

MINUTES OF THE 501st MEETING OF THE OHIO TURNPIKE COMMISSION

March 15, 2004

Pursuant to the bylaws, the Ohio Turnpike Commission met for a regular meeting at the Commission's Administration Building at 10:04 a.m. on March 15, 2004, with members of the staff: Jerry Pursley, Deputy Executive Director; Daniel Castrigano, Chief Engineer; James Steiner, CFO/Comptroller; Noelle Tsevdos, General Counsel; W. R. Fleischman, Assistant Chief Engineer; Tim Ujvari, Maintenance Engineer; Anne Fornshell, Director of Human Resources; Kathleen Weiss, Director of Contracts Administration; Dave Miller, Chief Auditor; Denise Urbansky, Staff Auditor; Dick Morgan, Director of Information Systems; William Keaton, Telecommunications Manager; Kerry Ferrier, Traffic Engineer; Dick Lash, Director Safety Services; Bob Gahr, Asst. Director Safety Services; Fred McFall, Customer Services Manager; Dan Fiktus, Purchasing Agent, Kevin Golick, Purchasing Dept., Lauren Hakos-Dehrmann, Manager, Public Affairs; Heidi Jedel, Crickett Jones, Tracy Cowley and Diane Pring.

The Vice-Chairman called the special meeting to order.

Vice-Chairman Noe asked the Assistant Secretary-Treasurer to please call the roll.

Present: Mr. Noe, Mr. Balog, Mr. Dixon, Mr. Regula and Mr. Darwish

Absent: Senator Schuring, Representative Buehrer

The Vice-Chairman said the Ohio Department of Transportation's Director, Gordon Proctor, is not here today, but his representative, Deputy Director Mo Darwish, is here and authorized to vote for him. Welcome and glad to see you, Mo.

I'd like to introduce our newest Commission Member. Since he has already said he's present, it would be nice to welcome David Regula from Navarre, Ohio. Welcome to the Turnpike Commission. I think you'll enjoy the ride, and we'll have some fun.

Inasmuch as Mr. Dixon was elected Secretary-Treasurer at the July 21, 2003 meeting, we will hold an election for the office of Chairman and Vice-Chairman now that we have a full complement of Commissioners. Therefore, I will now hold an election of officers conducted by nomination and voting and confirmed by resolution so that action will appear in the Commission's Journal.

Is there a nomination for the office of Chairman? Is there a second? Commissioner Balog moves to nominate Mr. Noe and Deputy Director Darwish seconds. Are there any other nominations? There being none, I declare the nominations closed. Would you please call the roll?

Ayes: Mr. Balog, Mr. Darwish, Mr. Regula, Mr. Dixon and Mr. Noe.

Nays: None.

Commissioner Noe said now that I have now been officially elected Chairman, thank you, and I'll do my best to serve well and work in conjunction with our great Director and Deputy Director and the great staff.

I'd like to accept nominations for the office of Vice-Chairman. Is there a second? Deputy Director Darwish moves to nominate Mr. Balog and Commissioner Regula seconds. Are there any other nominations? There being none, I declare the nominations closed. Would you please call the roll?

Ayes: Mr. Darwish, Mr. Regula, Mr. Dixon, Mr. Noe and Mr. Balog.

Nays: None.

Mr. Balog has now been elected. Congratulations and welcome aboard.

Our General Counsel has prepared a draft resolution, a copy of which can be found in your folders. I'll ask General Counsel to present that to the Commission.

General Counsel read the draft resolution as follows:

"RESOLVED that the election of **Thomas W. Noe**, as chairman of the Ohio Turnpike Commission and **Joseph A. Balog**, as vice-chairman of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated March 17, 2003, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 2007 or until their respective successors are elected and qualified, or until such officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated March 17, 2003, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

The Chairman asked, is there a motion?

Commissioner Regula moves and Deputy Director Darwish seconds.

The Chairman asked, are there any questions? Please call the roll.

The resolution entitled "Resolution Confirming Election of Officers" was moved for adoption as follows:

RESOLUTION NO. 9-2004

"RESOLVED that the election of **Thomas W. Noe**, as chairman of the Ohio Turnpike Commission and **Joseph A. Balog**, as vice-chairman of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated March 17, 2003, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 2007 or until their respective successors are elected and qualified, or until such officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated March 17, 2003, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 9-2004.

