

MINUTES OF THE 541st MEETING OF THE OHIO TURNPIKE COMMISSION
May 12, 2008

Chairman: The meeting will come to order, will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Here

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Here

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Here

Assistant Secretary-Treasurer: Mr. Kauffman

Mr. Kauffman: Here

Assistant Secretary-Treasurer: Ms. Gibson, I thought was supposed to be here Mr. Chairman, but evidently not here yet. Senator Buehrer called and said he will not be able to make it. Representative Reinhard.

Representative Reinhard: Here

Chairman: Thank you. We have a number of guests here today and keeping with past practices I'd like everyone to introduce themselves. Let's start with Mr. Steiner.

Those in Attendance: Jim Steiner, Comptroller, Ohio Turnpike Commission; Dave Miller, Director of Audit and Internal Control, Ohio Turnpike; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike; Jennifer Diaz, Legal Department, Ohio Turnpike; Heidi Jedel, Administrative Assistant to Executive Director, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Bobby Everhart, URS; Stuart May, Fleet Manager, Ohio Turnpike; Joshua Burkes, HNTB; Tony Yacobucci, HNTB; Rob Fleischman, Assistant Chief Engineer, Ohio Turnpike; Larry Davis, Ohio Trucking Association; Gary Suhadolnik,

Executive Director Emeritus, Ohio Turnpike; Don Glosser, Crawford, Murphy & Tilly; Roger Hannay, Ohio State Highway Patrol; Allan Plain, retired; Mark Fisher, Wachovia Securities; Chris Hopkins, Key Bank; Glen Stephens, G. Stephens; Don Taggart, International Union of Operating Engineers Local #18; Bob Ball, TransCore; Lauren Hakos, Public Affairs and Marketing Manager, Ohio Turnpike Commission; Bill Keaton, Telecommunications Manager, Ohio Turnpike; Stephen Holmes, First Merit Bank; Larry Halko, TransCore; Mike Guarino, Valley Sterling; Neal Greshan, URS.

Chairman: There was somebody right after the Ohio Trucking Association, who was that?

Mr. Dixon: The gray hair guy? I was asking. I didn't catch the name.

Chairman: This is the 541st meeting of the Ohio Turnpike Commission. We are meeting here at the Commission's headquarters as provided for by the Commission's Code of Bylaws for a Special Meeting. Various reports will be received and we will act on several resolutions. Draft copies have been previously provided to the Members and updated drafts are in the Members' folders. The resolutions will be explained during the appropriate reports. First order of business would be a motion to adopt the minutes of the March 17, 2008 Commission Meeting.

Mr. Dixon: So moved, Mr. Chairman.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: Will you please call the roll?

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: The minutes are approved.

Chairman: If there are no questions, we'll proceed with the report of the Secretary-Treasurer.

Secretary-Treasurer: Thank you Mr. Chairman. Good morning everyone. The following items have been sent to the Members since the last scheduled meeting of the Commission on March 17, 2008:

1. Minutes of the March 17, 2008 Commission Meeting
2. Traffic Crash Summary, March, 2008
3. Traffic & Revenue Report, March, April, 2008
4. Total Revenue by Month and Year, March, April, 2008
5. Investment Report, March, April, 2008
6. Financial Statement, March, 2008
7. Three Month Budget Report, March, 2008

That completes my report Mr. Chairman and I'll be glad to answer any questions.

Chairman: Thank you Mr. Dixon. It would be nice if you could add a little more black ink on those reports. Anybody have any questions? Thank you.

Mr. Dixon: Recently kind of red, yes. Thank you Mr. Chairman.

Chairman: We'll go to the report of the Executive Director, Mr. Distel.

Executive Director: Thank you Mr. Chairman. I can first say it's been an interesting five weeks. During those five weeks I have toured all 241 lane miles going both east and west and visited all but four of our facilities, which I hope to wrap up this week and I'm happy to report that the Turnpike is in great shape. The staff and the Commission Members have been unbelievable and accommodating to help me transition into this new role. We have six resolutions for your consideration today prepared by staff and I'd be happy to answer any questions if there are of me, but if not I'd be happy to introduce our next staff member to show us that resolution.

Chairman: Go right ahead.

Executive Director: Well then I'd be happy to introduce Kathy Weiss, who will present a resolution validating the award of the contract for a toll collection system and customer service center Project Number 64-08-01, Kathy.

Director of Contracts Administration: Good morning Mr. Chairman and Commission Members. As the Director has stated you have before you today a resolution to validate the contract for the new toll collection system and customer service center that was awarded on March 17th to TransCore of Hummelstown, Pennsylvania. Because of the contract's magnitude, the RFP contained a protest provision that allowed respondents, within five days of receiving notice that they weren't selected, to inquire as to the reasons why, or to protest the Commission's decision. The protest provision further contemplated that a meeting would be held with me during which, I would explain to the respondent why it was not selected, and also to allow the respondent to explain why it believes it should have been awarded the contract.

A timely protest was received from the second place finisher, ACS State and Local Government Solutions. It was withdrawn after the meeting that Dave Miller, the project manager, and I conducted with ACS' representatives. Despite ACS' withdrawal, I have prepared a report summarizing the meeting and ACS' concerns.

A second protest that was not withdrawn was received from Electronic Transaction Consultants, I'll refer to them herein as ETC of Richardson, Texas. It is noteworthy also that the last participant in this process, Indra Sistemas, opted not to protest, but did request a debriefing, so that their representatives could learn where their proposal fell short. Mr. Miller and I conducted a meeting with them on April 21st.

Back to ETC's protest, Mr. Miller and I conducted that meeting with its representatives on April 24th after which I prepared the written report to the Executive Director that is before you today. As noted in the report, the timeliness of the protest was questionable; however, we opted to entertain the protest in the spirit of maintaining an open, fair and transparent process as we do for all contracts.

I would like to highlight a few points concerning the ETC protest.

First, ETC's legal counsel submitted several legal arguments questioning the selection process. He argued that the Commission is required to follow Ohio Department of Administrative Services guidelines in the award of all its contracts. To the contrary, several AG's opinions, the earliest dating back to 1974, all agree that the Commission, in the performance of its contracting function, is not required to follow DAS procurement guidelines. That is not to say that the Commission's contracts or purchasing offices ignore sound procurement practices. In fact, the procedures followed with respect to this award, as detailed to the Commission in March, are demonstrative of the fact that the process conducted was thorough, fair and objective. ETC's counsel's chief complaint was that the team did not perform individual scoring prior to performing consensus scoring. However, as explained in the evaluation summary, prior to scoring the proposals, the team members had two weeks to individually perform a detailed PMIQ analysis, which is an accepted evaluation

procedure that allows for subsequent thoughtful discussion concerning pluses, minuses, interesting points and questions about a proposal.

As a second major point, during the protest, Mr. Miller and I took ETC representatives through all of the reasons why their proposal finished poorly. They finished last with only 63% of the technical points. These reasons are detailed in the report before the Commission. Suffice to say that the evaluation team had serious reservations about several aspects of the proposal including: 1.) the project schedule; 2.) the amount of the construction that would be required to implement ETC's solution; and also the firm's financial ability to carry out this project.

Lastly, ETC's representatives expressed dismay during the meeting that we did not "check" references from some of the toll authorities listed in their proposal. However, I was able to prove to them that our purchasing office had indeed contacted all the references listed. Three of seven simply chose not to return our calls and two of the ones that we did hear from gave less than favorable comments. These reports did have a bearing on the evaluation team's opinion of the ETC proposal.

At the conclusion of the protest meeting, ETC's representatives had not given one reason why their proposal should have been selected over TransCore's. The focus of their complaints continued to be on the scoring and that we did not have reports from certain references. I pointed out that references would not have made a major enough difference in the scoring to get this proposal short-listed. I further stated that, even if ETC had received a higher technical score than TransCore, ETC would not have won this competition because of the enormous disparity in their price. ETC's counsel in his letter to me indicated that ETC's pricing proposal was more than \$12 million higher than TransCores.

