



Record of Meeting | February 15, 2017

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Wednesday, February 15, 2017 in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Pledge of Allegiance / Roll Call

Committee Chair Joe Gomez called the Meeting to order at approximately 9:40 a.m., stating that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee (“FAO Committee”) of the Tollway Board of Directors. He invited attendees to rise and join in the Pledge of Allegiance. Committee Chair Gomez then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Joe Gomez
Director Corey Brooks
Director Earl Dotson, Jr.
Director David Gonzalez
Director Neli Vazquez Rowland

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment

Committee Chair Gomez opened the floor for public comment. No public comment was offered.

Committee Chair’s Items



Committee Chair Gomez called for a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Finance, Administration and Operations Committee meeting held on January 23, 2017, as presented. Director Brooks made a motion for approval; seconded by Director Vazquez Rowland. Committee Chair Gomez asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Having no further items, Committee Chair Gomez called on Executive Director Greg Bedalov.

Executive Director's Items

Tollway Acknowledgments: Executive Director Bedalov announced that earlier this month, five Tollway projects were recognized at the American Council of Engineering Companies (ACEC) Engineering Excellence Awards 2017 ceremony at the state level. He then introduced Paul Kovacs, Chief Engineer, to provide additional details. Mr. Kovacs reported that the Tollway's I-90 Fox River Bridge Project received the top award in the state, the Eminent Conceptor Award, which he characterized as a significant achievement for the Engineering Department staff and the firms that worked on this project. He noted that other awards for Tollway projects included:

- Honors Award for the NSMJAWA 90" Watermain hot tap and line plug
- Honors Award for the Tollway's LEED Gold certified Alsip maintenance site
- A Special Achievement Award for the Spring Brook Creek and wetland restoration
- A Merit Award for the I-90 Des Plaines River Bridge reconstruction

Mr. Kovacs highlighted that a number of these projects are currently contending for ACEC honors at the national level.

Diversity Initiatives Press Conference: Executive Director Bedalov reported that senior staff as well as Directors Brooks, Gomez, and Dotson were in attendance at a press conference held by Governor Rauner on February 10th to recognize the Tollway's efforts on encouraging the participation of minority-, women- and veteran-owned businesses in Tollway projects.

Committee Chair Gomez remarked on the poor press coverage he has observed of positive news such as the job creation and benefit to disadvantaged communities resulting from the Tollway's enhanced diversity initiatives.

Items for Consideration



Finance

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

Item 1: Renewal of Contract 13-0107 to Minnesota Life Insurance Company for the Employee Life Insurance Benefit Program for a three-year period commencing May 1, 2017 through April 30, 2020 in an amount not to exceed \$1,300,000.00 (Tollway Request for Proposal).

Upon conclusion of the presentation of this item, Committee Chair Gomez called for a motion to approve placement of **Finance Item 1** on the February Board of Directors meeting agenda with the Committee's recommendation for approval. Director Vazquez Rowland made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Procurement

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

Item 1: Award of Contract 17-0033 to Mythics, Inc. for the purchase of Oracle Software Maintenance and Support in an amount not to exceed \$1,047,086.13 (Order Against CMS Master Contract).

Item 2: Award of Contract 17-0034 to Landmark Ford, Inc. and Morrow Brothers Ford, Inc. for the purchase of Police Utility Vehicles in an aggregate amount not to exceed \$984,135.00 (Order Against CMS Master Contract).

Item 3: Award of Contract 16-0069R to Stenstrom Petroleum Services, Inc. (d.b.a. Stenstrom Petroleum Services Group) for the purchase of Underground Fuel Storage Tank Monitoring System Services in an amount not to exceed \$127,760.00 (Tollway Invitation for Bid).

Item 4: Renewal of Contract 14-0095A to McCann Industries, Inc. for the purchase of Off-Road Equipment in an amount not to exceed \$499,758.00 (Tollway Invitation for Bid).

Item 5: Renewal of Contract 15-0147 to Alert IT Solutions, Inc. for the purchase of Tripwire Software Maintenance, Support, and Services in an amount not to exceed \$159,991.14 (Tollway Invitation for Bid).



Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to consolidate for consideration and action Procurement Items 1 through 5. Director Vazquez Rowland made a motion to consolidate; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez then called for a motion to approve placement of **Procurement Items 1 through 5** on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Business Systems

Committee Chair Gomez called on Shana Whitehead, Chief of Business Systems, to present to the Committee the following Business Systems items:

Item 1: Award of Contract 14-0065 to BIT Mobility Solutions LLC for the purchase of Automatic Toll Payment Machines in an amount not to exceed \$33,200,000.00 (Tollway Request for Proposal).