The Chairman said we have a number of guests here today, so I'd like everyone to introduce themselves: Eric Erickson, Fifth Third Securities; Dennis Albrecht, Dan Sokol, Dick Corporation; Tony Yacobucci, HNTB; Bobby Everhart, Mike Burgess, URS Corporation; Don Glosser, Lichtenstein Consulting; Rich Exner, (Cleveland) Plain Dealer; Frank Lamb, Huntington Bank; Brett Neff, R. E. Warner Co.; Dick Boylan, Boylan & Associates; Matt Stuczynski, Nat City Investments; John Frola, Dalad Group; Capt. Robert Ferguson, OSHP; Rick Keppler, Teamsters.

The Chairman said this is the 501st meeting of the Ohio Turnpike Commission, and we are meeting here in the Commission's headquarters as provided for in the Commission's Code of Bylaws for a regular meeting. Various reports will be received and we will act on several resolutions, draft copies of which have been previously sent to Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports.

The Chairman asked for a motion to adopt the Minutes of the February 23, 2004 meeting.

Deputy Director Darwish moves and Commissioner Balog seconds. All other members voted in the affirmative with the exception of Commissioner Regula who abstained. The minutes were adopted.

The Chairman said we'll proceed with the report of the Secretary-Treasurer, Mr. Dixon.

The following items have been sent to the members since the last regularly scheduled meeting of the Commission on February 23, 2004:

1. Minutes of the February 23, 2004 Commission Meeting
 2. Traffic & Revenue Report, February, 2004
 3. Total Revenue by Month & Year, February, 2004
 4. Investment Report, February, 2004
 5. Financial Statements, February 29, 2004 *
 6. Legal Department's Quarterly Report
 7. Traffic Crash Summary Report, February, 2004 *
 8. Various News Releases
- * in Commission Members' folders

The Chairman asked for the Executive Director's report.

Director Suhadolnik said as a result of some questions asked at our last meeting, there were three things I was asked to address. One area was salt consumption. As a result of the resolution which was originally adopted in August or September 2003, the Commission purchased 56,000 tons of salt for approximately \$1.6 million. As a result of the resolution adopted at the February meeting, an additional 14,500 tons of salt has been purchased. So far this winter season the Commission has used approximately 61,000 tons. All of our salt domes are nearly full, which means we have 60,000 tons on hand. Unless the rest of winter gets out of hand, we do not plan to make any additional purchases under these contracts.

The second issue related to Vaughn Industries. As requested by the Vice-Chairman at the February 23 Commission Meeting, the Chief Engineer, the Ohio Turnpike Commission Engineering Department and our Safety Department staff, as well as our construction manager, Dick Corporation, met with representatives of Vaughn Industries on February 24, 2004. The purpose of the meeting was to review safety requirements of the project as well as Vaughn's safety record. We made them aware of our special provisions "Project Safety" in the contract. We reviewed the important provisions and highlighted some of the things we required. We also reviewed Vaughn's in-house safety training programs and the circumstances regarding the May and July 2003 OSHA citations. As a result of this meeting, the Commission's staff members and Dick Corporation concurred in proceeding with Contract No. 53-03-01/53-03-02 award process.

The third question related to MBE/FBE participation in terms of all of the contracts that were awarded at our last meeting. In terms of MBE/FBE subcontractors and material suppliers that have been proposed by the four prime contractors awarded contracts for this project (construction of the Blue Heron and Wyandot Service Plazas, Contract Nos. 53-03-01/53-03-02) there was no change in status from the report provided at the last Commission Meeting. As you are all aware, this project is in its infancy stages, new subcontractors and material suppliers will be proposed as the prime contractors approach each phase of construction. The Commission's staff will continue to encourage the utilization of MBE and FBE subcontractors and material suppliers in this project and will provide a final report to the Commission concerning such subcontractors and material suppliers at its conclusion. That concludes my report, Mr. Chairman.

Thank you Mr. Suhadolnik. Are there any questions for the Director? If not, Chief Engineer Castrigano, you have some resolutions and reports.

Mr. Castrigano said thank you. I have four resolutions for your consideration this morning. I believe they are in order in your folders. I'll begin with the resolution awarding Contract No. 59-04-01. This is the second of our three resurfacing projects that we have in our Capital Budget this year for the resurfacing of the eastbound and westbound roadways from Milepost 55.5 to 63.8 in Lucas and Wood Counties. We received two bids in response to this bid invitation. The apparent low bid was submitted by The Shelly Company of Findlay, Ohio in the amount of \$3,836,799.14. This bidder has performed work of this nature satisfactorily in the past and the total amount bid is below the estimated cost. As we have in the past, we propose to assign Northwest Consultants Inc. of Toledo, Ohio for the purpose of performing construction inspection services and TTL Associates of Toledo, Ohio for performing materials testing services. Would General Counsel please read the Resolved.

