

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

**July 18, 2012**

The Illinois State Toll Highway Authority held a Finance Administration Operations (FAO) Committee Meeting on Wednesday, July 18, 2012 at approximately 8:30 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 (arrived at 8:45 a.m.)

Also Present:

Chair Paula Wolff

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

Committee Chair Peterson then called for a motion to approve the minutes of the Finance Administration Operations Committee Meeting and Executive Session held on Wednesday, June 20, 2012. Director D'Arcy made the motion to approve the minutes; seconded by Committee Chair Peterson. The motion was approved unanimously.

Committee Chair Peterson called on Mr. Colsch to present the following **Finance** items:

*Item 1: Renewal of contract issued through the Illinois State Treasurer's Office for customary banking services and armored car services with Bank of America for a one-year period, commencing September 1, 2012 through August 31, 2013, in an amount not to exceed \$400,000.*

Committee Chair Peterson asked whether the Tollway is satisfied with the armored car services provided by the vendor. Mr. Colsch responded that Jeff Redding, the Chief of Operations, has not expressed concerns about this service.

Director D'Arcy made a motion for approval of **Finance Item 1**; seconded by Director Gonzalez. The motion was approved unanimously.

*Item 2: Renewal of the Collection Agency Services contracts with Harris and Harris, Ltd. and NCO Financial Systems, Inc. for a two-year period and an increase in an amount not to exceed \$3,000,000.*

Executive Director Kristi Lafleur indicated that it takes time to integrate the vendors' technology with the Tollway's violation technology system. Because of the extended integration period and the lengthy procurement process, the Tollway will likely start the Request for Proposal (RFP) process for a new collection services contract over the next month.

Chair Wolff asked about the fee arrangement for the collection services contract. Mr. Colsch responded that the Tollway pays a fee to the collection agency that is entirely based on the result of their collection efforts. The fines collected by the agency are paid directly to the Tollway. The Tollway, in turn, pays the collection agency approximately 14% of the collected fines. The collection agency is not reimbursed for legal fees or other collection/administrative costs.

Director Gonzalez made a motion for approval of **Finance Item 2**; seconded by Director D'Arcy. The motion was approved unanimously.

*Item 3: Establishment of: (i) a "Senior Pool" of financial firms to provide Senior Underwriting and Remarketing services; and (ii) a "Co-Manager Pool" of financial firms to provide Co-Managing Underwriting services, for an initial term of 3 years not to exceed: (a) \$TBD per \$1,000 bond par amount for underwriting services; and (b) \$TBD per \$1,000 bond par amount for remarketing services. [Informational Item]*

Regarding Finance Item 3, Ms. Lafleur indicated that staff is in the process of evaluating the scores for this item and hope to have it ready for discussion at the Board meeting. Discussion of **Finance Item 3** was deferred to the full Board.

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

*Item 1: Award of Contract 12-0069 to Motorola Solutions, Inc. for the purchase of Starcom21 Radio User Fees in an amount not to exceed \$10,920,000.00 (Order Against CMS Master Contract).*

*Item 2: Award of Contract 12-0177 to P.D. Morrison Enterprises, Inc. for Office Supplies in an amount not to exceed \$300,000.00 (Order Against CMS Master Contract).*

*Item 3: Award of Contract 12-0136 to Gillie Hyde Ford Lincoln for the purchase of Ford Parts in an amount not to exceed \$440,000.00 (CMS Contract for the Tollway).*

Regarding Item 1, Committee Chair Peterson asked how CMS solicited bids for this contract. Mr. Donato responded that in 2001, CMS issued a competitive RFP for this technology and that Motorola won that bid with a ten year term. As a result, Motorola built the infrastructure for the communications system and therefore became the sole source provider of this service. He also noted that all local police and fire departments use this system.

Regarding Item 2, Chair Wolff asked why the bids submitted were so varied. Mr. Donato responded that there are multiple parts listed in this CMS Master Contract and that some of the vendors did not bid on all parts. Chair Wolff asked whether the recommended Morrison Enterprises submitted a bid for all parts and if so how is it that their bid is so much lower than all of the other bidders. Mr. Donato confirmed that the recommended Morrison Enterprises submitted a bid on all parts needed by the Tollway and that CMS and the Ethics Committee reviewed the bid and deemed it acceptable. Director D’Arcy also indicated concern about the wide range of bid amounts for Procurement Item 2. **Chair Wolff asked that staff provide a more detailed explanation of the pricing variation at the Board meeting.**

Director D’Arcy made a motion for approval of **Procurement Item 1-3**; seconded by Committee Chair Peterson. The motion was approved unanimously.

