



City of Chicago Office of the City Clerk

City Hall
121 North LaSalle Street
Room 107
Chicago, IL 60602
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Legislation Referred to Committees at the Chicago City Council Meeting 12/9/2015 Section 1a - Mayoral Introductions

File #	Title	Sponsor(s)	Committee Referral
Agreement(s) - Intergovernmental			
1	O2015-8510	Intergovernmental agreement with Chicago Board of Education for Tax Increment Financing (TIF) assistance for construction of athletic field for National Teachers Academy and The Williams Jones College Preparatory High School	Emanuel (Mayor) Finance
2	O2015-8512	Intergovernmental agreement with Board of Trustees of Community College District No. 508 (City Colleges) for construction of new Malcom X College facility	Emanuel (Mayor) Housing
3	O2015-8842	Intergovernmental agreement (Memorandum of Understanding) with Amtrak, Metra and RTA to allocate funds for rehabilitation and improvement of property in Canal/Congress Redevelopment Area (Union Station)	Emanuel (Mayor) Finance
4	O2015-8868	Intergovernmental agreement with Sister Agencies regarding implementation of task force recommendations	Emanuel (Mayor) Budget
Agreement(s) - Lease			
5	O2015-8860	Renewal of lease with Chicago Transit Authority for use of vacant City-owned property at 5975 N Pulaski Rd	Emanuel (Mayor) Housing
Appointment(s)			
6	A2015-168	Appointment of Sharon Fairley as Chief Administrator of Independent Police Review	Emanuel (Mayor) Public Safety
7	A2015-169	Appointment of Jesse H. Ruiz as Commissioner of Chicago Park District	Emanuel (Mayor) Special Events
8	A2015-170	Appointment of Gregory C. Cameron, Paul Fitzpatrick, Dean E. Lane, and Anne B. Voshel as members of Special Service Area No. 1-2015, State Street Commission	Emanuel (Mayor) Finance
9	A2015-171	Appointment of Ben R. Munro as member of Special Service Area No. 21, Lincoln Square Commission	Emanuel (Mayor) Finance
10	A2015-172	Appointment of Zachary Maiorca as member of Special Service Area No. 21, Lincoln Square Commission	Emanuel (Mayor) Finance
11	A2015-174	Appointment of Edda B. Coscioni, Mark H. Davis, Kenneth Dotson, Benjamin E. Hamm, Brent P. Holten, and Oz Sozen as members of Special Service Area No. 35-2015, Lincoln Avenue Commission	Emanuel (Mayor) Finance

Legislation Referred to Committees at the Chicago City Council Meeting

12/9/2015

Section 1a - Mayoral Introductions

	File #	Title	Sponsor(s)	Committee Referral
12	A2015-175	Appointment of Maura Levit as member of Special Service Area No. 43, Devon Avenue Commission	Emanuel (Mayor)	Finance
13	A2015-178	Appointment of Christopher M. Michalek as member of Board of Local Improvements	Emanuel (Mayor)	Transportation
14	A2015-179	Appointment of Edward T. McKinnie, Sr. as member of Board of Local Improvements	Emanuel (Mayor)	Transportation

Bonds & Bond Issues

15	O2015-8826	Issuance of special assessment bonds for municipal improvements with Franklin Point at 650-658 S Wells St, 700-758 S Wells St and 223-313 W Harrison St and River South at 600-1000 S Wells St	Emanuel (Mayor)	Finance
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Municipal Code Amendment(s)

16	O2015-8740	Amendment of Municipal Code Sections 4-6-060 and 8-16-024 regarding tattooing, body piercing and tanning facilities	Emanuel (Mayor)	Health & Environment
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Open Space Impact Fee(s)

17	O2015-8511	Expenditure of Open Space Impact Fee funds for North Branch Trail expansion project	Emanuel (Mayor)	Special Events
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Reappointment(s)

18	A2015-173	Reappointment of Joseph M. Hall and Brent A. Norsman as members of Special Service Area No. 33, Wicker Park & Bucktown Commission	Emanuel (Mayor)	Finance
19	A2015-176	Reappointment of Saima Causevic and Frank J. Kern as members of Special Service Area No. 60, Albany Park Commission	Emanuel (Mayor)	Finance
20	A2015-177	Reappointment of Gregory B. Guttman, Allison C. Hartman, James M. Hennessy, George W. Rumsey as members of Special Service Area No. 61, Hyde Park Commission	Emanuel (Mayor)	Finance