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **The Shelly Company** of Findlay, Ohio, in the amount of **\$3,836,799.14**, for the performance of Contract No. 59-04-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Northwest Consultants, Inc.** of Toledo, Ohio, to Contract 59-04-01 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and Northwest Consultants, Inc.; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **TTL Associates** of Toledo, Ohio, to Contract 59-04-01 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and TTL Associates; and

"FURTHER RESOLVED that Project No. 59-04-01 is designated a System Project under the Commission's 1994 Master Trust Agreement."

The Chairman asked, do we have a motion?

Deputy Director Darwish moves and Commissioner Balog seconds.

The Chairman asked if there was any discussion.

Commissioner Dixon asked why there were only two bidders on this contract.

Mr. Castrigano said that's correct.

Commissioner Dixon said, is that usual?

Mr. Castrigano said it's typical. I believe we only had two bidders in response to the next resurfacing resolution I'm about to present. We usually get two to four bids on this type of project.

Director Suhadolnik also mentioned that there has been a great consolidation in the paving industry. Shelly Company purchased the S. E. Johnson Companies who performed work on our third-lane projects last year. There are fewer businesses out there to bid.

The Chairman said if there are no other questions, please call the roll.

The "Resolution Awarding Contract No. 59-04-01" was moved for adoption as follows:

RESOLUTION NO. 10-2004

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for repairs and resurfacing of its eastbound and westbound roadways from Milepost 55.5 to Milepost 63.8 in Lucas and Wood Counties, Ohio, herein designated Contract No. 59-04-01; and

"WHEREAS, the Commission has received bids from two bidders for the performance of said contract; and

"WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such analysis and his report is before the Commission, and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis; and

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of The Shelly Company of Findlay, Ohio, in the amount of \$3,836,799.14 for the performance of Contract No. 59-04-01, has been determined by the Commission to be the lowest responsive and responsible bid received; and

"WHEREAS, the Commission has been advised by its director of contracts administration that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by The Shelly Company.

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of **The Shelly Company** of Findlay, Ohio, in the amount of **\$3,836,799.14**, for the performance of Contract No. 59-04-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Northwest Consultants, Inc.** of Toledo, Ohio, to Contract 59-04-01 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and Northwest Consultants, Inc.; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **TTL Associates** of Toledo, Ohio, to Contract 59-04-01 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and TTL Associates; and

"FURTHER RESOLVED that Project No. 59-04-01 is designated a System Project under the Commission's 1994 Master Trust Agreement."

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 10-2004.

Mr. Castrigano said the next resolution relates to the award of Contract No. 59-04-03. This is our third resurfacing contract for this construction season. It's for the eastbound and westbound roadways from Milepost 214.8 to Milepost 223.3 in Trumbull and Mahoning Counties. Again, we received two bids in response to this bid invitation. The apparent low bid was submitted by The Shelly Company of Twinsburg, Ohio in the total amount of \$4,534,710.10. Again, this bidder has performed work satisfactorily for us in the past and the total amount bid is below the engineer's estimate for this project. We are proposing to assign inspection services on this project to ms consultants, inc. of Youngstown, Ohio and testing materials services to Professional Service Industries, Inc. of Valley View, Ohio. Would General Counsel please read the Resolved.

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **The Shelly Company** of Twinsburg, Ohio, in the amount of **\$4,534,710.10**, for the performance of Contract No. 59-04-03 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **ms consultants, inc.** of Youngstown, Ohio, to Contract 59-04-03 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and ms consultants, inc.; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Professional Service Industries, Inc.** of Valley View, Ohio, to Contract 59-04-03 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and Professional Service Industries, Inc.; and

"FURTHER RESOLVED that Project No. 59-04-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

Chairman Noe asked, is there a motion?

Commissioner Balog moves and Deputy Director Darwish seconds.

Chairman Noe said he had one question. Shelly & Company and Shelly & Sands, Inc., are they related somehow?

Mr. Castrigano said they are two separate companies.

The Chairman asked if there were any other questions or comments. If not, please call the roll.

The "Resolution Awarding Contract No. 59-04-03" was moved for adoption as follows:

RESOLUTION NO. 11-2004

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for repairs and resurfacing of its eastbound and westbound roadways from Milepost 214.80 to Milepost 223.30 in Trumbull and Mahoning Counties, Ohio, herein designated Contract No. 59-04-03; and

"WHEREAS, the Commission has received bids from two bidders for the performance of said contract; and

"WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such analysis and his report is before the Commission, and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis; and

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of The Shelly Company of Twinsburg, Ohio, in the amount of \$4,534,710.10 for the performance of Contract No. 59-04-03, has been determined by the Commission to be the lowest responsive and responsible bid received; and

"WHEREAS, the Commission has been advised by its director of contracts administration that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by The Shelly Company.

