

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE FINANCE-ADMINISTRATION
COMMITTEE MEETING
May 26, 2011**

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, May 26, 2011 at approximately 8:30 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors on the Committee in attendance were as follows:

Committee Chairman James Banks

Director Bill Morris

Director George Pradel

Director Tom Weisner

Committee Chairman Banks called the meeting to order. Director Weisner moved to approve the Minutes of the Finance-Administration Committee meeting held on April 28, 2011; seconded by Director Pradel. The motion was approved unanimously.

Committee Chairman Banks called upon Mike Colsch, Chief of Finance. Mr. Colsch requested approval of the following for the Consent Agenda:

Award of the Merchant Card Services Contract for a period of three years in the amount not to exceed \$35 million.

Director Morris moved to approve said award; seconded by Director Weisner.

Director Banks asked why the bid submissions of two banks were rejected from consideration. Mr. Colsch responded that they failed to include the State Board of Elections Certificate that is required by statute. Executive Director Lafleur indicated that this is an ongoing problem and that a legislative committee headed by Senator Harmon is looking at how this requirement could be amended to allow agencies to verify the contractor/vendor is in good standing when the Board of Elections Certificate is not included with the procurement submission.

Director Morris indicated that this presents a significant problem because we are eliminating competitive bidders that could have provided better pricing due to a technicality. Chair Wolff suggested that Tollway staff send a letter to Senator Harmon on the Board's behalf. Executive Director Lafleur indicated that the staff had already sent a letter to the Senator expressing the Board's concern about this issue.

Director Saldana asked whether awarding this contract to Fifth Third Processing Solutions, LLC would prohibit Tollway users from using other credit card companies to pay for tolls. Mr. Colsch explained that Fifth Third Bank will process credit card payments from all of the major credit cards currently accepted by the Tollway.

Director Banks called for a vote. The motion was approved unanimously.

Committee Chairman Banks called upon Shana Whitehead, Acting Chief of Business Systems. Ms. Whitehead requested approval for the following:

Renewal of the Contract for the Toll Revenue Management and Maintenance Program (TRMMP) to Electronic Transaction Consultants Corp. (ETCC), increasing the contract upper limit by \$12,059,012, from \$92,840,080 to \$104,899,092. (Tollway RFP)

Director Morris indicated that over the last few months there has been a lot more oversight and closer management of the contract than in the

past. He also indicated that this renewal represents a better deal than what was available to them last year.

Director Saldana questioned the low minority participation goal for this contract at ten percent and whether it could be increased. Ms. Whitehead indicated that the ten percent goal was negotiated last year. Setting a minority participation goal for this contract was difficult because: (1) a large part of the contract is for equipment, (2) all aspects of the system are complex and proprietary, and (3) market analysis or disparity studies that are typically used to establish BEP goals have not been conducted in this electronic tolling industry. She also noted that there was no set aside in the initial contract and that ETCC has been very cooperative in establishing a BEP as part of their first renewal.

Director Morris suggested that the M&O budget section on the Item Summary and presentation slide should be revised to show budget allocation for hardware as well as the allocation for maintenance. He also had concerns initially about the low minority target but understands based on the proprietary nature of the system that the ten percent goal represents a huge advancement compared to the initial contract.

Director Morris moved to approve said renewal; seconded by Director Pradel. The motion was approved unanimously. Ms. Whitehead requested approval for the following:

Award of Contract to Systems Development Integration, Inc. (SDI) for Project Management & Technology Planning in the amount of \$2,491,272. (Tollway RFP)

Chair Wolff noted that as with earlier contracts, a couple of the companies were disqualified due to lack of Board of Elections submissions. Mr. Donato indicated that another company had been disqualified for other reasons. **Executive Director Lafleur indicated**

that in the future the reason for the disqualification will be noted for each company on the Item Summary.

Director Weisner moved to approve said renewal; seconded by Director Morris. The motion was approved unanimously.

Committee Chairman Banks called upon John Donato, Procurement Chief. Mr. Donato requested approval for the following:

Renewal of Contract No. 10-0100 to Allied Tube and Conduit for Tubular Steel Posts, increasing the contract upper limit by \$75,000.00; from \$75,000.00 to \$150,000.00 (CMS Master Contract).

Director Pradel moved to approve said award; seconded by Director Weisner. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award Contract No. 11-0056 to Pitney Bowes, Incorporated for Integrated Document Printer/Inserter System, in an amount not to exceed \$84,893.00 (CMS for Tollway).

Director Pradel moved to approve said award; seconded by Director Weisner. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award Contract No. 11-0065 to Hillside Auto Body & Services, Incorporated, Maggio Truck Center, Naperville Towing Service, Incorporated, E & R Towing & Garage, Incorporated, O'Hare Truck Service d/b/a O'Hare Towing Service, and Ernie's Wrecker Service, Incorporated for Towing Services for Tollway Vehicles, in an amount not to exceed \$77,887.50 (Tollway IFB).

Chair Wolff asked why the minority participation goal for this contract is shown as 'not applicable' on the Item Summary and whether

ownership or ethnic composition of the vendor's workforce is considered in DBE participation. Executive Director Lafleur indicated that subcontracting opportunities do not exist for this bid and clarified that minority ownership, not workforce composition, qualifies a vendor for DBE designation.

Director Morris suggested that the Tollway should reach out to minority owned towing companies about these contracts in the future. He suggested possibly engaging in an education program that informs such companies of the type of trucks and the size of the yard available to store the vehicles needed to qualify for upcoming towing contracts. Mr. Donato indicated that a notice for this contract had been sent to approximately two hundred companies in the DBE directory.

