

MINUTES OF THE 348TH MEETING OF THE OHIO TURNPIKE COMMISSION

June 7, 1985

Pursuant to the bylaws the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street in Berea, Ohio, at 2:30 p.m. on June 7, 1985, with key members of the staff; a representative, William R. Fleischman, of the consulting engineers, J. E. Greiner Company-Ohio; a representative, Richard L. Fetzner, of the trustee, AmeriTrust Company National Association; and others in attendance.

The meeting was called to order by the Chairman. The roll was called and the attendance was reported to be as follows:

Present: William H. Schneider, Sandra Dombey Cooke,
Charles R. Pinzone, Clarence D. Rogers, Jr.

Absent: Warren J Smith

A motion was made by Mrs. Cooke, seconded by Mr. Pinzone, that the minutes of the meeting of April 11, 1985, which had been examined by the Members, be approved without reading.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Cooke, Mr. Pinzone, Mr. Schneider, Mr. Rogers

Nays: None

The Chairman declared the minutes stood approved with all Members present voting in the affirmative.

The Chairman reported that the meeting was the 348th meeting of the Ohio Turnpike Commission, and it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws. He said Warren Smith, the Director of Transportation, was unable to attend the meeting and Bernard Hurst, Assistant Director, had expected to be at the meeting in Mr. Smith's place but had to cancel at the last minute because of transportation problems. He said that since four Members were present, the Commission could conduct the business of the meeting.

The Chairman reported that the primary purpose of the meeting was to take action on the bids received for contracts to operate the Commission's service plaza restaurants. He said that since some of the Members had to be at the airport by 3:30 p.m. to return to Columbus and so that time might be conserved, he would dispense with the customary report of the Chairman on the financial experience so far in the year. He said those statistics and other information, of course, had been compiled and distributed in the regular reports issued by the Commission. He said

the Commission would dispense with most of the other reports ordinarily covered at each meeting and consider only such areas as the limited time permitted.

The Chairman reported further that there were four resolutions to be considered by the Commission at the meeting. He said two of those resolutions concerned the aforementioned bids for operation of the restaurants, while the other two pertained to the future award of construction and service plaza modifications contracts. He said draft copies of three resolutions were forwarded to the Members with the agenda, and all four had been placed in the Members' folders. He said the resolutions dealing with the operation of the restaurants would be explained and introduced by Mrs. Cooke as the chairman of the Committee on Service Plazas. He said the Executive Director would explain and present the remaining two resolutions.

The Chairman said that in the absence of any questions, the report of the Chairman was accepted as offered. He said the report of the Committee on Service Plazas would be received.

(Although not mentioned by the Secretary-Treasurer, Mr. Pinzone, due to time limitations, the following had been sent to all Members since the last Commission meeting:

1. Weekly Traffic Statistics
2. Investment Transactions which occurred during April and May, 1985
3. Draft of the Commission Meeting Minutes of April 11, 1985
4. Traffic Accident Analysis through April 30, 1985
5. Traffic and Revenue Report for April, 1985
6. Financial Statement for April, 1985
7. Expense and Budget Report - First Quarter, 1985
8. Bid tabulations, concepts, breakdown and analysis of Service Plaza Restaurant bids.)

The chairman of the Committee on Service Plazas, Mrs. Cooke, said that on May 14, 1985, bids were opened for contracts to operate the Commission's 16 service plaza restaurants after the current contracts expired on September 30, 1985. She said the bids were solicited based on contract documents approved, adopted and ratified by the Commission at its meeting on April 11, 1985, which provided for bids on nine contracts, containing as few as four of the restaurants and ranging up to a single contract for all 16 units. She said the contracts were structured that way in an effort to get bids on every one of the 16 units. She said

bidders were permitted to bid on all contracts with the Commission, of course, to award only a contract or contracts that did not overlap.

Mrs. Cooke said further that four companies submitted bids. She said Hardee's bid on six of the contracts, but stipulated it would not accept a contract or contracts for more than eight restaurants. She said a stipulation was permitted in the bidding documents.

Mrs. Cooke said further that Howard Johnson bid on all nine contracts. She said Marriott bid on only the contract to operate all 16 units. She said Wendy's bid on four contracts, including the one for all 16 units.

