week with Paul Campbell to discuss this.

Director Andalcio stated "We're mandating on the construction side and we've seen good-faith efforts but on the administration side there's nothing."

Ms. Castillo said that she is having discussions with CMS on this issue.

Committee Chairman called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Committee Chairman Banks then called on the Chief of ORT. Mr. Matt Beudet requested approval of Change Orders and Extra Work Orders on Contract 05-0014 to Electronic Transaction Consultants Corp. (ETC).

Committee Chairman Banks called for a motion approving said item. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Committee Chairman Banks then called on the General Counsel. Mr. Tom Bamonte requested approval of the following:

Approval to enter into an Intergovernmental Agreement with the State of Illinois Department of Transportation for sharing NAVTEQ proprietary data.

Approval to enter into an Intergovernmental Agreement with the Cook County Assessor's Office, Cook County, Illinois, for the purpose of sharing GIS data created and maintained by the Cook County Assessor's Office.

Committee Chairman Banks called for a motion approving said agreements. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Mr. Bamonte then requested authorization and approval of the settlement of litigation entitled ISTHA v. First Midwest Bank (Wells) et al., 04 L 51188.

Committee Chairman Banks called for a motion approving said settlement. Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Mr. Bamonte stated that his next item, an Intergovernmental Agreement with the State of Illinois Department of Transportation would be deferred until next month.

Mr. Bamonte then requested Authorization of an Addendum to an existing Intergovernmental Agreement with the Will County Forest Preserve and the Approval of a Revised Change Order Policy for Construction Contracts.

Mr. Bamonte explained some of the revisions to the Change Order Policy. One change is to limit change order contingencies on contracts to just certain specified items that are in our construction specifications and we're also clarifying that Board approval is required for all change orders over \$200,000.

Mr. Bamonte also stated that we're allowing netting of change orders that are related for purposes of determining signature authority, approval of, so that if we have closely related change order/extra work orders that are less than \$200,000 it can be processed internally if there are different change orders or the net is greater than \$200,000 it will go to the Board.

Director Harris asked the General Counsel for clarification of the term "related" used in his description of the Revised Change Order Policy so the Directors could get a feel for the netting effect.

Mr. Bamonte stated, "The netting effect is if they're within the same category."

Director Harris asked, "It has to be the same project?"

Mr. Bamonte responded, "Yes same project and it has to be within the common family of items. Roadway structures, drainage and erosion and other items. They have to be the same contract within those particular categories before netting is allowed."

Director Harris stated, "The netting effect really doesn't necessarily give credence to the amount of the change orders. So you could have two change orders that are "related", each of which are several million dollars so long as the net effect falls within these categories, that's what you're asking for?"

Mr. Bamonte responded "That's correct."

Director Harris stated, "I'm a little uncomfortable that the netting could reduce the significance of each change order that may be related within the same project."

Mr. Bamonte responded, "The current reporting of every change order will continue and that's built into the resolution so the Board will see every change order on the project. Second, as Jeff has been talking about, with the dynamic nature of the construction market, you're often switching materials in efforts to respond to value engineering, changes in commodity prices, etc.

Mr. Dailey stated that we've had several cases, one example being the drilling for the caissons for the bridges and once we got out there we found that one method wouldn't work the way it was anticipated so we netted for example \$500,000 of the work. We had to go to another one to keep on schedule, so we eliminated that work and put in a new one for a little bit more, \$150,000, so \$650,000, the net effect being the Executive Director could sign off after it went through the C5 Committee.

After some discussion, Director Harris stated that he was comfortable knowing that the General Counsel already addressed the issues.

Committee Chairman Banks then called for a motion approving an Addendum to the Intergovernmental Agreement with the Will County Forest Preserve and the Revised Change Order Policy for Construction Contracts.

Director Moore moved for approval; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

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There being no further business, Committee Chairman Banks called for a motion to adjourn. Director Moore moved to adjourn; seconded by Director Pradel.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:47 a.m.

Minutes taken by: _____
Trudy Steinhauser