Director Dotson asked for additional description of the phase-in to occur of automatic toll payment machines ("ATPMs"). Ms. Whitehead responded that the Tollway plans a two-phased approach over the coming year for the implementation and testing of the ATPMs to replace all of the Tollway's automatic coin machines ("ACMs"), which are outdated. She explained that the first phase, expected to take several months, consists of installing and integrating a limited number of ATPMs (between one and ten units) to assess the performance of various payment configurations (e.g., credit card prevalidation, single transaction authorization, postauthorization, etc.) and customer preferences to determine the optimal operating procedures and payment methods for the ATPMs. She continued that once the ATPMs performance is proven to meet the Tollway's requirements, the Tollway then has the option during phase two to purchase and implement additional ATPMs (up to 270) to replace ACMs currently in use.

Director Vazquez Rowland inquired about the expected payback period for the Tollway's investment in ATPMs. Ms. Whitehead estimated that the breakeven will occur after approximately two years. She noted that a detailed payback period calculation can be provided if desired.



Committee Chair Gomez inquired about the timetable for implementation of ATPMs. Ms. Whitehead responded that, contingent on successful testing and weather, the bulk of the Tollway's ACMs are anticipated to be replaced with ATPMs by the end of the 2017.

Director Brooks asked whether the ATPMS proposed for purchase will allow an option for customer payment via mobile devices. Mr. Whitehead responded that mobile payment options were incorporated into the request for proposal; however, this feature is not anticipated for introduction until sometime after the ATPM rollout is completed.

Director Vazquez Rowland inquired about the lack of a diversity goal established for the contract. Mr. Donato responded that although the Business Enterprise Program (BEP) goal-setting process did not produce a goal, the vendor has committed to subcontracting approximately \$700,000 of project management services to a minority-owned business enterprise. He advised that the agency is still working to enhance participation on the contract and has approached one of the vendors contracted to perform installations about potentially subcontracting work to disadvantaged business enterprise ("DBE") firms. Director Vazquez Rowland asked whether the process was transparent and potential DBE subcontractors were provided appropriate opportunity to participate. Mr. Donato responded affirmatively, explaining that the Tollway held two vendor conferences for this procurement, widely advertised and at which bidder attendance was mandatory, to provide an opportunity for interested subcontractors to develop relationships with the prospective prime contractors involved.

Committee Chair Gomez stressed the importance to the Board of diverse participation on Tollway contracts, especially those of substantial award amounts, and suggested the agency work to further instill in vendors a sense of the Board's sincere commitment in this regard.

Director Gonzalez asked the implication to toll collector positions of phase two of the ATPM implementation and requested that the Board be consulted prior to proceeding with this phase of the rollout. Executive Director Bedalov responded that ATPM performance in phase one testing will inform decision-making as to potential future implementation strategies. He then confirmed, after consulting with General Counsel, that an opportunity for Board consideration can be provided prior to any broad implementation of ATPMs.

Committee Chair Gomez acknowledged that expanding electronic toll collection is likely to be in the future best interests of the agency, its customers and the economic development of the region; however, he concurred that should ATPM testing advance to a phase where toll collector reductions are contemplated, Board consultation is warranted to develop a strategy for best



mitigating any impact to Tollway unionized employees, including potentially incentivizing attrition through early retirement options.

Item 2: Renewal of Contract 13-0082 to Jacobs Engineering Group, Inc. for the purchase of System Integrator Services in an amount not to exceed \$5,600,000.00 (Tollway Request for Proposal).

Upon conclusion of the presentation of these items, Committee Chair Gomez called for a motion to approve placement of **Business Systems Item 1** on the February Board of Directors meeting agenda with the Committee's recommendation for approval. Director Dotson made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Committee Chair Gomez called for a motion to approve placement of **Business Systems Item 2** on the February Board of Directors meeting agenda with the Committee's recommendation for approval. Director Dotson made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Engineering

Committee Chair Gomez called on Paul Kovacs, Chief Engineer, to present to the Committee the following Engineering items:

Item 1: Award of Contract RR-16-4279 to Lorig Construction Company for Pavement and Bridge Repairs and Preservation, on the Tri-State Tollway (I-294) from Milepost 8.25 (147th Street) to Milepost 17.6 (95th Street), in the amount of \$7,401,008.60.