Mrs. Cooke said further that all of the companies submitted proposals for operations with other companies or names involved. She said all of the Hardee's units would be identical combinations consisting of Hardee's restaurants, Pickle's Deli and Han Dippers Ice Cream Shops. She said Howard Johnson included Howard Johnson, Burger King and Kentucky Fried Chicken, with some of the units being only one of those types and several of them having two of those types. She said Marriott, which now owned the Gladioux Corporation, proposed units composed of McDonald's, Big Boy, Roy Rogers, RAX, Dunkin Donuts and Charlie's General Store, with some units alone and others in combinations. She said Wendy's submitted proposals that included Wendy's, Arby's, Taco Bell, Sister's Chicken and Elson's Gift Shops, again some to be single units and others in a combination which was suggested by the Commission.

Mrs. Cooke said further that all in all, there were 17 different names that were identified in the proposals.

Mrs. Cooke said further that the bids were solicited on the basis of a percentage of gross sales to be paid as rent to the Commission and the Commission also required a bid for a minimum annual guaranty for each contract to be paid notwithstanding the percentage bid. She said tabulations of the bidders and bids had been furnished previously to the Members. She said other information concerning the contracts also had been sent to the Members.

Mrs. Cooke said further that as was stated earlier, the Commission's goal in structuring the bidding documents and contracts was to make sure the Commission received bids on all the units. She said that goal was achieved. She said that, in fact, from the bids received, there were 37 possible contract combinations that would cover all 16 units. She said a list of those combinations, arranged according to the minimum annual rent guaranty, had been prepared. She said only 14 of the combinations were considered valid, however, because the remaining combinations contained contracts submitted by Howard Johnson that had graduated percentage bids which was not permitted in the bidding documents.

She said that, in fact, the Marriott bid contained different percentages for certain restaurants which also may not have been in compliance. She said Wendy's had filed a written objection to those bids.

Mrs. Cooke said further that diagrams of the 14 contract combinations were prepared to give a visual picture of the various combinations and restaurant mixtures that had been proposed. She said those diagrams had been forwarded to the Members.

Mrs. Cooke said further that on May 30, the Committee on Service Plazas, with Mr. Rogers attending, met to review the bids and to decide its recommendations to the Commission.

Mrs. Cooke said further that it was not necessary or practical to go over all the areas reviewed by the committee, but she could summarize and report that, although the committee was pleased by the level and caliber of interest demonstrated by the companies involved in the bids, the committee was not satisfied to the point that it could recommend award of any of the contracts.

Mrs. Cooke said further she already had mentioned the problems of the graduated and varied bids. She said that, furthermore, there was a significant difference between the lowest and highest minimum annual guaranty of the 37 contract combinations and, most importantly, the committee did not believe that there was any legally clean contract or combination of contracts that would provide an acceptable balance and mix of restaurant concepts and types. She said that, for example, the Howard Johnson bids to cover all 16 units would have 12 Burger Kings. She said the Wendy's bid for all units would have 10 Wendy's. She said those were too many of one kind, even though some would be in combination with other restaurants and, while there were possible contract combinations that would reduce the number of the same kind of restaurants, the geographical balance of those contracts was not good.

Mrs. Cooke said further that as a result, the committee was recommending that all bids be rejected, and that the contracts be readvertised and rebid. She said that in so doing, the committee proposed to revise the bidding documents so as to eliminate or minimize the probability of repeating the kinds of problems that developed in the first bids. She said that, fortunately, there was time to accommodate such an event.

Mrs. Cooke said further that two resolutions had been drafted for those purposes. She said the first was a resolution for rejecting all bids and she would read the resolveds as follows:

"RESOLVED that all bids received in response to Contract TR-5 be and are hereby rejected, and the executive director

and the general counsel are authorized and directed to notify each bidder of such rejection, and to return to each bidder its bid security; and

"FURTHER RESOLVED that the executive director and the general counsel are authorized and directed to take all action necessary to re-advertise for bids for the operation of the restaurants on the Ohio Turnpike, forthwith."

Mrs. Cooke said further that she recommended that the resolution be adopted.

A resolution rejecting bids for Contract TR-5 was moved for adoption by Mrs. Cooke, seconded Mr. Schneider as follows:

RESOLUTION NO. 6-1985

"WHEREAS, on May 14, 1985, the Commission received bids for Contract TR-5, a contract calling for the operation of the restaurants on the Ohio Turnpike;

"WHEREAS, the proposals were reviewed by the Commission's staff and have been reviewed and evaluated by the Commission's Committee on Service Plazas, and the report and recommendations of the Commission's Committee on Service Plazas is before the Commission;

"WHEREAS, under the terms and conditions of the bidding documents for Contract TR-5, the Commission has reserved the right to reject any and all proposals; and