The additional correspondence received from ETC's counsel on April 29th, in which they stated they would not withdraw the protest, did not bring forth any additional points of complaint that might lend merit to their protest. Rather, the latest correspondence appears to be a simple re-articulation of the issues raised in their original letter.

In conclusion, based on all of the foregoing information, it's my opinion that ETC simply has not been able to point out any specific weaknesses in the TransCore pricing proposal to justify the Commission taking the extraordinary action of awarding a contract for the toll collection system and customer service center project that would cost greater than \$12 million more with this firm, whose proposal was not even short-listed.

To ETC's concerns about the fairness of the process, during the meeting, even ETC's representative admitted that he did not believe the team had "intentionally acted with malice or bias." Indeed, key individuals from all pertinent sections of the Commission's operations were included. The input of recognized and exceptionally well-qualified consultants was integral as well. There was no bias, no attempt to influence the opinion of any member of the team. The steadfast goal of the process was to procure the best possible toll collection system and customer service center at the most reasonable cost. The extensive details

concerning the process are indicative of the thorough, fair and objective process conducted, and prove that ETC's concerns are without merit.

It is, therefore, my recommendation that the Commission reject the ETC protest and validate the contract award for Project 64-08-01 for the new toll collection system and customer service center to TransCore. The timeframe for project completion will be adjusted in the contract to reflect the 45-day delay caused by this protest. And I would ask that the general counsel please read the resolved.

General Counsel: NOW, THEREFORE, BE IT RESOLVED that the Commission hereby rejects the protest filed by Electronic Transaction Consultants Corporation; and

FURTHER RESOLVED that the Commission hereby directs the Executive Director and Director of Contracts Administration to: 1) execute the Contract with **TransCore L.P. of Hummelstown, Pennsylvania** to furnish the new Toll Collection System and Customer Service Center to the Commission in the form heretofore previously prescribed by the Commission in Resolution 8-2008; 2) to take any and all action necessary or proper to carry out the terms of said RFP and said Contract; 3) to return to each of the RFP Respondents their proposal guaranty, when appropriate; and 4) to take any and all action necessary or proper to carry out the terms of said Contract.

Chairman: Motion to adopt?

Ms. Teeuwen: So moved.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: Questions or discussions on the report or motions before us? Please call the roll.

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Motion is approved.

RESOLUTION NO. 15-2008

Resolution Validating Award of Contract for Toll Collection System and Customer Service Center, Project No. 64-08-01

WHEREAS, pursuant to Resolution 8-2008, adopted on March 17, 2008, the Commission awarded the Contract for Project No. 64-08-01 to TransCore L.P. of Hummelstown, Pennsylvania for the integration of a new Toll Collection System and Customer Service Center; and

WHEREAS, the Commission received a protest to the Contract award from Electronic Transaction Consultants Corporation (“ETCC”) of Richardson, Texas; and

WHEREAS, the Protest Provision in the RFP for the Toll Collection System and Customer Service Center states that the Commission’s “Director of Contracts Administration will conduct a meeting with the unsuccessful Respondent and will provide the reasons that the Respondent was not selected,” and further allows for the unsuccessful Respondent to “provide any reasons why it believes it should have been selected over the Selected Integrator;” and

WHEREAS, the Director of Contracts Administration has reported to the Executive Director that, on April 24, 2008, she and the Project Manager for Project No. 64-08-01 met with representatives from ETCC via teleconference; and

WHEREAS, in her report, the Director of Contracts Administration concludes that ETCC has not provided a single valid or compelling reason why that firm should have been selected over TransCore, nor was ETCC able to point out any specific weaknesses in the TransCore Pricing Proposal that would justify the OTC spending millions more with ETCC; and

WHEREAS, the Director of Contracts Administration further concluded in her report that ETCC’s concerns about the fairness of the selection process are unfounded and without any merit, as demonstrated by the extensive details provided to the Commission in the March 2008 Evaluation Summary, which show that a thorough, fair and objective evaluation process was conducted, and she has recommended that the OTC reject the ETCC protest and validate the Contract award for Project No. 64-08-01 for the new Toll Collection System and Customer Service Center to TransCore; and

WHEREAS, the Executive Director has reviewed the report of the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission that the protest of ETCC be rejected, and that the Contract award to TransCore for Project No. 64-08-01 be validated; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby rejects the protest filed by Electronic Transaction Consultants Corporation; and

FURTHER RESOLVED that the Commission hereby directs the Executive Director and Director of Contracts Administration to: 1) execute the Contract with **TransCore L.P. of Hummelstown, Pennsylvania** to furnish the new Toll Collection System and Customer Service Center to the Commission in the form heretofore previously prescribed by the Commission in Resolution 8-2008; 2) to take any and all action necessary or proper to carry out the terms of said RFP and said Contract; 3) to return to each of the RFP Respondents their proposal guaranty, when appropriate; and 4) to take any and all action necessary or proper to carry out the terms of said Contract.

(Resolution No. 15- 2008 adopted May 12, 2008)

Mr. Dixon: Mr. Chairman, could I just ask Ms. Weiss to just get me a one pager on the protest process all the way through just so I completely understand it and for future reference, just for my information.

Director of Contracts Administration: Mr. Chairman, Commissioner Dixon, I would be happy to do that.

Mr. Dixon: Okay, thank you.

Chairman: Any further questions? Anything further Mr. Distel?

Executive Director: No.

Chairman: Next will be Chief Engineer, Dan.

Chief Engineer: Thank you Mr. Chairman. I have two resolutions for your consideration this morning. The first is a resolution extending the maintenance agreement that we currently have for our current telecommunications and our current toll information systems. Pursuant to Resolution 18-1999 the Commission adopted on April 26, 1999, a contract was awarded to TransCore for the furnishing of maintenance services for the existing toll collection and telecommunications systems. The agreement also had provisions for two, three-year extension periods. The second extension period is due to expire on May 31st. Inasmuch as the Commission just reaffirmed the award on Contract 64-08-01 with the anticipated go live date in approximately 18 months our new toll collection system it is not economically feasible to award a new contract, or put out new bid documents for this short

timeline. We then requested a proposal from our current maintenance provider to break out the toll collection and the telecommunication systems portions of this contract as follows: the toll information system at the amount of \$118,000.80 per month and the telecommunication system at \$95,526.43 per month, with a total term or maximum of 24 months with our anticipated go live date of 18 months of our new project, we have a 90-day cancellation policy. So we can cancel this as a new system goes into effect. One thing of note that is the new toll collection system is put into service each new lane of equipment becomes the responsibility of the contractor from the time it is installed until the final acceptance and warranty provisions in the new contract. As we put each new lane of equipment on service under this contract we will receive a credit of \$491.67 per lane, per month, which is the total of \$118,000.80 divided by our total lanes of 240. If the General Counsel would please read the Resolved?

General Counsel: RESOLVED that the Commission hereby directs the Executive Director and Director of Contracts Administration to execute the extension of the **TransCore** Agreement, under the proposed modified terms agreed to by the parties, which Agreement reflects a twenty-four month extension period (**June 1, 2008 to May 31, 2010**).

Chairman: Motion to adopt?

Mr. Kidston: So moved.

Chairman: Is there a second?

Mr. Dixon: Second.

Chairman: Questions or discussion on the motion before the Commission. Bonnie?

Ms. Teeuwen: Mr. Chairman, the telecommunications system equipment, that's a cost no matter what? No matter how many lanes we have in place?

Chief Engineer: That's right Mr. Chairman, Commission Member Teeuwen. That is not a portion of our toll system. That's completely separate from the maintenance of the toll collection system. Once we get the toll collection system in and running, we will then make the decision to go out and bid this portion again. Depending on what we do with the warranty of the toll collection system, it will either be put out in one package or it we'll split it out with the extended warranty of the toll collection system and then bid the telecommunication system maintenance separate.

Ms. Teeuwen: So this cost will be incurred for 18 months give or take depending on where we are at with the new system?