Director Morris moved to approve said award; seconded by Director Weisner. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award Contract No. 11-0066 to Safety-Kleen Systems, Incorporated for Parts Cleaning Machine Rental and Services, in an amount not to exceed \$37,618.56 (Tollway IFB).

Director Weisner moved to approve said award; seconded by Director Pradel. The motion was approved unanimously. Mr. Donato requested approval for the following:

Award Contract No. 11-0005 to Civiltech Engineering, Incorporated, Santacruz Associates, and Hanson Professional Services, Incorporated for Land Acquisition Services, in an amount not to exceed \$300,000 (Tollway RFP).

Director Morris indicated that in the future there should be something on the form that shows why the contract was or was not awarded to a certain bidder. Mr. Donato indicated that this type of detail would be included in future item summaries.

Director Morris moved to approve said award; seconded by Director Weisner. The motion was approved unanimously.

Committee Chairman Banks called upon Jeff Redding, Chief of Operations. Mr. Redding requested approval for the following:

Award Contract No. 11-0075 to Oak Brook Mechanical Services, Inc., for replacement of boilers, chillers, switches and louvers at the Central Administration Building in an amount not to exceed \$1,277,000.00 (Tollway IFB).

Director Morris moved to approve said award; seconded by Director Weisner.

Chair Wolff asked about the estimated energy savings associated with this purchase. Mr. Redding indicated that fifteen to twenty percent savings are projected. Direct Banks asked whether the replacement of the boilers is mandatory. Mr. Redding indicated that the current boilers are original to the building and approaching the expected life span of twenty years.

The motion to approve Contract No. 11-0075 was approved unanimously.

Committee Chairman Banks called upon Mike Stone, Chief of Administration. Mr. Stone asked to defer the discussion of the following item until Executive Session.

Approval of Collective Bargaining Agreement with Teamsters Local 700.

Committee Chairman Banks called upon Tom Bamonte, General Counsel. Mr. Bamonte called on Executive Director Lafleur to introduce the first item. She indicated that the proposed agreement with the Regional Transportation Agency (RTA) to commission a new

express bus service value planning study represented an important collaboration. The study will seek to develop a cost estimate for express bus service along I-90 that: creates stations where passengers can access the service; evaluates options for a congestion priced lane; and maximizes the use of the Tollway's existing right of way. The study is expected to be completed in late August and the Tollway would share the study costs with the RTA.

Mr. Bamonte requested approval for the following:

An Intergovernmental Agreement with the RTA. Cost to the Tollway: \$0.

Chair Wolff asked for clarification on the cost of the study. Executive Director Lafleur indicated that this study does not represent a new cost to Board for approval this month. The \$100,000 cost is allocated in a previously approved contract.

Director Weisner moved to approve said award; seconded by Director Pradel. The motion was approved unanimously. Mr. Bamonte requested approval for the following:

An Intergovernmental Agreement with the University of Illinois at Chicago – Focus Group. Cost to the Tollway: \$42,227.00

Director Pradel moved to approve said award; seconded by Director Weisner. The motion was approved unanimously.

General Counsel Bamonte introduced Mike Stone, Chief of Administration, to give a presentation on the Workers Compensation Program. Mr. Stone reviewed the process for reporting injuries incurred on the job and filing for workers compensation claims. He noted that typical costs to the Tollway for a worker's compensation claim could be \$210-\$230K including: Temporary Total Disability and/or Permanent Partial Disability, medical treatment, legal fees, and other expenses.

The Tollway employs the following methods to limit cost associated with workers compensations claims, including: reporting accidents immediately; investigating accident sites to prevent future accidents; obtaining witness statements; providing immediate access to treatment; increasing nurse case management; providing workplace videos for medical providers; and periodically providing education programs to employees to encourage good workplace habits.

Director Banks asked whether there is a positive or negative trend in the number of workers injuries at the Tollway. Mr. Stone indicated that the number of 2011 claims is comparable to 2007 claim levels. **Director Morris asked whether staff could provide a report with the number of claims and settlements over the past year.** Mr. Colsch added that at the end of each claims year (April 30), the Tollway commissions a comprehensive analysis of the claims for the year which is performed by the actuary. **Director Morris asked staff to provide that analysis to the Board also.**

Mr. Bamonte requested approval for the following:

Workers Compensation Settlement – Richard Stoddard. Cost to the Tollway: \$79,000

Workers Compensation Settlement – Scott Maginnis. Cost to the Tollway: \$52,000

Workers Compensation Settlement – Howard Ziegler. Cost to the Tollway: \$63,000

Director Banks asked General Counsel whether he recommended settling these matters. General Counsel answered yes.

Director Pradel moved to approve said settlements; seconded by Director Morris. The motion was approved unanimously.

Property Damage Claim Settlement – John Mangino, Jr. Paid to the Tollway: \$15,000.

Director Morris moved to approve said settlement; seconded by Director Pradel. The motion was approved unanimously.

Amending of Board Resolution No. 19374 – correcting dollar amount. Cost to the Tollway: \$500.00

Director Morris moved to approve said settlement; seconded by Director Pradel. The motion was approved unanimously.

At approximately 9:25 a.m., Director Morris made a motion to enter into Executive Session of the Finance Committee and to allow Directors who are not on this Committee to participate in the discussion; seconded by Director Pradel. The motion was approved unanimously.

The open Finance Administration Committee meeting resumed at approximately 9:50 a.m.

Director Morris made a motion to approve the Collective Bargaining Agreement with Teamsters Local 700; seconded by Director Pradel. The motion was approved unanimously.

Director Morris moved to adjourn; seconded by Director Pradel. The motion was approved unanimously.

Meeting adjourned at approximately 9:55 a.m.

Minutes taken by: _____

Tranece Artis
Board Secretary
Illinois State Toll Highway Authority