"WHEREAS, the report of the Commission's Committee on Service Plazas recommends that all bids received for Contract TR-5 be rejected, and that the Commission once again re-advertise for bids for the operation of the restaurants on the Ohio Turnpike forthwith;

"NOW, THEREFORE, BE IT

"RESOLVED that all bids received in response to Contract TR-5 be and are hereby rejected, and the executive director and general counsel are authorized and directed to notify each bidder of such rejection, and to return to each bidder its bid security; and

"FURTHER RESOLVED that the executive director and the general counsel are authorized and directed to take all action necessary to re-advertise for bids for the operation of the restaurants on the Ohio Turnpike, forthwith."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Cooke, Mr. Schnieder, Mr. Pinzone, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 6-1985.

Mrs. Cooke said further that the next was a resolution approving, adopting and ratifying revised contract documents which were before the Commission. She said she would read the resolveds as follows:

"RESOLVED that the Commission hereby approves, adopts and ratifies the contract documents, exhibits and statistical data for the operation of the restaurants along the Ohio Turnpike designated Contract TR-6; and

"FURTHER RESOLVED that any addendum or addenda to the aforesaid documents which are by them deemed to be necessary or desirable may be issued by the executive director and general counsel."

Mrs. Cooke said further that she recommended that the resolution be adopted.

A resolution approving, adopting and ratifying contract documents for restaurant Contract TR-6 was moved for adoption by Mrs. Cooke, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 7-1985

"WHEREAS, pursuant to the terms thereof, Contract TR-4, for the operation of the restaurants on the Ohio Turnpike will expire on September 30, 1985; and the Commission solicited bids for a new contract designated Contract TR-5;

"WHEREAS, the bids received in response to Contract TR-5 have been rejected, and the executive director and the general counsel have been authorized and directed to re-advertise for bids for the operation of the restaurants on the Ohio Turnpike, said re-advertised contract to be known as Contract TR-6;

"WHEREAS, there is before this meeting the contract documents, exhibits and statistical data on which the new bids are to be submitted and which have been prepared by the Commission's executive director, general counsel and other staff members of the Commission's Committee on Service Plazas; and

"WHEREAS, the Commission has given consideration to said contract documents, exhibits and statistical data thereof as prepared by the Commission's executive director, general counsel and others;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby approves, adopts and ratifies the contract documents, exhibits and statistical data for the operation of the restaurants along the Ohio Turnpike designated Contract TR-6; and

"FURTHER RESOLVED that any addendum or addenda to the aforesaid documents which are by them deemed to be necessary or desirable may be issued by the executive director and general counsel."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Cooke, Mr. Pinzone, Mr. Schneider, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 7-1985.

The Chairman said the report of the Committee on Service Plazas was accepted as offered.

The Executive Director, Allan V. Johnson, said he wanted to point out for the record that all the artists' renderings of the various new service plaza restaurants proposed by bidders were on display in the meeting room. He said General Counsel, James C. McGrath, had on hand the bid proposals in the booklet forms presented. He said the revised bid documents were in the green binders in front of each Member. He said advertisements for new bids would be published on June 12. He said the new bids would be opened on July 9, and he expected awards would be made by early August. He said that he anticipated that a Commission meeting would take place in early August to make contract awards.

The Executive Director said further that the committee had been very explicit in revising the bidding documents to avoid the problems of graduated or varied percentage bids so that there would not be any legal challenges on the new bids received.

The Executive Director said further that all the revisions in the new bidding documents were underlined so that they might be recognized very quickly. He said the new bidding documents contained other language pertaining to added services to truck drivers and other subjects discussed by the committee.

The Chairman said the report of the Executive Director would be received.

The Executive Director said that as had been indicated in the bidding documents asbestos insulation existed in the service plaza buildings. He said that type of insulation already had been removed at the Erie Islands and Commodore Perry buildings when the restaurants at those locations had been remodeled in 1984. He said the Commission's staff had known the asbestos insulation was a problem, and it had been indicated in the bidding documents that the asbestos would be removed before the start of the new contracts. He said the only exception would be if accepted proposals called for ceiling removals.

The Executive Director said further that the plans and specifications for the removal of the asbestos insulation were about ready. He said he expected soon to advertise for bids and make an award on a timely basis. He said that the cost of the contract probably would exceed the \$250,000 limit of authorization previously granted to him by the Commission in making awards. He said that, since the contract award would be made before the next Commission meeting, a resolution had been prepared authorizing him to take immediate action on the award of the contract.