Chief Engineer: Yes

Ms. Teeuwen: And then the \$118,000.00, that's the maximum amount?

Chief Engineer: That's the maximum, as each new lane is put into service there will be an amount of \$491.67 per lane, per month deducted from that \$118,000.00.

Ms. Teeuwen: Thank you.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: The motion is adopted. Dan?

RESOLUTION NO. 16-2008

Resolution Authorizing Extension of the Agreement for Maintenance Services for the Commission's Telecommunications System, Toll Information System and Toll Lane Equipment

WHEREAS, pursuant to Resolution 18-1999 adopted on April 26, 1999, the Commission awarded an Agreement under which maintenance services for the Commission's Telecommunications System, Toll Information System and Toll Lane Equipment are furnished by TransCore of Hummelstown, Pennsylvania (with services performed by TransCore's Ohio operation located in Middleburg Heights, Ohio); and

WHEREAS, said Agreement provided for an initial term of June 1, 1999 to May 31, 2002, and also provided that the Agreement may be extended for two (2) additional three-year periods at the sole discretion of the Commission; and

WHEREAS, the parties agreed to the first extension for the period of June 1, 2002, to May 31, 2005, and via Resolution 18-2005, the Commission authorized the second and final extension of the Agreement through May 31, 2008; and

WHEREAS, the Commission recently awarded the Contract for Project No. 64-08-01 to TransCore, which includes integration of a new Toll Collection System, and under which TransCore shall maintain all new toll lane equipment from the date of installation through final acceptance and the expiration of the full one-year Toll Collection System warranty; and

WHEREAS, the anticipated “go-live” date for the new Toll Collection System is during the third quarter of 2009; and

WHEREAS, inasmuch as it would not be economically feasible to award a new Maintenance Agreement with a term adhering to the timeline for the new Toll Collection System installation, and also because the Commission has been very satisfied with the services rendered by TransCore during the terms of the expiring Agreement, the parties have reached consensus concerning an additional extension of the Maintenance Agreement with the following modifications:

1. To account for the decrease in maintenance responsibilities as new TCS equipment is placed into service, TransCore has broken out the monthly cost for Toll Information System and Toll Lane Equipment of **\$118,000.80** from the monthly cost for maintenance of the Telecommunications System Equipment of **\$95,526.43** per month (total potential monthly cost of **213,527.23**). (These amounts are exclusive of actual overtime and materials that may be expended and added to these amounts).
2. Proposed billing rates as quoted above have increased by 8.93%, calculated utilizing the Consumer Price Index for the period of January 1, 2005 through January 1, 2008.
3. TransCore proposes to deduct **\$491.67** per month, per lane from the Toll Information System and Toll Lane Equipment maintenance fees as each lane of new Toll Collection System equipment is placed into service ($\$118,000.80$ per month/240 total lanes = $\$491.67$ per lane).
4. The Agreement will cover a twenty-four month period for all services, however, when all new toll lanes are installed, maintenance for the Toll Information System and Toll Lane Equipment under the Maintenance Agreement will cease and will be picked up under the all-inclusive one-year warranty for the Toll Collection System.
5. The Commission will have the option to cancel the Telecommunications System portion of the Agreement with ninety days notice, once it has determined how it wishes to award a future maintenance agreement for that System.

WHEREAS, the proposed modifications are summarized in TransCore's proposal dated April 7, 2008, a copy of which is before the Commission; and

WHEREAS, the Commission's Chief Engineer and Telecommunications Manager have reviewed TransCore's proposal and have recommended that the Commission enter in the twenty-four month extension of the TransCore Maintenance Agreement, subject to the referenced modifications, for the period of June 1, 2008 through May 31, 2010; and

WHEREAS, the Commission's Executive Director has reviewed the report of the Chief Engineer and, predicated upon such analysis, has made his recommendation to the Commission to extend the TransCore Maintenance as described hereinabove for a twenty-four month period; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby directs the Executive Director and Director of Contracts Administration to execute the extension of the **TransCore** Agreement, under the proposed modified terms agreed to by the parties, which Agreement reflects a twenty-four month extension period (**June 1, 2008, to May 31, 2010**).

(Resolution No. 16-2008 adopted May 12, 2008)

Chief Engineer: Thank you, the second resolution this morning is the award of a contract for the purchase of 24 truck cabs and chassis, snow removal equipment, dump bodies pursuant to Invitation 4090. This project was on the Capital Budget that was adopted by the Commission in December. The contract provided for three groups. The first group was the truck cabs and chassis, second group was the hydraulics snow plow and dump body equipment and third group was a self lubricating system. One thing we did a little different on this, we are replacing a total of 24 trucks. After discussion with the Chairman and the Vice Chairman, we decided in this one to split the used equipment. We are going to trade in 11 of the units and we got a trade-in price from the bidder pursuant to Group 1. Eleven of the units we are going to sell outright via our property disposal, that'll give us a good read on what's more economical here, to trade these units in or to sell them outright. We received a total of five bids in response to the various groups. The apparent low bid in response to Group 1 was submitted by Cleveland Freightliner, Inc., of Brook Park, Ohio in the total amount of \$1,538,640.00. The apparent low bid in response to Group 2 for the dump bodies and plows, hydraulic systems was submitted by Concord, Road Equipment Manufacturing, Inc., of Painesville, Ohio, in the total amount of \$1,840,787.28. The apparent low bid in response to Group 3 for the central lube system was submitted by All Point Systems, Ltd., of Monroeville, Ohio in the total amount of \$68,400.00 for a total cost of \$3,447,827.28. The total amount of the contract is below the estimated cost for this project. If the General Counsel would please read the Resolved?

General Counsel: RESOLVED that the bid of **Cleveland Freightliner, Inc.** of **Brook Park, Ohio**, in the total amount of **\$1,538,640.00** for Group I under Invitation No. 4090 (for furnishing twenty-four truck cabs and chassis and accepting in trade eleven used dump trucks) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group I, and is accepted; and

FURTHER RESOLVED that the bid of **Concord Road Equipment Mfg.** of **Painesville, Ohio** in the total amount of **\$1,840,787.28** for Group II under Invitation No. 4090 (for furnishing and installing twenty-four each dump bodies, front and wing plows, central hydraulic and control systems, and lighting systems) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group II, and is accepted; and

FURTHER RESOLVED that the bid of **All Point Systems, Ltd.** of **Monroeville, Ohio** in the total amount of **\$68,400.00** for Group III under Invitation No. 4090 (for furnishing and installing twenty-four automatic lubrication systems) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group III, and is accepted; and

FURTHER RESOLVED that the Chairperson and Executive Director, or either of them, hereby is authorized: 1) to execute Contracts with the successful bidders in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 2) to direct the return to each of the bidders of their bid security, when appropriate; and 3) to take any and all action necessary or proper to carry out the terms of said Contracts.

Chairman: Motion to adopt?

Mr. Dixon: So moved.

Chairman: Is there a second?

Ms. Teeuwen: Second.

Chairman: Questions? Bonnie, Ms. Teeuwen has a question on this?

Ms. Teeuwen: I guess we've had some conversations and I looked at our price that we're purchasing trucks at, at ODOT and did some comparison and I guess the question that had been asked previously as far as sharing contracts and what we can do to use each others contracts to get the best price available and the staff was kind enough...I don't know Dan or Noelle if you want to talk about it.

General Counsel: Mr. Chairman, Commission Members, the Fleet Manager, Stuart May, contacted me prior to this going out for bid to inquire whether or not the Commission could purchase through ODOT's cooperative purchasing program. We have previously, on two occasions, inquired with the Legal Department at ODOT as to whether or not the Commission could qualify to purchase under their governing statute ODOT's

cooperative compared to DAS coop purchasing program. The only qualified participants are political subdivisions such as cities, villages and townships. The Commission isn't an instrumentality of the state therefore under the statute as it is currently written the Turnpike cannot, unfortunately, purchase under ODOT's purchasing program. However, we have had communications with the legal department, late Friday about possibly pursuing a legislative amendment to allow the Turnpike to qualify and participate in ODOT's. There has been a couple of occasions, I know the Purchasing Department noticed that the pricing was better, just a couple of situations where we did want to do it through ODOT, but we didn't qualify legally, so we are a member of DAS's purchasing program.