*Item 4: Renewal of Contract 05-0093 to Interfleet, Inc. for the purchase of an Automated Vehicle Locating System in an amount not to exceed \$140,000.00 (Tollway Request for Proposal).*

*Item 5: Renewal of Contract 06-0081 to Marketing Alternatives, Inc. for the purchase of \*999 Motorist Assistant Program services in an amount not to exceed \$300,000.00 (Tollway Request for Proposal).*

*Item 6: Emergency Extension of Contract 06-0040 to IGOR, The Watchdog Corp., for the purchase of I-PASS Transponder Packaging, Distribution, and Back-End Support in an amount not to exceed \$1,990,450.00 (Tollway Request for Proposal).*

*Item 7: Award of Contract 12-0250 to Complete Temperature Systems, Inc. for the purchase of HVAC Repair and Replacement at Plaza 61 in an amount not to exceed \$47,500.00 (Tollway Emergency).*

Regarding Item 7, Chair Wolff expressed concern that Tollway personnel would have to work without air conditioning until the Board approved the HVAC contract procurement. Ms. Lafleur responded that because this is deemed an emergency the procurement process had already started and that the Board would be approving this contract retroactively.

Chair Wolff asked whether there was any way to anticipate the HVAC emergency and whether regular reviews of the equipment are conducted. Mr. Donato responded that currently there is not a maintenance contract in place for the HVAC system but the procurement process for that service is underway.

Director Gonzalez made a motion for approval of **Procurement Item 4-7**; seconded by Director D'Arcy. The motion was approved unanimously.

*Item 8: Award of Contract 12-0251 to Penn Services, LLC for the purchase of a Salt Dome Replacement at Maintenance Building 8 in an*

*amount not to exceed \$470,000 (Tollway Emergency). (Recusal by Director Peterson)*

Director Gonzalez made a motion for approval of **Procurement Item 8**; seconded by Director D'Arcy. The motion was approved unanimously.

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

*Item 1: Final Release of Retainage on Contract RR-11-5625 to William Charles Construction Company LLC / Northwest Illinois Construction Company, Joint Venture, for Systemwide Roadway Repairs and Improvements on the Reagan Memorial Tollway (I-88) from Milepost 44.2 (Rock Falls, U.S. 30) to Milepost 140.5 (Eisenhower Expressway); and on the Veterans Memorial Tollway (I-355) from Milepost 0.0 (I-80 South Terminus) to Milepost 29.8 (Army Trail Road) in the amount of \$183,967.28.*

Director D'Arcy made a motion for approval of **Engineering Item 1**; seconded by Director Gonzalez. The motion was approved unanimously.

Mr. Kovacs indicated that the Tollway issued an RFP for a pavement preservation project which would cost an estimated \$600,000 and expected to award the contract this month. He indicated that although 21 project plans were purchased, none of the plan holders submitted a bid.

Ms. Lafleur indicated that staff will evaluate whether this work can be postponed until next year to give the Tollway more time to solicit bids. If not, staff will likely incorporate this work into an existing contract.

Committee Chair Peterson called on David Goldberg, General Counsel, to present the **Legal** items. General Counsel recommended that discussion of the following items be deferred to Executive Session:

*Item 1: Bond Counsel – Approval of a pool of law firms to be used as Outside Counsel for Bond and other related financial transaction matters. Cost to the Tollway: To be determined per negotiation with pool firms. (Recusal by Director D’Arcy)*

*Item 2: Land Acquisition Approval of Litigation Settlements and/or Administrative Process for Contracts. Settlement – Parcel 102 (I-294-57) Cost to the Tollway: To be determined.*

At approximately 9:00 am, General Counsel David Goldberg indicated a need to discuss retention of counsel, the potential purchase of real property and pending litigation in Executive Session pursuant to Section 2(c)(1), 2(c)(5) and Section 2(c)(11) of the Open Meetings Act. Director Peterson made the motion; seconded by Director D’Arcy. The motion was approved unanimously.

At approximately 10:00 am, the Finance Administration Operations Committee meeting reconvened in open session. Based on discussions during Executive Session, Committee Chair Peterson called for motions on **Legal Items 1 and 2**. Director Gonzalez made a motion to approve **Legal Item 1**; seconded by Committee Chair Peterson. The motion was approved unanimously.

Director Gonzalez made a motion to approve **Legal Item 2**; seconded by Director D'Arcy. The motion was approved unanimously.

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

The meeting was adjourned at approximately 10:05 a.m.

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

Tranece Artis  
Board Secretary  
Illinois State Toll Highway Authority