The Executive Director said further that he would read the resolveds of that resolution as follows:

"RESOLVED that with respect to the award of Contract CIP 53-85-02, if, in the opinions of the executive director, the deputy executive director-chief engineer and the consulting engineer it is in the best interest of the Commission for an award to be made by the executive director in advance of any meeting of the Commission, the executive director hereby is authorized to award and enter into any contract and to take whatever other action, on behalf of the Commission, the executive director, with the approval of the deputy executive director-chief engineer and the consulting engineer, shall determine to be in the best interest of the Commission, notwithstanding any limitation imposed upon the authority of the executive director under any resolution heretofore adopted, provided that any award made and contract entered into pursuant to authority granted herein shall be approved by general counsel; and

"FURTHER RESOLVED that the executive director shall inform the Commission of the actions taken hereunder."

The Executive Director said that he recommended that the resolution be adopted.

A resolution authorizing the Executive Director to take immediate action concerning award of Contract CIP 53-85-02 was moved for adoption by Mr. Schneider, seconded by Mrs. Cooke as follows:

RESOLUTION NO. 8-1985

"WHEREAS, the Commission is preparing to advertise for bids for a contract for the removal of asbestos insulation at the Commission's service plazas and for the treatment of other areas of said service plazas which contain asbestos, which contract is being designated CIP 53-85-02;

"WHEREAS, it is imperative that the work to be performed under this contract be commenced as soon as possible so as to coordinate with the new restaurant contracts, TR-6;

"WHEREAS, the cost of this contract may exceed the \$250,000 limit of authorization heretofore granted by the Commission to the executive director with respect to the awarding of such contracts;

"WHEREAS, the Commission desires to delegate to the executive director authority to make award of this contract for the performance of the work so that such award may be made immediately as soon as appropriate;

"NOW, THEREFORE, BE IT

"RESOLVED that with respect to the award of Contract CIP 53-85-02, if, in the opinions of the executive director, the deputy executive director-chief engineer and the consulting engineer it is in the best interest of the Commission for an award to be made by the executive director in advance of any meeting of the Commission, the executive director hereby is authorized to award and enter into any contract and to take whatever other action, on behalf of the Commission, the executive director, with the approval of the deputy executive director-chief engineer and the consulting engineer, shall determine to be in the best interest of the Commission, notwithstanding any limitation imposed upon the authority of the executive director under any resolution heretofore adopted, provided that any award made and contract entered into pursuant to authority granted herein shall be approved by general counsel; and

"FURTHER RESOLVED that the executive director shall inform the Commission of the actions taken hereunder."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Schneider, Mrs. Cooke, Mr. Pinzone, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 8-1985.

The Executive Director said also that the other resolution involved a project for constructing a vehicle maintenance building to be located just east of the administration building. He said the project was part of a plan for renovating and expanding the administration building. He said it had been intended that the construction of the vehicle maintenance building would be completed first in order to have storage space available when the work was being done on the administration building. He said bids already had been advertised for the project and bids received would be opened on June 18. He said he wanted to mention that plans had been delayed on the administration building work until sufficient funds had been accumulated. He said the contract for constructing a vehicle maintenance building might not exceed the \$250,000 award limitation, but, in the event it should, a resolution had been prepared granting him the authority to award that contract pursuant to bidding.

The Executive Director said further that he would read the resolves of that resolution as follows:

"RESOLVED that with respect to the award of Contract CIP 48-85-01, if, in the opinions of the executive director, the deputy executive director-chief engineer and the consulting engineer it is in the best interest of the Commission for an award to be made by the executive director in advance of any meeting of the Commission, the executive director hereby is authorized to award and enter into any contract and to take whatever other action, on behalf of the Commission, the executive director, with the approval of the deputy executive director-chief engineer and the consulting engineer, shall determine to be in the best interest of the Commission, notwithstanding any limitation imposed upon the authority of the executive director under any resolution heretofore adopted, provided that any award made and contract entered into pursuant to authority granted herein shall be approved by general counsel; and

"FURTHER RESOLVED that the executive director shall inform the Commission of the actions taken hereunder."