Chairman: So the conclusion is than, that if we were able to purchase under ODOT's purchasing power, we probably could have gotten a slightly better price for these trucks, but we are presently unable to do that, but we will ask the legislature to look at that potentially to give us that ability. The same way they presently do to municipalities and townships, things like that, buying under ODOT's purchasing powers.

General Counsel: Correct, and the Fleet Manager does check the pricing on ODOT's website.

Chairman: So if we can change that....

Assistant Secretary-Treasurer: Mr. Chairman, if I can just...Ms. Teeuwen and I have been meeting quite regularly in the last few weeks and we continue to have discussions to find ways that obviously we at the Turnpike could take advantage of some of the savings that might be allowed. So we will be pursuing and I'm glad Representative Reinhard's here so he can hear this first hand, so we will be pursuing certain legislative changes that obviously will enable us to cooperate better and participate in some of those programs that might save the Turnpike some money.

Chairman: Thanks and anything that you can do to help us will be appreciated. Thank you, anything further?

Mr. Regula: Mr. Chairman, do we currently use this automatic lubrication system on our trucks that we have presently?

Chief Engineer: Mr. Chairman, Commission Member Regula, no, this is the first application that we are looking at on our trucks. We do have some currently installed on our front end loaders, some newer front end loaders that we purchased, but this is the first application for trucks.

Mr. Regula: I'm assuming that's not a centralized point that each individual grease fitting, for lack of a better word, would have a self lubrication system on it?

Chief Engineer: Mr. Chairman, Commission Member Regula, Stuart would you like to address that please? Stuart's our Fleet Manager, Stuart May.

Mr. May: Mr. Chairman and Mr. Regula, it's a central reservoir and central pump and what it does is it charges up a different spring loaded points and then as the vehicle moves it has lubrication going to those points, it pushes the grease into them and it does it at a very slow rate.

Mr. Regula: So, therefore there would be tubing to all the individual grease points, correct, from the central reservoir?

Mr. May: That's correct.

Mr. Regula: This is relatively new to me, this process, and does ODOT presently use this on their trucks do you know?

Ms. Teeuwen: Couldn't tell you.

Mr. Regula: My only concern would be two fold, is that I think there is something to be said for manually greasing equipment simply because you end up with a mechanic underneath it, which gives them to opportunity to possibly look for other problems on the vehicle. It's kind of one of those things out of sight, out of mind, that you assume that that centralized system is working, therefore you don't look at any bearing problems and/or fitting problems per se. But, is this a relatively new type of system or is this something that has been out there for a while?

Mr. May: This system has been out there, a number of fleets do use this. The reason we are looking at doing this is certainly not so that we don't look at that vehicle, we'll take care of that in terms of our policy and how we supervise. We are really looking at that for two reasons. This snow and ice equipment is a high criticality piece of equipment just as our loaders are that were mentioned, so having them down hurts us and we want them to be greased on a continual basis and of course you know their on a very severe duty with the chemicals we have out there, so this allows us to slowly push those contaminants out and while their out there many times in a storm situation, when a vehicle would normally of come in for it's PM, it does not come in because of the emergency that we are involved in. We are not looking at this in all pieces, but just pieces that have this kind of criticality. We feel we will have a payback both in less down time, but also in just not having parts fail prematurely.

Mr. Regula: There would be a way of, since we're going to this, this time, as to kind of keeping track of what failures you've had in the past versus using this system to see if it makes economic sense I guess, because you are looking at fairly substantial amount of money for each individual grease point.

Mr. May: Yes, we will make an effort to do that, we try to do that with any new product that we try, so we will do that.

Mr. Regula: Thank you.

Chairman: Any further questions?

Mr. Kauffman: I have one. I was noticing, and correct me if I'm wrong Dan, but in Group 2 how many bids did you receive in that group? Is it just the one bid that came in or were there multiple bids? If it's just the one, I was just wondering why, is that unusual or is to be the expected of that group?

Chief Engineer: Stuart do you recall, did we only get one for Group 2 for the plow bodies?

Mr. May: Yes, Mr. Castrigano, we only got one for Group 2. This is unusual, we did contact Ace Truck Equipment, which is one that is typically bid in the past and basically his response was that he has trucks I believe for West Virginia, that he too much of a work load to be able to bid at this time.

Mr. Regula: One other question. Have we looked at the aspect of using versus steel? Aluminum or stainless bodies and does it make economic sense?

Mr. May: Yes, Mr. Chairman and Mr. Regula, we did actually put a group out there. There was an option for stainless steel, it was 10,500 per truck and when we evaluated where we were putting our maintenance dollars in I don't think there would be a pay off in the 12 year cycle or so that we have. We opted to put those dollars in other areas such as perhaps coating, the cab flooring so it doesn't rot away and to other things like going to aluminum fuel tanks, those types of things. We did look at it and felt we just couldn't justify it.

Mr. Regula: So currently under our economic life of our vehicles, they last out that 12 year period therefore you don't....okay

Chairman: Any other questions? Yes sir.

Mr. Kidston: I see they bid different models and makes, are the 11 that we are trading in, are they Sterling or are they International?

Mr. May: Of the 11 that we are trading in, we have some 1996 Ford F800's and we also have some 97 Internationals and we have some Ford LN 8000's, so it's a mix.

Mr. Kidston: So you're comfortable with replacing them all with the Sterling rather, I see the International prices were much closer to each other, one was bidding a year '09 and one was bidding '08. We have experience with those?

Mr. May: We do have Sterlings in our fleet, not on this size, but we have a single Sterling of this size that was a replacement truck, we also have them for some of our emergency type vehicles out here and I believe also the ones, the vehicles that put the cones down on the road, our zone truck, and we've had good experience with Sterling.

Mr. Kidston: Thank you Mr. Chairman.

Chairman: I have one question. This is probably more for Kathy. Kathy I saw in the bid specs that in Group 3, Concord bid in Group 3 that said that if they were awarded Group 2 they gave us a better price for Group 3 and we are unable to accept that because our specs don't allow the discount to be accepted by us. I was just wondering if that makes sense from a bidding standpoint. It's not a tremendous amount of money difference, but this day and age we like to look at every dollar and I can understand why they would be willing to go ahead and give a discount. I've got the truck in, I'm putting the dump bodies on, I'm putting the plows on, I could put on also the lubrication system at the same time. What's the logic behind that in our bidding and would we want to consider possibly changing that to allow that discount from one group to another, especially in a circumstance like this where you are adding after market things onto the chassis you're buying.

Director of Contracts Administration: Mr. Chairman, I think that's a good question, I was expecting you to ask that actually. The reason for the language in the bid specification is that contingent discounts at times when they're offered can sort of hold you hostage and in this case we have the authority to, in any case, to reject a bid. So for instance, if the low bid, which was \$68,400.00, had been significantly higher and particularly with the fact that the lubrication system will be the last piece of the installation here with these trucks, we could have rejected that bid. But because the prices were so close and because the bid specifications clearly state that we will not consider contingent discount offers at all, that bid could not be considered. We do have provisions in the bid specifications that allow for term discounts, such as if payment is made within a certain time frame. I'll be happy to look at this provision, however, what I will say to you is that the protection comes in the form of being allowed to reject a bid if it's significantly higher than the discount that was offered and then maybe go back out and test that market again, and it wasn't necessarily in this case with this contingent discount that we were so concerned, but it would be in others, so that's why that language is in the bid specification.

Chairman: Well we might want to consider it then for something like this where you're installing after market equipment. You've got them separated into one another that if someone gets both that they would be able to give, willing to give a better price and be able to accept that with our language. If you consider that next, I'd appreciate it. If there are no further questions, call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Vice Chairman Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Motion approved.