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of **The Shelly Company** of Twinsburg, Ohio, in the amount of **\$4,534,710.10**, for the performance of Contract No. 59-04-03 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **ms consultants, inc.** of Youngstown, Ohio, to Contract 59-04-03 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and ms consultants, inc.; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Professional Service Industries, Inc.** of Valley View, Ohio, to Contract 59-04-03 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2003-2004 Engineering Services Agreement between the Ohio Turnpike Commission and Professional Service Industries, Inc.; and

"FURTHER RESOLVED that Project No. 59-04-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

The resolution was adopted with all members voting in the affirmative. The resolution was identified as No. 11-2004.

Mr. Castrigano said the third resolution this morning is entitled, "Resolution Awarding Contract for the Purchase of Magnetic Toll Tickets under Invitation No. 3963." These are the tickets you receive when you enter the Turnpike. This contract has a term of one year with a one-year renewal option. We received three bids in response to this bid invitation. The apparent low bid was submitted by Southland Printing Company, Inc., however, samples submitted by this bidder failed on two separate testing occasions to meet the technical specifications for the magnetic striping coding. The apparent second low bid was submitted by Magnetic Ticket & Label Corp. of Dallas, Texas. This bidder furnished material that meets the specifications. The total amount bid was \$422,420.00. This amount is approximately 5.6% above the estimate, however, we can award in accordance with the Bylaws. Furthermore, this bidder has furnished toll tickets to the Commission in the past. General Counsel, would you read the Resolved please?

General Counsel read the Resolved as follows:

"RESOLVED that the apparent low bid submitted by Southland Printing Company, Inc. of Shreveport, Louisiana is hereby rejected, and

"FURTHER RESOLVED that the bid of Magnetic Ticket & Label Corp. of Dallas, Texas, in the total amount of **\$422,420.00** under Invitation No. 3963 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a contract with the successful bidder for a one (1) year period with a one (1) year renewal option in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the other bidders of their bid security at such time as Magnetic Ticket & Label Corp. of Dallas, Texas has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

The Chairman asked, is there a motion?

Commissioner Balog moves and Commissioner Regula seconds.

The Chairman asked if there was any discussion. Chairman Noe asked, is the low bid for a "cost not to exceed a certain number based on xx amount of toll tickets?" Is that how this works? Or, do we know how many tickets we'll need for the next 12 months?

Mr. Castrigano said this contract has an estimated quantity for a number of tickets and the price is by roll of tickets.

Commissioner Balog said, just so the public and press are aware, I noticed the failure rate of the apparent low bidder was extremely high. For the \$10,000 price difference, I agree with the analogy that we shouldn't take the chance to use their tickets.

Mr. Castrigano said that's correct. The tickets submitted by Southland Printing Company on the second go around of testing had a failure rate of 44%. The samples submitted by Magnetic Ticket and Label Co. was 0.005%.

Chairman Noe said only 5% more on \$400,000.00 or 9% under on \$4,000,000.00 – I think we did good on those two.

Commissioner Dixon asked, were we in a situation where we should have gone out to bid after the three bidders submitted samples that were not satisfactory?

General Counsel said she'd defer to our Contracts Administrator, but literally we don't have to go out to bid.

Kathy Weiss said General Counsel is correct. There is no requirement that we have to go out and re-bid when the second apparent low bid was satisfactory.

Commissioner Dixon said, I understand but we had a bid and all three bidders' samples were unsatisfactory and we said okay, here's a second chance. There are no stipulations that we have to re-open the bids since we gave these people a second chance?

Kathy Weiss said there is no rule requiring the Commission to re-bid. There was a failure rate with the first set of ticket samples submitted by all the vendors. We then first inquired of all respondents whether they would continue to honor their bids beyond sixty (60) days after opening. We then solicited new ticket samples. With more time, the vendors should then have been able to produce and submit ticket samples that did not interfere with other print runs they were doing. The Commission was merely allowing more time for sample submission. Pricing was not permitted to be altered. So this in no way substantively affected the bid.

Mr. Dixon said thanks. Chairman Noe said we budgeted only \$400,000.00 yet the last contract was \$440,000.00. Did we think we were going to save \$40,000.00 on this contract, Dan? I'm looking at these documents and on the bottom of page two (last paragraph) of the Director of Toll Operations' memorandum, it would make more sense that our original budget estimate would have been in the \$440,000.00 range because this bid was actually \$18,000.00 less than what the last contract was with the same company.

Mr. Castrigano said that's correct, Mr. Chairman. Possibly, if we would have increased our bid estimate, we would not have been in the situation of being above budget.

Chairman Noe said it seems very reasonable, their new price on what we paid during their last contract. I guess that's the point I was trying to make. Okay, any other questions or comments on this bid? Please call the roll.

The "Resolution Awarding a Contract for the Purchase of Magnetic Toll Tickets under Invitation No. 3963" was moved for adoption as follows:

RESOLUTION NO. 12-2004

"WHEREAS, the Commission advertised for bids for Invitation No. 3963 for the furnishing to the Commission its requirements for cut and rolled magnetic toll tickets under Invitation No. 3963; and

"WHEREAS, three (3) bids were received in response to that Invitation and have been reviewed by the Commission's staff; and

"WHEREAS, it is anticipated that the expenditures by the Commission for the above-described magnetic tickets under Invitation No. 3963 will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such contract; and

"WHEREAS, the three (3) bids received in response to the Invitation were reviewed by the Toll Operations Department, and sample tickets provided by the bidders were also field tested for compliance with specifications; and

"WHEREAS, the director of toll operations has advised that the sample tickets submitted by the apparent low bidder, Southland Printing Company, Inc. of Shreveport, Louisiana, did not meet specifications and has recommended that the Commission reject the company's apparent low bid; and

"WHEREAS, the director of toll operations has further advised that the second lowest bid was submitted by Magnetic Ticket & Label Corp. of Dallas, Texas, in the amount of \$422,420.00, and that this company proposes to furnish magnetic toll tickets in accordance with the Commission's specifications; and

"WHEREAS, the Commission's director of contracts administration has reviewed the bids received and has advised the Commission that the procedures followed by the Commission's officials in advertising and reviewing bids received for Invitation No. 3963 were conducted in accordance with Section 5537.07 and Section 9.312 of the Revised Code of Ohio; and

"WHEREAS, the Commission's director of contracts administration has further advised that the Commission may lawfully reject the apparent low bid submitted by Southland Printing Company, Inc. as non-responsive, and that the Commission may legally enter into a contract with Magnetic Ticket & Label Corp. of Dallas, Texas as the lowest responsive and responsible bidder proposing to furnish the Commission with its requirements for cut and rolled magnetic toll tickets for a one (1) year period with a one (1) year renewal option under Invitation No. 3963; and

"WHEREAS, the chief engineer has reviewed the recommendations of the director of toll operations and concurs with her recommendations; and

"WHEREAS, the executive director has reviewed the bids received and concurs with the recommendations of the director of toll operations and the director of contracts administration, and has recommended to the Commission that the contract be awarded to the lowest responsive and responsible bidder, Magnetic Ticket & Label Corp. of Dallas, Texas.

"NOW, THEREFORE, BE IT

"RESOLVED that the apparent low bid submitted by Southland Printing Company, Inc. of Shreveport, Louisiana is hereby rejected, and

"FURTHER RESOLVED that the bid of Magnetic Ticket & Label Corp. of Dallas, Texas, in the total amount of **\$422,420.00** under Invitation No. 3963 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a contract with the successful bidder for a one (1) year period with a one (1) year renewal option in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the other bidders of their bid security at such time as Magnetic Ticket & Label Corp. of Dallas, Texas has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 12-2004.

Mr. Castrigano said my final resolution relates to the award of Bid Invitation No. 3967 for applying herbicide on the Ohio Turnpike's right-of-way from the Indiana to the Pennsylvania borders. We received two bids in response to this bid invitation. This bid was set up in two groups, Group I and Group II. A bidder could bid on one or the other groups. The apparent low bids in response to both groups were submitted by DeAngelo Brothers, Inc. of Gibsonburg, Ohio. The total amount bid for Group I was \$112,640.00 and for Group II was \$112,420.00 for a total amount of \$225,060. The total amount bid is below our estimate for this project and this bidder has performed satisfactorily for the Commission in the past. If General Counsel would read the Resolved please.

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **DeAngelo Brothers, Inc.** in the amount of \$112,640.00 for Group I and in the amount of \$112,420.00 for Group II for a total bid in the amount of **\$225,060.00** under Invitation No. 3967 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a contract with the 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 at such time as DeAngelo Brothers, Inc. has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

The Chairman asked, is there a motion?

Deputy Director Darwish moves and Commissioner Balog seconds.

The Chairman asked if there were any questions.

Commissioner Dixon asked, how do we advertise these types of bids?

General Counsel said we advertised this invitation in The Daily Reporter, a newspaper of general circulation in Franklin County. That's the statutory requirement.

Commissioner Dixon said so we are not limited to that newspaper.

Kathy Weiss, Director of Contracts Administration, said that we are not limited by statute in our advertising, and that, in addition to our statutory obligation to advertise in Franklin County, we are currently exploring and have had several discussions concerning our outreach in terms of advertising the different types of Bid Invitations and Projects depending upon the geography of the Project or the type of services we are looking for.

Commissioner Dixon said may I suggest that we widen our basis in terms of advertising. A contract like this is something that a smaller company would have an opportunity to bid on and have a fair chance in competing with some of the other companies. If we advertise in say Hispanic newspapers and some minority newspapers to get a wider base, not only would that help us with our goal of diversification, but it would also give us an opportunity to get better bids. It's just a suggestion.

Mr. Castrigano pointed out that all of our bid invitations, construction contracts for all services, good and materials are also posted on our website.

General Counsel further addressed Commissioner Dixon's point. We have internally, as part of our additional outreach that we discussed in October and as mentioned in the Legal Department's Quarterly Report, increased our MBE/FBE company registrations significantly. Our Purchasing Agent has updated the database of companies that are on the Purchasing Department list by adding those companies that have expressed an interest in bidding on certain contracts, we then notify them directly when Bid Invitations are going out. So, if they told us that they wanted to bid on certain types of contracts, we are reaching out to them directly. As Kathy indicated, we had a committee working on increasing our advertising in additional newspapers smaller or larger, and we are still working on that.

Commissioner Dixon said advertising of Bid Invitations is very reasonable as far as cost and some of the newspapers will do them as a public service because it is a service to their readers in their communities to give them an opportunity to participate in this process. I just think it's something we should do. It certainly wouldn't cost us a lot.

Kathy Weiss said, in summary, I'd like to mention that we have the website postings, we have made concerted efforts in our outreach programs, and our Purchasing Agent maintains a list of all companies that have done work for the Commission in the past or expressed an interest in doing such work, including all FBE/MBE companies, so those companies will receive copies of the specific Bid Invitations.

Commissioner Dixon said thank you very much.

Commissioner Balog asked if we had any issues with residents along the Turnpike indicating they don't want spraying in their section and how do we handle that.

Mr. Castrigano stated we do receive requests for non-spraying. In those instances, we install "Do Not Spray" signs out there. We also receive many requests for this spraying especially out in the farm areas where the thistles and brambles tend to invade the farmer's fields.

Chairman Noe said thank you, and any other questions or comments? Would the Assistant Secretary-Treasurer please call the roll.

The "Resolution Awarding a Contract for the Furnishing and Applying Herbicide on Right-of-Way Areas" was moved for adoption as follows:

RESOLUTION NO. 13-2004

"WHEREAS, the Commission advertised for bids for Invitation No. 3967 for the furnishing and applying herbicide on right-of-way areas between Milepost 0.0 and Milepost 241.2, with two bids received in response to that Invitation that have been reviewed by the Commission's staff; and

"WHEREAS, it is anticipated that the expenditures by the Commission for furnishing and applying herbicide under Invitation No. 3967 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such contract; and

"WHEREAS, the two bids received in response to the Invitation were reviewed by the maintenance engineer who has stated that the lowest responsive and responsible bid for Group I in the amount of \$112,640.00 and for Group II in the amount of \$112,420.00 was submitted by DeAngelo Brothers, Inc. of Gibsonburg, Ohio, in the total amount of \$225,060.00, and that this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

"WHEREAS, the Commission's director of contracts administration has reviewed the bids received and has advised the Commission that the procedure followed by the Commission in advertising for Invitation No. 3967 is in accordance with Section 5537.07 and section 9.312 of the Revised Code of Ohio, and that the bid of DeAngelo Brothers, Inc. of Gibsonburg, Ohio is the lowest responsive and responsible bid received and that the Commission may legally enter into a contract with DeAngelo Brothers, Inc. to furnish and apply herbicide in accordance with Invitation No. 3967; and

"WHEREAS, the executive director has reviewed the bids received and has recommended to the Commission that the contract be awarded to the lowest responsive and responsible bidder, DeAngelo Brothers, Inc.

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of **DeAngelo Brothers, Inc.** in the amount of \$112,640.00 for Group I and in the amount of \$112,420.00 for Group II for a total bid in the amount of **\$225,060.00** under Invitation No. 3967 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a contract with the 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 at such time as DeAngelo Brothers, Inc. has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 13-2004.

Chairman Noe said we have two options on the final resolution. I think what I'd like to do is have our General Counsel give us a quick overview and read the resolution. If there is going to be questions that we need answered by our counsel, we can go into executive session. If not, I'd just like to vote it out and go forward. I think it's a pretty straight-forward resolution.

General Counsel Noelle Tsevdos stated, by way of background, Advanced Restaurant Concepts, Inc. (ARCI) of Toledo, Ohio was awarded a contract to operate the food concessions and retail gift shops of Units 1, 2, 3 and 5 at Great Lakes and Towpath Service Plazas under Contract TR-8B. You will recall that we had problems with them and the Commission rescinded the award of that contract to ARCI by Resolution No. 7-2003, which was passed on March 17, 2003. Since that time several efforts have been made. ARCI owes the Commission approximately \$584,426.80. We have made several demands to try and recoup that money and have been unsuccessful in getting a response from them. We have retained Roetzel & Andress to work on this matter and represent us.

At this point, I would recommend that the Commission approve this resolution authorizing the filing of legal action against Advanced Restaurant Concepts, Inc. of Toledo and Gladieux Enterprises, Inc. (Gladieux Enterprises owns 100% of the stock of ARCI) and so at this point, that would be my recommendation. I'll read the Resolved paragraph.

"RESOLVED that legal proceedings be begun and prosecuted to enforce the terms and conditions of the prior contract between Advanced Restaurant Concepts, Inc. of Toledo, Ohio and the Commission; and

"FURTHER RESOLVED that the general counsel be, and she is hereby instructed to do or cause to be done all things that may be appropriate or necessary, whether by agreement or through legal proceedings, to ensure the recovery of amounts owed the Commission by Advanced Restaurant Concepts, Inc. and Gladieux Enterprises, Inc."

The Chairman asked, is there a motion?

Commissioner Balog moves and Commissioner Regula seconds.

The Chairman asked if there was any discussion, however, he said he'd prefer we don't unless someone feels strongly they need to.

Commissioner Balog stated I see they were given contracts of Units, 1, 2, 3 and 5 and they failed in 1, 2 and 5. Are they still operating Unit #3?

General Counsel said no. They pulled out all their units.

Commissioner Balog said this was previous to most of the Commission Members appointments. I see that you are proposing to sue or bring an action against both the Operator and the parent. Is there much hope to collect or was this entity set up as a sole purpose entity to operate these units with the idea of limiting their liability?

General Counsel said my understanding from reviewing the file is that Gladieux is a viable entity. Advanced Restaurant Concepts was not only set up to operate these units but other restaurant operations throughout the state. It is my hope that we can recover these amounts, but I think it's added pressure that we should consider also adding Gladieux Enterprises, Inc. as the sole owner.

Commissioner Balog asked if Advanced Restaurant Concepts is presently operating anywhere.

General Counsel said yes. That was included in their original proposal.

Commissioner Balog said thank you.

The Chairman asked the Assistant Secretary-Treasurer to call the roll.

The "Resolution Directing that Legal Proceedings be Initiated against Advanced Restaurant Concepts, Inc. and/or Gladieux Enterprises, Inc. to Recover Amounts owed the Commission" was moved for adoption as follows:

RESOLUTION NO. 14-2004

"WHEREAS, on June 14, 1999, by Resolution No. 21-1999, the Commission awarded a contract to Advanced Restaurant Concepts, Inc. ("ARCI") of Toledo, Ohio for the operation

of the food concessions and/or retail gift shops of Units 1, 2, 3 and 5 at the Commission's Great Lakes and Towpath Service Plazas under Contract TR-8B for an initial term of five (5) years; and

"WHEREAS, Advanced Restaurant Concepts, Inc. failed to conduct its operations of Units #1, 2, 3 and 5 in accordance with the terms, conditions and provisions of the subject contract; and

"WHEREAS, the Commission rescinded the award of Contract TR-8B to Advanced Restaurant Concepts, Inc. by Resolution No. 7-2003 passed on March 17, 2003; and

"WHEREAS, the Commission has been advised by its general counsel that Advanced Restaurant Concepts, Inc. owes the Commission the amount of **\$584,426.80**; and

"WHEREAS, the Commission has been advised by its general counsel that Advanced Restaurant Concepts, Inc. is a wholly owned subsidiary of Gladieux Enterprises, Inc.; and

"WHEREAS, the Commission has been advised by its general counsel that Advanced Restaurant Concepts and Gladieux Enterprises have not responded to the demand letters requesting payment of the amount owing and due the Commission.

"NOW, THEREFORE, BE IT

"RESOLVED that legal proceedings be begun and prosecuted to enforce the terms and conditions of the prior contract between Advanced Restaurant Concepts, Inc. of Toledo, Ohio and the Commission; and

"FURTHER RESOLVED that the general counsel be, and she is hereby instructed to do or cause to be done all things that may be appropriate or necessary, whether by agreement or through legal proceedings, to ensure the recovery of amounts owed the Commission by Advanced Restaurant Concepts, Inc. and Gladieux Enterprises, Inc."

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 14-2004.

The Chairman thanked Noelle and asked Mr. Steiner, our CFO, for his report.

Mr. Steiner said all other things being equal, we would expect our traffic volumes in February would increase by approximately 3.6% simply because this is a leap year. I'm happy to report that our actual traffic volumes far exceeded this level. This line graph shows monthly passenger car traffic volumes for the past two years – the most current twelve months from March 2003 to February 2004 is represented by the red line and the prior twelve months from March 2002 to February 2003 is represented by the blue line; 2.7 million passenger cars traveled the Turnpike in February 2004 exceeding last year's total by 297,000 cars or 12.6% and exceeding the all-time record for the month set in 2002 by 254,000 cars or 10.6%.

Mr. Steiner said 692,000 commercial vehicles traveled the Turnpike in February exceeding last year's total by 48,000 vehicles or 7.4% but falling 25,000 vehicles or 3.5% short of the previous all-time record for the month set in 2000 which was also a leap year.

Mr. Steiner said this graph shows a total of 3.3 million vehicles traveled the Turnpike in February exceeding last year's total by 345,000 vehicles or 11.5% and exceeding the all-time record for the month set in 2000 by 301,000 or 9.9%.

Mr. Steiner said this bar chart shows year-to-date traffic volumes through February for each of the past five years. The number of passenger cars is shown in green and the number of commercial vehicles is shown in gold. Total passenger car traffic volume for the first two months of the year set a new, all-time record of 5.3 million cars exceeding last year's total by 346,000 cars or 7% and exceeding the previous all-time-record set in 2002 by 325,000 cars or 6.6%.

Commercial traffic for the first two months of the year totaled 1.4 million vehicles exceeding last year's total by 40,000 vehicles or 3%, but falling 36,000 vehicles or 2.6% short of the previous record volume reached in 2000.

Finally, total traffic volume of 6.6 million vehicles for the first two months of the year exceeded the previous record set last year by 386,000 vehicles or 6.2%. Mr. Steiner said that completes my report and I'll be happy to respond to any questions.

Chairman Noe asked what our budget was for those two months.

Mr. Steiner stated our total revenue right now, and I'll be making a full report on our revenue next month, but right now we are approximately \$700,000.00 over our budget for toll revenues.

Chairman Noe said so commercials are starting to pick back up but passenger car traffic has definitely picked up.

Mr. Steiner said absolutely.

The Chairman asked if there were any questions for Mr. Steiner. He thanked Mr. Steiner for his report and asked if Mr. Eric Erickson, our financial advisor, had a report.

Mr. Erickson stated as you recall at our last meeting I mentioned that Jim and I were working on an Investment Policy. We have a draft started and should have a draft available for your review at the next meeting.

The Chairman thanked Eric for his report and asked if there was a report from our general consultant, Mr. Yacobucci.

Mr. Yacobucci said HNTB has started its preparation for the annual inspections and expects to start the field work in the month of April.

The Chairman thanked Mr. Yacobucci and asked Mr. Frank Lamb, our trustee, if he had a report.

Mr. Lamb said no report.

The Chairman asked Capt. Robert Ferguson if he had a report this morning.

Captain Ferguson said he had a short update to let the Commission know where we stand on the traffic crash safety record for the year. We are actually down about 2% on total crashes so far. That could all change tomorrow -- they are calling for about six inches of snow. It's always pretty subjective during the first two or three months of the year. The real positive figure is that we have been fatality-free. We hope to continue to guide our trooper's actions in enforcement and work on the highway to keep that record going.

On March 26th we have an Academy class that will graduate. Forty-six troopers are scheduled to be commissioned and four of those are scheduled to be assigned to the Ohio Turnpike to fill vacancies that are there now. We have one transferring off so we will have a net gain of three.

Still, I think that's two below our contract level. That concludes my report, and I'll be happy to answer any questions.

The Chairman asked if there were any questions. He said keep up the good work and thanks for your report.

The Chairman asked General Counsel if she had anything else.

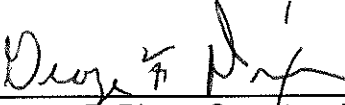
General Counsel said no, but I prepared the First Quarterly Report, which was previously mailed to the Members for their review. If anyone has any questions, please call me.

Chairman Noe asked if there was anything else to bring before the Commission. He said if not, I'll accept a motion to adjourn until Monday April 19, 2004.

Commissioner Balog moves and Deputy Director Darwish seconds.

All Members voted in the affirmative to adjourn. Time of adjournment was 10:46 a.m.

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



George F. Dixon, Secretary-Treasurer