A resolution authorizing the Executive Director to take immediate action concerning award of Contract CIP 48-85-01 was moved for adoption by Mr. Pinzone, seconded by Mr. Schneider as follows:

RESOLUTION NO. 9-1985

"WHEREAS, the Commission has advertised for bids for a contract for the construction of a vehicle maintenance building located at the Administration Building in Berea, Ohio, designated as Contract CIP 48-85-01;

"WHEREAS, it is imperative that the work to be performed under this contract be commenced as soon as possible so as to take advantage of the construction season;

"WHEREAS, the cost of this contract may exceed the \$250,000 limit of authorization heretofore granted by the Commission to the executive director with respect to the awarding of such contracts;

"WHEREAS, the Commission desires to delegate to the executive director authority to make award of this contract for the performance of the work so that such award may be made immediately as soon as appropriate;

"NOW, THEREFORE, BE IT

"RESOLVED that with respect to the award of Contract CIP 48-85-01, if, in the opinions of the executive director, the deputy executive director-chief engineer and the consulting engineer it is in the best interest of the Commission for an award to be made by the executive director in advance of any meeting of the Commission, the executive director hereby is authorized to award and enter into any contract and to take whatever other action, on behalf of the Commission, the executive director, with the approval of the deputy executive director-chief engineer and the consulting engineer, shall determine to be in the best interest of the Commission, notwithstanding any limitation imposed upon the authority of the executive director under any resolution heretofore adopted, provided that any award made and contract entered into pursuant to authority granted herein shall be approved by general counsel; and

"FURTHER RESOLVED that the executive director shall inform the Commission of the actions taken hereunder."

A vote by ayes and nays was taken and all Members present responded to roll call as follows:

Ayes: Mr. Pinzone, Mr. Schneider, Mrs. Cooke, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 9-1985.

The Executive Director said further that the various construction projects on the Turnpike were close to being on schedule. He said some traffic problems had been experienced, especially over the Memorial Day weekend. He said that was particularly true on Memorial Day when a severe rain storm took place causing an extensive traffic backup between the Sandusky-Norwalk (#7) and the Lorain-Elyria (#8) interchanges where a bridge deck replacement project limited vehicle travel to one lane eastbound and one

lane westbound. He said the high volume of traffic resulted from vast numbers of individuals leaving the Cedar Point amusement park in Sandusky and other vacation attractions in that area due to the inclement weather conditions. He said the bridge project between interchanges 7 and 8 would be suspended at the end of June so that all four lanes would be open during July and August. He said the project would be resumed after Labor Day.

The Executive Director said further that a section of one of the three resurfacing projects in progress was outside the administration building. He said another of those projects was in the Toledo area. He said that two resurfacing projects were side by side between the North Olmsted-Cleveland (#9) and Cleveland (#11) interchanges. He said that included was the addition of a third, truck climbing lane eastbound between the Strongsville-Cleveland (#10) and Cleveland (#11) interchanges. He said another major project was the rebuilding of the Cleveland (#11) interchange. He said it was the first year that concrete barriers were being used in the resurfacing projects. He said he thought all the construction projects were moving along on schedule.

The Executive Director said also that a tornado crossed the Turnpike approximately between the Warren (#14) and Niles-Youngstown (#15) interchanges on May 31, 1985. He said that although there wasn't any damage to Turnpike facilities, the tornado did knock down a 138,000 volt power line onto the mainline. He said that as a result the Turnpike between interchanges 14 and 15 was closed for more than two hours. He said the closing caused a backup of traffic, but he was sure those involved understood the situation. He said there was a truck driver on the Turnpike who saw the tornado coming at him, parked his truck, and got into a ditch. He said it probably was a good thing that he did because the tornado literally blew his semi-trailer truck right over on its side. He said the truck driver said he looked up from the ditch to see the tornado go right over him. He said that in spite of the whirling debris, the truck driver was not injured. He said that nobody was hurt by the tornado on the Turnpike. He said there were some traffic shutdowns on the following Monday when the power company put the power lines back up again.

The Executive Director said further that the downed power lines did have an effect on some toll interchanges and service plazas. He said that the toll interchanges did have emergency generators which were able to take over when there was such a power shutdown. He said there also were limited, emergency electricity sources at the service plazas, but not enough to keep the entire operations, particularly with regard to refrigerators and freezers, at full capacity. He said that, as it turned out, there wasn't any serious food loss.

The Chairman said the report of the Executive Director was accepted as offered. He said that, as he indicated earlier, he

didn't anticipate that there would be many committee or staff reports.

The Chairman said the next Commission meeting would be held sometime in August, unless something urgent came up.

There being no further business to come before the Commission, a motion was made by Mrs. Cooke, seconded by Mr. Pinzone that the meeting adjourn, subject to call of the Chairman.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Cooke, Mr. Pinzone, Mr. Schneider, Mr. Rogers

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 2:57 p.m.

Approved as a correct transcript of the proceedings of the Ohio Turnpike Commission



Charles R. Pinzone, Secretary-Treasurer