RESOLUTION NO. 17-2008

Resolution Awarding a Contract for the Purchase of Twenty-four Truck Cabs and Chassis; Twenty-four Dump Bodies and Plows; and Twenty-four Automatic Lubrication Systems under Invitation No. 4090

WHEREAS, the Commission has advertised for bids for Invitation No. 4090 for the furnishing to the Commission of twenty-four truck cabs and chassis, and accepting in-trade, eleven used dump trucks (*Group I*); furnishing and installing twenty-four each dump bodies, front and wing plows, central hydraulic and control systems, and lighting systems (*Group II*); and furnishing and installing twenty-four automatic lubrication systems (*Group III*).

WHEREAS, the Commission received five bids in response to the various Groups within Invitation No. 4090; and

WHEREAS, expenditures for the Contracts to be awarded under Invitation No. 4090 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 said Contracts; and

WHEREAS, said bids were reviewed and analyzed by the Commission's Maintenance Engineer, and he has submitted a report concerning said analysis, which report is before the Commission; and

WHEREAS, the Maintenance Engineer reports that the low bid for **Group I** was submitted by **Cleveland Freightliner, Inc.** of **Brook Park, Ohio**, in the total amount of **\$1,538,640.00** (twenty-four each at \$66,985.00 less total trade-in allowance for eleven dump trucks of \$69,000.00), and that this bidder proposes to furnish 2009 Sterling L8511 Truck Cabs & Chassis in accordance with the Specifications; and

WHEREAS, the Maintenance Engineer reports that the low bid for **Group II** was submitted by **Concord Road Equipment Mfg., Inc.** of **Painesville, Ohio** in the total amount of **\$1,840,787.28** (twenty-four each at \$76,899.47, or \$1,845,587.28, less \$200.00 per vehicle

for opting for the two-stage hoist instead of the three-stage hoist), and that this bidder proposes to furnish equipment and services in accordance with the Specifications; and

WHEREAS, The Maintenance Engineer reports that the low bid for **Group III** was submitted by **All Point Systems, Ltd.** of **Monroeville, Ohio**, in the total amount of **\$68,400.00** (twenty-four each at \$2,850.00), and that this bidder proposes to furnish Vogel Centralized Lubrication Systems in accordance with the Specifications; and

WHEREAS, based on his review, the Maintenance Engineer reports that the combined total amount for Groups I, II and III is **\$3,447,827.28**, which amount is below the estimate, and he recommends that Contracts be awarded to **Cleveland Freightliner, Inc.** for Group I; **Concord Road Equipment Mfg., Inc.** for Group II; and **All Point Systems, Ltd.** For Group III; and

WHEREAS, the Commission has been advised by the Director of Contracts Administration that bids for Invitation No. 4090 were solicited on the basis of the same terms and conditions and the same specifications; that the bids of Cleveland Freightliner, Inc., Concord Road Equipment Mfg. and All Point Systems, Ltd. for Invitation No. 4090 conform to the requirements of Ohio Revised Code Section 5537.07 and Section 9.312; and that a bid guaranty with good and sufficient surety has been submitted by all three of the aforementioned bidders; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to award Contracts for Invitation No. 4090 to the lowest responsive and responsible bidders for Groups I, II and III to Cleveland Freightliner, Inc., Concord Road Equipment Mfg., and All Point Systems, Ltd., respectively; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Cleveland Freightliner, Inc.** of **Brook Park, Ohio**, in the total amount of **\$1,538,640.00** for Group I under Invitation No. 4090 (for furnishing twenty-four truck cabs and chassis and accepting in trade eleven used dump trucks) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group I, and is accepted; and

FURTHER RESOLVED that the bid of **Concord Road Equipment Mfg.** of **Painsville, Ohio** in the total amount of **\$1,840,787.28** for Group II under Invitation No. 4090 (for furnishing and installing twenty-four each dump bodies, front and wing plows, central hydraulic and control systems, and lighting systems) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group II, and is accepted; and

FURTHER RESOLVED that the bid of **All Point Systems, Ltd.** of **Monroeville, Ohio** in the total amount of **\$68,400.00** for Group III under Invitation No. 4090 (for furnishing and installing twenty-four automatic lubrication systems) is, and is by the Commission, determined to be the lowest responsive and responsible bid received for Group III, and is accepted; and

FURTHER RESOLVED that the Chairperson and Executive Director, or either of them, hereby is authorized: 1) to execute Contracts with the successful bidders in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 2) to direct the return to each of the bidders of their bid security, when appropriate; and 3) to take any and all action necessary or proper to carry out the terms of said Contracts.

(Resolution No. 17-2008 adopted May 12, 2008)

Chairman: Thanks Dan, does that conclude your report?

Chief Engineer: That's all I have this morning Mr. Chairman.

Chairman: General Counsel, Noelle?

General Counsel: Mr. Chairman, Commission Members, I have two proposed resolutions for your consideration. The first resolution authorizes the adoption of the Buy Ohio Model System of Preferences for purchases of supplies, goods, equipment or services by the Commission. Attached to the resolution is actually the model policy establishing the Buy Ohio preference, it also incorporates the Buy United States Preference established by the Ohio Department of Administrative Services, actually the model policy is set forth in the administrative code and at your request, I did draft this resolution. The Purchasing Department will utilize this policy in all purchases above \$10,000.00 and it is their intention to have the policy fully implemented within 60 to 90 days from the date the Commission passes the resolution. With your permission I'll read the Resolved.

RESOLVED that the Executive Director and Director of Contracts Administration shall be authorized to implement and utilize the attached Model System of Preferences for the purchase of supplies, goods, products, equipment and materials.

Chairman: Motion to adopt?

Ms. Teeuwen: So moved.

Chairman: Second?

Mr. Regula: Second.

Chairman: Questions or discussions on the resolution? Mr. Dixon.

Mr. Dixon: Would it be safe to say that we have many more contracts under \$10,000.00 then we do above?

General Counsel: I'm going to have to defer the question to the Director of Contracts Administration.

Mr. Dixon: It's not a true or false question.

Director of Contracts Administration: Mr. Chairman, Commissioner Dixon, I don't have exact figures in front of me. We have many contracts, many, many contracts over \$10,000.00. Most of the contracts under \$10,000.00 really are issued in a form of a blanket order or a purchase order and a lot of those purchases are made in the field. So it would be, I think, difficult to try to implement this program with purchases under \$10,000.00. Our goal here is to start with all these purchases that are made from \$10,000.00 and above and to get this program working and in place and then go from there.

Mr. Dixon: You know what, I'm very happy about that. You know this is something we've been discussing and I brought up several times so over \$10,000.00, but the reason I asked the question is that it's exactly what you said because maybe the field and there's a lot of flexibility and opportunity there to do business with minority businesses or DBE's, FBE's and it doesn't have to go through all the paper work that often times you know makes it hard for these businesses to do business with the Turnpike. So what I'm looking at is, and I need your help, is some kind of way that we can apply the spirit of this law to those contracts below \$10,000.00. This is a good start, but the every day working is I want people in the every day working to feel hey let's look for an opportunity to reach out to some of these other business and buy our paper clips and all this stuff. Maybe it's something we can talk about in the future.

Director of Contracts Administration: Mr. Chairman, Commissioner Dixon, I will say this that for purchases that are made in the field or for pricing inquiries that are done under \$10,000 by the Purchasing Office, these are typically Ohio companies that are being asked to quote these smaller items. This is not something where we're going out of state for smaller purchases, it's primarily, I think where we're going to see possibly some difference is for some of these larger purchases where we have had a lot of out of state participants in the bidding process and possibly one or two in state participants and then we'll be able to compare whether or not the in-state bidder should be given that preference.

Mr. Dixon: Okay.

General Counsel: Mr. Chairman, Commission Member Dixon, we included in your packet either in the mailing or in your packet an MBE, FBE report and actually our numbers are drastically up for the purchase of goods and services. So you should have that memo in your folder and it shows that our percentages have gone up approximately 10% that the percentage of professional services, engineering contracts is consistently high between 14 and 15% and now on goods and services we're up 14 and 15%.