Item 2: Award of Contract RR-16-9195 to Western Remac, Inc. for Sign Panel Fabrication and Installation Upon Request, Systemwide, in the amount of \$1,642,063.00.

Item 3: Award of Contract RR-16-4284 to Martin & Company Excavating for Bridge Removal and Roadway Construction on the Reagan Memorial Tollway (I-88) from Milepost 53.5 to Milepost 54.3, in the amount of \$3,558,570.93.

Item 4: Acceptance of Proposal from Globetrotters Engineering Corporation, on Contract I-15-4241 for Supplemental Construction Management Services Upon Request, Systemwide, in an amount of \$1,000,000.00 from \$3,500,000.00 to \$4,500,000.00.



Item 5: Acceptance of Proposal from Terra Engineering, Ltd., on Contract RR-14-5704 for Supplemental Construction Management Services Upon Request, Systemwide, in an amount of \$2,000,000.00 from \$2,000,000.00 to \$4,000,000.00.

Item 6: Acceptance of Proposal from Harry O. Hefter Associates, Inc., on Contract RR-14-5705 for Supplemental Construction Management Services Upon Request, Systemwide, in an amount of \$2,000,000.00 from \$4,000,000.00 to \$6,000,000.00.

Item 7: Acceptance of Proposal from Engineering Services Group, Inc., on Contract RR-14-9171 for Supplemental Construction Management Services Upon Request, Systemwide, in an amount of \$1,000,000.00 from \$2,000,000.00 to \$3,000,000.00.

Item 8: Acceptance of Proposal from Cotter Consulting, Inc., on Contract RR-16-9189 for Supplemental Facilities Construction Management Services Upon Request, Systemwide, in an amount of \$1,000,000.00 from \$2,500,000.00 to \$3,500,000.00.

Item 9: Acceptance of Proposal from Singh & Associates, Inc., on Contract RR-14-5703 for Supplemental Design Services Upon Request, Systemwide, in an amount of \$2,000,000.00 from \$2,500,000.00 to \$4,500,000.00.

Item 10: Acceptance of Proposal from Rubinos & Mesia Engineers, Inc., on Contract I-14-4196 for Supplemental Design Services Upon Request, on the Jane Addams Memorial Tollway (I-90) and Systemwide, in an amount of \$2,750,000.00 from \$3,000,000.00 to \$5,750,000.00.

Director Dotson inquired about the seven supplemental contracts for construction management and design services and their place in the Engineering Department's 2017 Plan. Mr. Kovacs responded that the major assignments in the 2017 Plan have been dispensed but a number of smaller assignments systemwide need to be apportioned. He highlighted that until job order contracting (JOC) umbrella contracts are established, these supplemental contracts will provide a means to deliver the needed construction management and design services to fulfill the 2017 Plan, and allow the Engineering Department to focus efforts on developing 14 small business set-aside construction contracts in 2017, to be awarded as part of the Tollway's Small Business Initiative.

Director Vazquez Rowland suggested that had these projects been let normally rather than procured through supplemental contract, it may have afforded additional opportunities for new, small and diverse businesses to participate in Tollway work. Mr. Kovacs concurred; however, he pointed out the benefit to project schedules and that all but one of the supplemental contracts are proposed for award to DBE firms.



Committee Chair Gomez, indicating his comment is unrelated to the current topic, inquired about the lighting technology used in exceptionally brilliant signage he recently observed on the Kennedy Expressway near Grand Avenue. **Mr. Kovacs responded that he will check on the signage and follow up with the Director.**

Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to consolidate for consideration and action Engineering Items 1 through 10. Director Dotson made a motion to consolidate; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Committee Chair Gomez then called for a motion to approve placement of **Engineering Items 1 through 10** on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Vazquez Rowland made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Legal

Committee Chair Gomez called on David Goldberg, General Counsel, to present to the Committee the following Legal item:

Item 1: Approval of an Intergovernmental Agreement with the County of DuPage, the City of Wood Dale, the Village of Itasca, and the Village of Bensenville regarding construction of the eastbound and westbound mainline pavement of I-390 from Arlington Heights Road to Lively Boulevard and new bridges over Prospect Avenue, including new tolling and Intelligent Transportation Systems. Cost to the Tollway: \$0.

Upon conclusion of the presentation of the item, Committee Chair Gomez called for a motion to approve placement of **Legal Item 1** on the February Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Vazquez Rowland. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Adjournment



There being no further business before the Committee, Committee Chair Gomez requested a motion to adjourn. Motion to adjourn was made by Director Dotson; seconded by Director Vazquez Rowland. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 10:28 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority