

MINUTES OF THE 416th MEETING OF THE OHIO TURNPIKE COMMISSION

December 26, 1995

Pursuant to the bylaws, the Ohio Turnpike met in a special session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:16 a.m., on December 26, 1995, with Members of the staff: Allan V. Johnson, Executive Director; Gino Zomparelli, General Counsel; G. Alan Plain, Deputy Executive Director; Stephen G. Lorton, Director of Public Affairs; Craig Rudolph, Comptroller; David H. Ransbury, Chief Engineer; Robert P. Barnett, Director of Information and Research; Alice Linn, Director of Patron Services; James H. Brennan, Development Coordinator; and others in attendance.

Present: M. Ben Gaeth, John Platt, Earl W. Williams,
Ruth Ann Leever, Umberto P. Fedeli

Absent: Richard A. Hodges, Marilyn Baker, Jerry Wray

The Chairman said Mr. Wray, Mrs. Baker and Representative Hodges would not attend the day's meeting. He said John Platt, Assistant Director of the Ohio Department of Transportation, was there in place of Jerry Wray. He said he had been properly authorized to represent and vote in place of Mr. Wray.

The Chairman said that, as was customary, he would ask everyone to identify themselves as follows: Mike McIntyre, The (Cleveland) Plain Dealer; Gary Cawley, Superintendent of Toll Collections; Tony Palombo, Staff Counsel; Gary Joseph, ODOT; Pat Patton, Government Liaison Officer; Bob Arlow, Construction Coordinator; and Barbara Lesko, Executive Director's Secretary.

The Chairman said the meeting was the 416th meeting of the Ohio Turnpike Commission. He said it was a special meeting called for at the time of adjournment of the meeting of December 20th.

The Chairman said further that the Commission was meeting at the Commission's headquarters as provided for by the Commission's Bylaws. He said the minutes of the December 20th meeting had not been prepared and the minutes of that meeting would be considered at the next meeting on January 22nd.

The Chairman said further that the special meeting would consist of reports from staff members and presentation of a resolution awarding contracts for portable concrete barriers for the Commission's construction program to add a third lane in each direction on portions of the Turnpike.

The Chairman said that the Commission's concern at the last meeting was that there was a large number of bid combinations received. He said the Commission felt uncomfortable giving anyone authority, other than the Commission, to approve such a large contract. He said the Commission was trying to figure out ways to save money and do it the most cost effective way.

Mr. Johnson said that they were waiting for the General Counsel and the Deputy Executive Director who were putting some finishing touches on a draft of a resolution that would be presented to the Commission. He said as soon as they entered the meeting room he would get into a detailed description of the entire program.

Mr. Johnson said further that he thought that maybe from the discussion last week that it was unclear to the Members just how the portable barriers would be used. He said he wanted to wait until the others entered the meeting room, but some charts and diagrams had been prepared which he thought would help clear up some of that possible confusion or concern.

The Chairman asked who was going to explain it.

Mr. Johnson said he would explain it. He said the portable concrete barriers were going to be needed for the project to build a third lane in each direction on the Turnpike. He said design plans on that project were under way.

Mr. Johnson said further that the Commission had thirteen consulting firms that were working on the plans for the program for the next construction season. He said it was crucial and urgent that barrier be purchased as soon as possible in order to get the work completed in a timely fashion.

Mr. Johnson said that he had a diagram showing the cross section of the Turnpike. He said it showed the existing lanes of the Turnpike on each side with a median. He said the third lane was going into the median, one lane in each direction.

Mr. Johnson said further that, in the construction zones two travel lanes in each direction would remain open. He said the project was not one that would be able to be suspended in July and August like what had been done on other projects. He said construction would continue through the entire summer.

Mr. Johnson said further that, in order to keep two lanes of traffic going in each direction, the construction zone in the median had to be separated from the traffic by portable concrete barriers. He said the barriers would be placed on the inside shoulders on both sides of the road.

Mr. Johnson said further that in 1996 approximately 40 miles of the third lane would be scheduled for construction. He said he had a diagram showing the three

areas where the work would be done. He said projects would be between Exits 6 and 6A, between Exits 8 and 9A and between Exits 13A and 14.

Mr. Johnson said further that the section between Exits 6 and 6A was 18.7 miles, between Exits 8 and 9A was 6.3 miles and between Exits 13A and 14 was 15.2 miles. He said the total was 40.2 miles. He said that double that amount of barriers was needed to separate the traffic. He said that in excess of 80 miles of the barrier was needed at the very beginning so the projects could be constructed in a safe manner.

Mr. Johnson said further that, as the Members knew from the last meeting, the contract had been bid in eight different groups knowing that it would really extend the capacity of the industry that supplied the barriers to the limit. He said the staff checked around to see what barriers were available. He said it was not something one bought off the shelf.

Mr. Johnson said further that most of the barriers had to be manufactured from the time when the contracts were awarded until they were needed in the early springtime.

Mr. Johnson said there were eight different groups and nine different bidders. He said there was a tremendous number of possible combinations as to how the contract could be awarded.

Mr. Johnson said further that that situation may have caused some confusion.

Mr. Johnson said further that the barriers were portable. He said they would be picked up after the construction was over and stored. He said the barriers bought by the Commission would be used for the following projects in the years ahead.

Mr. Johnson said further that when the third lanes were added there would be a permanent concrete barrier installed in the median. He said that was shown in the diagram before the Members. He said that, again, the traffic, three lanes in each direction, would be separated by a permanent, high concrete barrier. He said similar barriers could be seen on stretches of interstate around the state, especially in urban areas.

Mr. Johnson said further that the portable barriers would be used to protect the work areas. He said there was going to be a tremendous amount of activity going on in the median in order to take out the median, fill that up and build the pavements in there. He said there are a lot of bridges that had to be widened in order to accommodate the third lane.

Mr. Williams asked if the permanent concrete barrier would separate the three lanes of traffic.

Mr. Johnson said that it would.

Mr. Williams asked if the barriers used in construction of the third lane were temporary.

Mr. Johnson said they were temporary and they were smaller than the permanent barriers. He said they were not as high as the permanent barriers. He said the permanent barriers had added height for a glare shield.

Mr. Johnson said further that the portable barriers were the 42 inches in height. He said the permanent barriers were being raised to the current standards so they were high enough to shield off the headlight glare from traffic moving the opposite directions.

Mr. Johnson said further that, again, the portable barriers could not be moved over and used for permanent barriers. He said the permanent barriers were going to be probably installed in place or slip-formed although he said they could be manufactured off-site.

The Chairman asked if there was any way that a permanent barrier could be used rather than a temporary and then going to a permanent.

Mr. Johnson said that the staff could probably specify that the barrier be of that size, but it would have added to the cost.

The Chairman said that the Commission had to buy the permanent barriers anyway.

Mr. Johnson said that the portable barriers would have to be used over and over again.

Mr. Plain said the permanent barriers were a lot heavier than the portable barriers. He said that, as Mr. Johnson said, the permanent barriers were either formed in place or slip-formed. He said that they could be produced on-site a lot cheaper than to form it off-site, haul it in there and haul it around.

The Chairman said he was just wondering if the staff had looked at an option to build them permanent the first time with regard to costs versus the portable?

Mr. Johnson said the permanent barriers were much bigger. He said they probably weighed twice as much per foot as the portable barrier.

The Chairman said the Members didn't have the range in pricing of the bids.

Mr. Johnson said the bid prices ranged from a low of \$18.50 per foot up into the high twenties.

The Chairman said that it seemed to him, when he reviewed them, that the highest bids were from out-of-town and it was assumed that the transportation costs were responsible for increased costs.

Mr. Johnson said that the cost of transportation was what made the difference in price. He said the staff thought it might get some bids from areas in the upper Great Lakes where it might be cheaper to ship by water, but that didn't happen. He said shipping costs were a big part of bids.

Mr. Johnson said further that at the last meeting it was proposed awarding contracts for all the eight different groups. He said he now thought that should not be done. He said one contractor could not provide all 84 miles of barriers.

Mr. Johnson said further that most of the contractors indicated that they had a limit as to how much they could supply. He said the limitations were in the amount of barriers they could produce or their bonding capacity. He said one contractor said that he could not get a bond over \$3.5 million or in that range. He said that in order to award all the contract it would be in the range of \$9 million plus.

Mr. Johnson said further that what he was proposing and prepared to suggest that day was for the Commission to award only four out of the eight groups. He said the four awarded would be for only the very lowest unit prices that were received for those four groups.

Mr. Johnson said those were: Groups I, where the unit price bid was \$19.13 per foot for 43,500; he said he was recommending an award for Group III, again at a unit price of \$19.13 per foot for 47,100 feet; he said he recommended an award for Group IV at a unit price of \$19.01 per foot for a total of 73,500 feet; he said there would be no awards for Group V or VI; he said he recommended an award on Group VII at a unit price of \$18.50 per foot for 68,700; he said there would be no award for Group VIII.

Mr. Johnson said further that the total footage of barrier would be 232,800 for a total price of \$4,401,363. He said the average price was \$18.91 a foot. He said there were two companies involved. He said for Groups I, III and IV the company was Norwalk Concrete Industries, Inc. He said the other contract for Group VII went to Mack Industries, Inc. He said that, again, the total footage was 232,800 and a little over \$4.4 million on the price.

Mr. Johnson said further that after the contracts were awarded he suggested that the Commission take another look as to whether it could rebid in time. He said it may take another special meeting of the Commission if the staff could readvertise the other groups or parts of them. He said that if that didn't work the Commission's alternative would be to include the balance of the barrier in the construction contracts. He said that could be done when the staff went out for bids on the project. He said the contractors would be allowed to furnish the barriers.

The Chairman said that when the Commission put out the bids on the third lane it could look, as an option, at contractors supplying the portable barriers versus buying additional ones to have the cost differential.

Mr. Zomparelli said the staff would continue to explore all the alternatives possible.

The Chairman said the prices went from \$18.50 to \$27.00. He said the difference was \$11.00 times how many feet.

Mr. Johnson said that a couple hundred thousand in the difference between what was recommended and the total need.

The Chairman said the total needed was almost 150,000 feet, so a difference of \$11 a linear foot was \$4.5 million.

The Chairman said further that he thought the staff should look at all the alternatives to make sure it got the best possible deal.

Mr. Zomparelli said the awards of \$18.50 per foot by Mark Industries and the \$19.01 and \$19.13 by Norwalk Industries were the absolute lowest prices offered by any of the bidders.

The Chairman said the only question he had was that he noticed that they were in pretty large chunks. He asked if it made sense to make them in smaller quantities to allow more competition. He asked if maybe some more competitive bids could be received from more local companies.

Mr. Johnson said that alternative bids were allowed in the whole process. He asked Mr. Rudolphy if alternative bids were considered (in his analysis of the number of combinations).

Mr. Rudolphy said he didn't consider any of the alternatives.

Mr. Johnson said that if the alternatives were considered, which might have broken it down further, the number of combinations would have been increased and the number would be astronomical.

The Chairman asked what were the prices on the alternatives.

Mr. Rudolphy said he was not sure that he even remembered the alternative prices, but they were quite a few dollars.

The Chairman said that, therefore, the alternative prices were higher.

Mr. Plain said they were all higher.

The Chairman said that he was just asking the question of whether it made sense to allow bids on a smaller quantity of barriers.

Mr. Johnson said the staff would take a look at that. He said that maybe the quantities could be broken down when the Commission rebid the barriers.

Mr. Zomparelli said that each individual company might have limited bonding capacity or capacity to produce those quantities.

The Chairman said it didn't hurt to make the quantities lower just to see the prices offered.

Mr. Zomparelli said that it probably could be adjusted lower.

Mr. Johnson said that it would be lower if the lower quantities were included in the construction contracts. He said that was because the construction contracts were going to be split down into much shorter lengths than those lengths shown in the resolution for contracts before the Members.

The Chairman said that every possible alternative should be sought out and evaluated.

Mr. Johnson said that would be done.

Mr. Zomparelli said that there was a delicate balance if the Commission was trying to have a big enough quantity in order to make certain that bidders had economies of scale. He said that if the Commission had too low of quantities it might even drive up the prices.

Mr. Platt asked if the contracts were rebid would Norwalk and Mark Industries be likely bidders.

Mr. Johnson said that maybe not because they bid their limit at that time.

Mr. Plain said they were pretty close to their limit.

Mr. Platt said that what he was thinking about was the bonding capacity.

Mr. Johnson said that the staff could talk to them about that.

The Chairman said that the Commission should leave all its options open. He said the range in prices was significant.

Mr. Zomparelli said that no one was precluded from any joint venture so the possibility was there.

The Chairman said that every dollar a foot was \$450,000.

Mr. Zomparelli said that was a lot of money.

The Chairman said that the Commission would meet every week if it needed to do that.

Mr. Johnson said that, at any rate, the Commission had a resolution entitled Resolution Concerning Award of Contract and Rejection of Certain Groups Pursuant to invitation No. 3456. He said he would not go into the Whereases. He said he already explained what the staff's recommendations were on the awards.

Mr. Johnson said further that the recommendations being that Groups I, III and IV be to the Norwalk Concrete Industries, Inc. in the amount of \$3,130,413. He said no awards on Groups II, V and VI. He said award of Group VII to Mack Industries in the amount of \$1,270,950. He said no award for Group VIII. He said the total award was \$4,401,363.

Mr. Johnson said further that he wouldn't read the rest of the Whereases or Resolveds, but he recommended that the resolution be adopted.

Mr. Williams said that the resolution was a rejection and an award.

Mr. Johnson said that the recommendation was to award the four and reject the other four and get them off the table.

A resolution concerning award of contract and rejection of certain groups pursuant to invitation No. 3456 was moved for adoption by Mrs. Leever, seconded by Mr. Williams as follows:

RESOLUTION NO. 66-1995

"WHEREAS, the Commission has advertised for bids for Invitation No. 3456 for the furnishing and delivery to the Commission of 453,000 L.F., portable concrete barrier, and nine bids were received in response to that invitation, plus seven alternate bids, such bids having been reviewed by the Commission's staff;

"WHEREAS, it is anticipated that the expenditures of the Commission for portable concrete barrier under Invitation No. 3456 shall exceed \$500,000 and in accordance with Article V, Section 2.10 (16) of the Commission's Code of Bylaws, Commission action is necessary for the award of such contract;

"WHEREAS, the bids were reviewed by the chief engineer who has stated that the lowest responsive and responsible bids were submitted by the following bidders:

<u>Group</u>	<u>Bidder/Address</u>	<u>Amount</u>
I, III, IV	Norwalk Concrete Industries, Inc. Norwalk, Ohio	\$3,130,413.00
II	No Award	
V	No Award	
VI	No Award	
VII	Mack Industries, Valley City, Ohio	1,270,950.00
VIII	No Award	_____
Total		\$4,401,363.00

"WHEREAS, the chief engineer states that the above-mentioned bidders comply with the provisions of the contract and provide for the least total combination cost to the Commission, and further states that all bidders propose to furnish materials and services in accordance with the Commission's specifications;

"WHEREAS, the chief engineer states that the bids received for Groups II, V, VI and VIII be rejected and that the future barrier needs of the Commission, necessitated by the third-lane project, be obtained through the preparation of an additional invitation in 1996;

"WHEREAS, the Commission's general counsel has reviewed the bids received and has advised the Commission that the procedure followed by the Commission in advertising for Invitation No 3456 is in accordance with Section 5537.07 of the Revised Code of Ohio, and that the above-mentioned bids are the least total combination cost to the Commission and the lowest responsive and responsible bids received and that the Commission may legally enter into contracts with the above-mentioned bidders to furnish portable concrete barrier in accordance with Invitation No. 3456 as well as reject any and proposals;

"WHEREAS, the executive director and general counsel have reviewed the bids received and have recommended to the Commission that contracts be awarded to the above-mentioned bidders which represent the least total combination cost to the Commission and are the lowest responsive and responsible bids and that the Commission reject the bids received for Groups II, V, VI, and VIII;

"NOW, THEREFORE, BE IT

"RESOLVED that the following bids:

<u>Group</u>	<u>Bidder/Address</u>	<u>Amount</u>
I, III, IV	Norwalk Concrete Industries, Inc. Norwalk, Ohio	\$3,130,413.00
VII	Mack Industries, Valley City, Ohio	1,270,950.00
Total		\$4,401,363.00

for Invitation No. 3456 are, and are by the Commission deemed to represent the least total combination cost to the Commission and are the lowest responsive lowest responsive and responsible bids received and are accepted, and that the chairman and executive director, or either of them, is hereby authorized (1) to execute a contract with each successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidder of its bid security, when appropriate; and (3) to take any and all action necessary to properly carry out the terms of said contract; and

"FURTHER RESOLVED that the bids received for Groups II, V, VI and VIII in response to Invitation No. 3456 be and are hereby rejected, and the executive director and general counsel are authorized and directed to notify the bidders of such rejection and to return to said bidders their bid security; and

"FURTHER RESOLVED that the chief engineer is directed through the preparation of an additional invitation in 1996 to seek additional bids for the future barrier needs of the Commission; and

"FURTHER RESOLVED that contracts for Invitation No. 3456 are designated a System Project under the Commission's 1994 Master Trust Agreement."

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

The vote was as follows:

Ayes: Mrs. Leever, Mr. Williams, Mr. Platt, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 66-1995.

Mr. Platt said that he thought that was a good way to do business. He said that was because the Commission went with the prices that were lowest and gave them another chance. He said he thought that was a good way to go.

The Chairman said he didn't understand why the barriers could not be constantly poured and then moved, pour and then moved barriers so that so many would not have to be bought.

Mr. Platt said that there was a pretty good section of roadway to take care of. He said that the larger section to be worked on then the lower the cost would be to the contractor because of the economies of scale of working that section. He said it was a good way to go.

Mr. Johnson said the first red zone on the chart was 18 miles and there would be three different construction contracts in that section. He said the barrier had to be in place for the full length. He said it was not something that could start and move around.

The Chairman asked how many linear feet were in that section.

Mr. Johnson said it was 18 miles times 5000 (times 2).

The Chairman asked if there was still a chance that the contractor might have their own barriers depending on who did the work.

Mr. Platt said that the Commission could consider an alternate that allowed them to supply the barriers. He said some of the contractors leased some. He said the way that ODOT got them was to have the contractors supply them through the alternative bid.

The Chairman asked if the Commission would be able to look at that as a separate line item.

Mr. Platt said that the Commission would be able to see that.

Mr. Johnson said that was the only item the Commission had that day. He said that, once again, as the Commission adjourned at the last meeting, it was said that the next regular meeting would be on January 22nd, which was the third Monday in January.

Mr. Johnson said further that, subject to what the Commission did on the barrier item, it was possible that bids would be sought again and, if that was done, the

Commission might have another special meeting. He said he would keep the Members informed of that.

Mr. Williams asked when the delivery date was for the barriers.

Mr. Johnson said it was May 1st.

There being no further business before the Commission, a motion was made by Mr. Williams, seconded by Mr. Platt that the meeting adjourn until the next meeting on January 22nd.

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

Ayes: Mr. Williams, Mr. Platt, Mrs. Leever, Mr. Fedeli

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 10:57 a.m.

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


Marilyn R. Baker, Secretary-Treasurer