Mr. Dixon: All because of me right?

Ms. Teeuwen: Mr. Chairman, one question I have in regard to our MBE report if I may diverge to that, is I noticed that the construction, the percentage for construction contracts was relatively low. I guess the question I would have is what kind of requirements do we have on construction contracts to meet some higher goals?

General Counsel: Mr. Chairman, Commission Member Teeuwen that is correct. That was surprising to me also. I think probably the first step is for us to identify the number of construction firms that qualify. We do still have a voluntary policy, we do not have a set aside requirement. But what I can do is check and we'll inquire to find out how many companies there are locally that meet that criteria and are providing construction services and we'll report back to you.

Ms. Teeuwen: Thank you. Then I have one other question, I guess it goes back to the original. Do we, are you allowed to purchase under the state wide contracts that we have for small items?

Director of Contracts Administration: I'm sorry I did not quite hear what you said.

Ms. Teeuwen: The state wide contracts, we have state wide contracts that we can purchase paper clips off of.

General Counsel: Right, we are a member of the DAS Cooperative Purchasing Program, so we are a member and before we go out to bid, I don't want to speak for Kathy, we always check the DAS website to see if the price their getting is competitive with what we've done in the past, or what pricing we are getting out in the field. So we do check the DAS website.

Ms. Teeuwen: So in other words if we have a state wide contract for oil filters you would check that first before...

Chairman: Can I just ask a question, when you say "we" are you talking about ODOT?

Ms. Teeuwen: ODOT, I'm sorry.

General Counsel: Mr. Chairman, Commission Member Teeuwen, we are a member of the DAS Cooperative Purchasing Program and we do buy off the Das contracts all the time.

Ms. Teeuwen: Okay.

Chairman: But we cannot buy ODOT's, so when you use the term we buy, you are referring to ODOT buys it, we can't necessarily get the same price that you're getting.

Ms. Teeuwen: Oh, you cannot.

Chairman: Correct, the Turnpike cannot buy off ODOT's procurement list.

Ms. Teeuwen: Okay, would that be something that we would pursue changing the legislation to allow you to do that.

Chairman: Right, that's correct.

Ms. Teeuwen: Thank you.

Chairman: That's where you had me on the we's. I have one question under the Model System of Preferences. When you look at the second paragraph it starts prior to awarding the contract. It states in there, in the second sentence which starts the third line it says "the Commission shall first reject all bids that offer goods that have not been or that will not be produced or mined in the United States." So, if a company gives us a bid that does not have an Ohio presence and it's a product that's from outside the United States and there's nobody else, do we mandatorily must reject that bid?

General Counsel: No, if the product is not produced, if there's not sufficient competition within this country, we will accept the product that's mined or manufactured outside of the U.S., or outside of the state of Ohio. So it really depends on we have to do our due diligence and research before we send something out for bid to determine how many companies are producing it or mining it are from Ohio.

Chairman: I know there was a product that we bought that was from Canada just recently and I apologize I don't remember.

Chief Engineer: It was roadway joint sealant Mr. Chairman.

Chairman: Yes, that's what it was. It came from a Canadian company and I just wanted to make sure that we didn't put ourselves into a situation where a Canadian company, which is certainly not the United States, but just as close as, much closer than Alabama. I'm using that as an example and probably has more of an effect on the economy that we would be forced to automatically reject their bid if it was cheaper for us number one, and secondly if maybe they were the only supplier of the material.

General Counsel: Well if they were the only supplier, we would still buy it through them.

Chairman: Just the way it said shall first reject all bids, you know, it almost sounds like we had to automatically reject all bids if it came from Canada. I'm using that for an example.

General Counsel: Mr. Chairman and Commission Members, I think we still have flexibility in addition if a bid that we get from in state is more than 5% over the bid here, we would go with the lower bid. Does that make sense?

Chairman: Okay, I understand that. But I just want to make sure that we didn't mandatorily have to reject a bid that came from a Canadian company.

General Counsel: If they are the only producer or manufacturer of the product I think we still go with them.

Director of Contract Administration: If I can add, I understand the Chairman's question and I think it is a good question to raise. I think what will allow us to move around that usually is whether there is an economic presence in the state and what we are probably going to find is that that's what will get that company over the hump so if they have an office here in the state of Ohio or in an adjacent state, that will qualify them. Noelle, I think we'll have to take one more look at this and make sure that we haven't sort of precluded ourselves from awarding that contract, but I think we are going to be able to find that we are going to work around that if we have to.

General Counsel: Mr. Chairman, Commission Members, we did talk about this extensively internally. We did want to adopt for the most part the policy that's in the administrative code because this was drafted to avoid constitutional problems and so we didn't really want to deviate too much from the policy that was in DAS's administrative rules. So we're happy to take a look at it and if you want to put this on the agenda for next month we can do that.

Chairman: If it's an issue, I prefer to go ahead and pass it one time. I don't know what the other Commission Members think on that particular issue. I mean I support the concept, I'll be the first to admit that, but I don't want to box ourselves in to a corner. Is it okay to put this for the next meeting?

Mr. Regula: I don't have a problem with that.

Chairman: Mr. Dixon is that okay?

Mr. Dixon: It's your pleasure Mr. Chairman.

Chairman: I think it would be appropriate at this point in time to withdraw the motion made by Ms. Teeuwen.

Ms. Teeuwen: So moved.

Chairman: And the second?

Mr. Regula: Second.

Chairman: Would it be appropriate to make a motion to put this on the next agenda?

Assistant Secretary-Treasurer: I believe so.

Mr. Kidston: I'll move that we table this motion for one month.

Mr. Regula: I'll second that.

Chairman: On the motion to table, any comments? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Vice Chairman Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: Thank you.

General Counsel: Mr. Chairman, Commission Members, I have a second resolution for your consideration. The second resolution authorizes the Chairman or Executive Director to execute a new three year Collective Bargaining Agreement with the Teamsters Local Union 436 which is the exclusive bargaining representative for all part-time non-supervisory employees in the Toll Operations Department. As you know, the prior contract expired December 31, 2007, but we continued negotiations after the first of the year and I'm happy to report we've reached a tentative agreement on April 28th. The new contract is essentially the same contract with some minor changes. We have provided the part-time employees with comparable wage increase to the wage increase received by the full-time employees. The wage increase actually for this year will be retroactive to January 1, 2008. The term of the contract will be January 1, 2008 through December 31, 2010. With your permission I'll read the Resolved.

RESOLVED that the Commission hereby approves the new Collective Bargaining Agreement with representatives of certain regular, part-time, non-supervisory field employees in the Toll Operations Department hereinafter collectively referred to as “Bargaining Unit Employees,” represented by the Teamsters Local Union 436 and authorizes the Chairman and/or Executive Director to execute the agreement, and to take any other action necessary to carry out the terms and provisions thereof; and

FURTHER RESOLVED that the Commission authorizes the Chairman and/or Executive Director to take those actions necessary to implement the terms of the new Collective Bargaining Agreement, including the pertinent wage increases for said employees.

Chairman: Thank you. Motion to adopt?

Mr. Regula: So moved.

Chairman: Second?

Mr. Dixon: Second.

Chairman: This is the part-time labor contract. Does anybody have any comments or thoughts, questions? I think I’d just like to make one comment, the former Executive Director Suhadolnik was very instrumental in working with the Teamsters over the last period of time and we’ve had relatively quiet labor issues and I think that just reflects his good work and working with the Teamsters. We thank you for your service in doing that. This contract was approved about 6 to 1 by the part-time employees, so I think that speaks highly for their feelings for the administration and we as the administration also are happy to have good employees working for us on the Turnpike. Call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 18-2008

Resolution Authorizing Execution of the Collective Bargaining Agreement for Part-Time Employees in the Toll Operation Department

WHEREAS, negotiations have taken place between representatives of the Commission and Teamsters Local Union No. 436, affiliated with the International Brotherhood of Teamsters, (“Union”), as representatives of certain regular, part-time, non-supervisory field employees in the Toll Operations Department, hereinafter collectively referred to as “**Bargaining Unit Employees**”; and

WHEREAS, on March 28, 2002 the Union was certified by the State Employee Relations Board as the exclusive bargaining representative of the regular, part-time, non-supervisory field employees in the Toll Operations and Maintenance Departments; and

WHEREAS, the Collective Bargaining Agreement between the Commission and the Union, as representatives of the Bargaining Unit Employees expired on December 31, 2007, but the parties continued good faith negotiations after the expiration of the agreement and the Union presented the Commission’s last offer to the Part-Time Bargaining Commission on April 28, 2008,

WHEREAS, the Union presented the Commission’s last offer to the membership for a vote, and the Union has notified the Commission that a majority of the membership voted to approve the new agreement, and

WHEREAS, the new collective bargaining agreement between the parties shall be in full force and effect for the period from **January 1, 2008 through December 31, 2010**; and

WHEREAS, the approval of the agreement has been recommended by the Commission’s Executive Director, members of the Ohio Turnpike Commission bargaining team, General Counsel and Outside Labor Counsel.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby approves the new Collective Bargaining Agreement with representatives of certain regular, part-time, non-supervisory field employees in the Toll Operations Department hereinafter collectively referred to as “Bargaining Unit Employees,” represented by the Teamsters Local Union 436 and authorizes the Chairman and/or Executive Director to execute the agreement, and to take any other action necessary to carry out the terms and provisions thereof; and

FURTHER RESOLVED that the Commission authorizes the Chairman and/or Executive Director to take those actions necessary to implement the terms of the new Collective Bargaining Agreement, including the pertinent wage increases for said employees.

(Resolution No. 18-2008 adopted May 12, 2008)

General Counsel: That concludes my report Mr. Chairman.

Chairman: Thank you. Director of Audit and Internal Control, David.

Director of Audit and Internal Control: Good morning Mr. Chairman and Commission Members. As you're aware the revised strategic plan for the new toll collection system and customer service center adopted by Resolution No. 26-2007 provides for the implementation of electronic toll collection versus E-ZPasssm. Participation in E-ZPasssm requires membership in a consortium of tolling entities known as the Inter Agency Group, or the IAG. As shown by the map on your screens the IAG is presently comprised as tolling entities located in the northeastern United States. The Ohio Turnpike will be the 24th entity and the 13th state to join the IAG. The IAG stated mission is to provide the traveling public with a simple electronic method of paying tolls. The IAG insures that a driver can easily pay a toll across borders and thousands of miles of roadways with one tag and one account. To be clear, it is through the agreed upon policies and procedures of the IAG that the multi-jurisdictional aspects of the E-ZPasssm network are administrated. In other words, it is through membership in the IAG that the Ohio Turnpike will be paid for travel incurred by a customer with a tag issued by, for example the New York Thruway and, conversely, how other participating entities will be paid for travel incurred by customers with tags that will be issued by Ohio. Commission staff began laying groundwork for membership in the IAG at the outset of the new toll collection system project in 2006. It's necessary that the Commission join the IAG at this time in order to proceed with the implementation of E-ZPasssm and purchase the requisite transponder technology. Chief Engineer Castrigano and I traveled to Maryland on April 10, 2008 to attend a meeting of the IAG executive committee. At this meeting the Commission's application for full membership in the IAG was voted upon and unanimously approved. Full membership in the IAG requires a payment of an initiation fee in the amount of \$250,000.00, as well as annual dues in the amount of \$70,000.00. If the resolution before you for consideration this morning is approved, annual dues for 2008 will be prorated. In exchange for these payments the Commission will acquire the right to purchase the equipment necessary to make electronic tolling via E-ZPasssm possible in the new toll collection system. The Commission will be granted access to the protocols and technical assistance necessary to establish the reciprocity agreements with the other member entities and the OTC will have the right to vote on future matters brought before the various committees of the IAG. With that Mr. Chairman, I would like to ask the General Counsel to read the Resolved.

General Counsel: NOW, THEREFORE, BE IT RESOLVED that the Chairperson or Executive Director, or either of them, hereby are authorized to execute the IAG agreement, and remit the required initiation fees and annual dues; and

FURTHER RESOLVED, the Executive Director is authorized to take any and all actions necessary to implement and effectuate the terms of the IAG Agreement.

Chairman: Motion to adopt?

Mr. Kidston: So moved

Chairman: Second?

Mr. Dixon: Second

Chairman: Thank you Mr. Dixon. Any comments, questions? Yes, Bonnie.

Ms. Teeuwen: The \$250,000.00, can you explain to me again what that's for?

Director of Audit and Internal Control: It's the initiation fee that's required of all the full member agencies to join the group. It's my understanding that that fee basically goes toward the entity itself, of the IAG to provide for the technical assistance and to various administrative matters, marketing, and things of that nature.

Ms. Teeuwen: But all of these agencies that are in the IAG, are all Turnpike associations.

Director of Audit and Internal Control: Turnpikes, bridges, tunnels, yes. Tolling authorities, that's correct.

Ms. Teeuwen: I guess I'm confused as far as why they need to have administrative costs over and above what you would normally have here at the Turnpike.

Director of Audit and Internal Control: It's the fees that are necessary basically to make the whole network function. As you might imagine there's a great many protocols that have to be established with meetings and technical things that have to be tested and sorted out and agreed to make it work. It is my understanding that that's just the amount that's required to become a part of that group. Mr. Steiner just reminded me they do have a staff; it's small and consists of an executive director, some technical individuals and other support staff. Of course, the annual dues go along with that as well. It's the Commission's intention to amortize that, the initiation fee over the expected life of our new system, which I believe we are saying is ten years.

Ms. Teeuwen: Do each of the states pay the same amount of money?

Director of Audit and Internal Control: Yes, if it's a full member of the group, that's correct.

Ms. Teeuwen: It's irrelevant of how many lane miles that they have.

Director of Audit and Internal Control: That's correct.

Chairman: Anything further?

Mr. Kidston: So will our state fee cover another agency in Ohio that would want to join, or is it strictly for the Turnpike?

Director of Audit and Internal Control: That's an interesting question that I would have to research for you. I would think it depends on the nature of what the other entity would be.

Mr. Kidston: Like if Cleveland Hopkins wants to charge for parking and use E-ZPasssm would they have to pay the fee as well?

Director of Audit and Internal Control: I believe not. I believe the intention there would be that the customer service function established here at the Ohio Turnpike Commission would handle that and that would all be included in that fee.

Chief Engineer: Mr. Chairman and Commission Member Kidston, the arrangement you are speaking of is called E-ZPasssm Plus. The issuer of those tags would be the Ohio Turnpike Commission. We would then enter into a contract with Cleveland Hopkins or Akron, or Toledo Airport to do their money collection and put the readers up at their parking lots and we would then take an administrative fee from them. So the tags would be issued in our name.

Chairman: It appears as you look at the map and the chart, since there's 24 agencies and 13 states, I would think that if there was a toll road established that was, say Interstate 70 in the central, if there was, and there was a separate authority that did, that that separate authority would have to join the same way that we've joined. You can look at the map. There's the South Jersey Transit Authority that's a member, the New Jersey Turnpike Authority is a member, the Burlington County Bridge Commission is a member, so I assume that they would have membership obligations also.

Chief Engineer: Mr. Chairman, that's correct. If there's another toll agency that runs another toll road in this state or bridge, they would have to enter separately. If we would operate the toll road or toll bridge...

Chairman: They would come under ours. Further questions? Please call the roll.

Chief Engineer: Yes, that's correct.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Vice Chairman Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Motion approved.

RESOLUTION NO. 19-2008

**Resolution Authorizing Ohio Turnpike Commission Membership in the
Inter-Agency Group**

WHEREAS, the Commission passed Resolutions 43-2006 and 26-2007 approving a Strategic Plan for the Integration of a new Toll Collection System and Customer Service Center, which also includes migration to electronic toll collection utilizing *E-ZPasssm*; and

WHEREAS, the Inter Agency Group (“IAG”) is a consortium of all toll authorities that offer *E-ZPasssm*, and which utilize transponder technology that is integral to the *E-ZPasssm* electronic toll collection system; and

WHEREAS, the Commission must join the IAG in order to participate in the multi-jurisdictional electronic toll collection consortium to collect and remit toll charges electronically using the *E-ZPasssm* System; and

WHEREAS, Ohio Revised Code Section 5537.04(A)(10) authorizes the Commission to enter into multi-jurisdictional electronic toll collection agreements such as the IAG Agreement; and

WHEREAS, the Commission has previously decided that the Commission should proceed with the implementation of *E-ZPasssm* in order to offer customers using the Ohio Turnpike the added convenience of paying tolls electronically; and

WHEREAS, the Commission must join the IAG in order to proceed with the implementation of *E-ZPasssm* and purchase the requisite transponder technology; and

NOW, THEREFORE, BE IT RESOLVED that the Chairperson or Executive Director, or either of them, hereby are authorized to execute the IAG agreement, and remit the required initiation fees and annual dues; and

FURTHER RESOLVED, the Executive Director is authorized to take any and all actions necessary to implement and effectuate the terms of the IAG Agreement.

(Resolution No. 19-2008 adopted May 12, 2008)

Chairman: Next will be reports, Mr. Steiner.

Mr. Steiner: Good morning Mr. Chairman, Commission Members. I do have a brief update on our traffic and revenue for the first four months of the year. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Miles traveled by passenger cars during the last 12 months have generally been below the levels reached the prior 12 months. The miles traveled were down only 2/10 of a percent this March compared to last year and then dropped 10.2% below last year's level in the month of April. This is due in part to the fact that Easter fell in March this year and was in April last year. Commercial traffic has also generally been down the last 12 months however, the Easter holiday had the opposite effect on commercial traffic with vehicle miles traveled falling 8.8% below last year's level in March and then recovering in the month of April. This chart shows the year to date vehicle miles traveled through April during each year this decade, passenger car traffic has been declining in the past three years and even including the extra day in February this year, passenger car miles traveled in the first four months were 2.9% below last year's total and 8.2% below the total from 2006. In fact passenger cars miles traveled during the first four months of this year were lower than the corresponding totals from every year since 2001. Commercial traffic has also been declining in the past three years. Commercial vehicle miles traveled in the first four months of this year were 2% below last year's total and 3.1% below the total from 2006. This chart shows the year-to-date toll revenues through the month of April during each year this decade. Toll revenues for the first four months of this year were 2.2% below the amount from last year without the added revenue from February 29, the drop would have been 3.1%. This final chart shows our year-to-date revenues from all sources for each year this decade total revenues as of the end of April were \$1.5 million or 2.3% below those from the first four months of 2007. Without the toll revenues from February 29, total year-to-date revenues would have been \$2.1 million or 3.1% below the amount from the first four months of last year. In fact, our year-to-date revenues were only 2.1% higher than they were in the first four months of calendar year 2000, while the Consumer Price Index increased by 27% over this time period. That completes my report Mr. Chairman, I'll be happy to respond to any questions.

Chairman: Questions on the wonderful picture that Mr. Steiner has presented for us?

Mr. Kidston: What did you do with all them cars?

Chairman: You look at the year 2000 and you look at the year 2008 and see that you're in that period of time, eight year period and you are \$14* million (*See Jim Steiner's report; figures on report are approximately \$1.4 million, i.e. Calendar year 2000 \$63.4 million compared to Calendar year 2008 \$64.8 million) more in revenue and as you talk about the cost of living during that time has gone up 27%. It's a tough situation. Any further comments? Thank you Mr. Steiner.

Mr. Steiner: Thank you Mr. Chairman.

Chairman: Financial Advisor, Mr. Erickson?

Mr. Erickson: No report today Mr. Chairman.

Chairman: Mr. Lamb, Trustee, Huntington?

Mr. Lamb: No report Mr. Chairman.

Chairman: General Consultant?

Mr. Yacobucci: Sorry, I can't keep the streak going. Mr. Chairman, Commission Members, we've completed the bridges, culverts signs and towers in five out of the eight sections. Kunkle, Swanton and Elmore have not been completed. We have not completed the roadway inspections as of yet either. The facility or building inspections actually started this morning. Overall we are about 50% complete with the inspections and we don't have any significant findings to report. That's all I have, any questions?

Chairman: Thank you, any questions? Next would be Ohio State Highway Patrol, Captain?

Captain Hannay: Thank you Mr. Chairman, Commission Members, since the last meeting I do have to report one fatality. It occurred east of our Hiram facility. It is believed to be alcohol related. The gentleman drove off the right side of the roadway and struck the guardrail. Debris from his vehicle struck another vehicle making it a two vehicle crash. He did expire some 12 hours after the crash occurred, so that is our first fatality for 2008 compared to three at this time last year. So we are lower than our statistics were last year, which is a good sign, and our officers continue to be diligent in their efforts for the traffic safety for our patrons. One other death occurred out in our Swanton area, near Interstate 75. This is believed to be of natural causes, heart attack, which resulted in a traffic crash after the heart attack. We're waiting on the coroner to rule on that one. That's my report Mr. Chairman.

Chairman: Thank you. I saw in the report that the fatality that the report said that alcohol was suspected as your comment was, do they have the blood alcohol level yet?

Captain Hannay: Not at this time, no sir. The coroner's office has not given us those numbers yet.

Chairman: Any questions?

Mr. Regula: Just one quick one Mr. Chairman. Just curious, are your speeding tickets down? Is gas causing people to drive slower or is it just an observation? I know I'm driving a little slower because of the cost of gas.

Captain Hannay: Mr. Chairman, Commission Member Regula, yes sir. Our statistics are down, crashes, believe it or not, traffic crashes are higher this year than they were last year. I believe a direct result of the harsh winter, the months of February and March were extremely difficult on us with the amount of snow we had. However, the volume of traffic has led to a decline in overall operations that we've experienced out here.

Mr. Regula: So therefore, speeding tickets would be somewhat...

Captain Hannay: The number of enforcement tickets we've been handing out this year, yes, they are considerably lower than what they were last year.

Mr. Regula: Thank you.

Chairman: Mr. Distel?

Executive Director: Thank you Chairman and to Captain Hannay, I saw a report in getting ready for the meeting today out of the Toledo Blade that evidently there was an incident on Friday where a truck was shot at. I wonder if you can comment on that and whether that's being investigated.

Captain Hannay: Yes, Mr. Chairman and Director Distel. We had a report Friday afternoon a commercial driver eastbound in the area of Milepost 124 out in our Sandusky area. He believed he heard a tire blow out on his vehicle, pulled over to the side of the road, upon checking his tires they were all inflated, he noticed damage to the right side door of his tractor cab. Upon further investigation it's believed that a projectile did hit the side of the vehicle. It is an isolated incident as the only report we've had with all the volume of traffic that we have traveling the Turnpike, I believe if we had somebody that was targeting patrons on the Turnpike we'd of had more reports. We did recover a projectile from the door, it is in such a damaged state that we would not be able to identify caliber or to be able to tell you whether it's a pellet, a BB or a bullet of some type. But we did recover a projectile and we are further investigating.

Chairman: Thank you. Anything further? Any comments questions from the Commission? If no further business, I'll accept a motion to adjourn until the next meeting which is scheduled for June 16, 2008, that's the third Monday at 10 a.m., a regularly scheduled meeting. Motion to adjourn?

Mr. Kidston: So moved.

Chairman: Is there a second?

Mr. Dixon: Second.

Chairman: Call the roll please.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Vice Chairman Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: The meeting is adjourned, thank you.

Time of adjournment was 11:09 a.m.

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

George F. Dixon, Secretary-Treasurer