City of Chicago



O2015-8510

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Intergovernmental agreement with Chicago Board of Education for Tax Increment Financing (TIF) assistance for construction of athletic field for National Teachers Academy and The Williams Jones College Preparatory High School
Committee(s) Assignment:	Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015


TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the Board of Education for TIF assistance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,


Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Board of Education of the City of Chicago (the "Board") is a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, 105 ILCS 5/1-1 et seq. (2007) (the "School Code"); and

WHEREAS, pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1 et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, the Board operates an elementary school known as National Teachers Academy at 55 West Cermak Road ("NTA") and a high school known as The William Jones College Preparatory High School at 700 South State Street ("Jones"); and

WHEREAS, the Board desires to construct an athletic field and related improvements (the "Facility") to serve NTA and Jones on real property at 2300 South Dearborn Street, Chicago, Illinois (the "Property") (the construction of the Facility shall be referred to herein as the "Project"); and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on September 13, 1989 (as amended by ordinances adopted by the City Council on March 21, 1990, May 12, 1999, October 6, 2010 and November 26, 2013): "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Michigan/Cermak Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Michigan/Cermak Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Michigan/Cermak Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Michigan/Cermak TIF Ordinances", the Redevelopment Plan approved by the Michigan/Cermak TIF Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Plan" and the redevelopment project area created by the Michigan/Cermak TIF Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Area"); and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 21, 1999: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the 24th/Michigan Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the 24th/Michigan Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or

hereinafter may be amended, are collectively referred to herein as the "24th/Michigan TIF Ordinances", the Redevelopment Plan approved by the 24th/Michigan TIF Ordinances is referred to herein as the "24th/Michigan Redevelopment Plan" and the redevelopment project area created by the 24th/Michigan TIF Ordinances is referred to herein as the "24th/Michigan Redevelopment Area"); and

WHEREAS, all of the Property lies wholly within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the Michigan/Cermak Redevelopment Area shall be known as the "Michigan/Cermak Increment" and Increment collected from the 24th/Michigan Redevelopment Area shall be known as the "24th/Michigan Increment"); and

WHEREAS, the Board is a taxing district under the Act; and

WHEREAS, the Michigan/Cermak Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements within the boundaries of the Michigan/Cermak Redevelopment Area and the 24th/Michigan Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use Increment from one redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area from which the Increment is received so long as the applicable redevelopment plans permit such use (the "Transfer Rights"); and

WHEREAS, the Michigan/Cermak Redevelopment Area is either contiguous to, or separated only by a public right of way from, the 24th/Michigan Redevelopment Area; and

WHEREAS, the Michigan/Cermak Redevelopment Plan permits the exercise of Transfer Rights with respect to Michigan/Cermak Increment and the 24th/Michigan Redevelopment Plan permits the receipt of Increment pursuant to Transfer Rights; and

WHEREAS, the City may, in its discretion, exercise its Transfer Rights pursuant to the Act and the 24th/Michigan Redevelopment Plan to allocate and use a portion of the Michigan/Cermak Increment for the Project; and

WHEREAS, the City desires to allocate and use a portion of the Michigan/Cermak Increment in an aggregate amount not to exceed \$4,600,000 (the "City Funds") for the Project pursuant to a proposed intergovernmental agreement between the City and the Board in substantially the form attached hereto as Exhibit 1 (the "Agreement"); and

WHEREAS, in accordance with the Act, the TIF-Funded Improvements (as defined in Article Three, Section 3 of the Agreement) are and shall be such of the Board's capital costs necessarily

incurred or to be incurred in furtherance of the objectives of the Michigan/Cermak Redevelopment Plan and the 24th/Michigan Redevelopment Plan, and the City hereby finds that the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03 (u) of the Act; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the TIF Act approved by the City, consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03 (u) of the TIF Act.

SECTION 3. The Commissioner of the Department of Planning and Development is authorized to execute the Agreement and such other documents as are necessary in connection therewith. The Agreement shall contain such other terms as are necessary or appropriate.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

EXHIBIT 1

AGREEMENT

INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF CHICAGO,
BY AND THROUGH ITS DEPARTMENT OF PLANNING AND DEVELOPMENT,
AND THE BOARD OF EDUCATION OF THE CITY OF CHICAGO
REGARDING THE NATIONAL TEACHERS ACADEMY AND COMMUNITY TURF FIELD

This Intergovernmental Agreement regarding the National Teachers Academy and Community Turf Field (this "Agreement") is made and entered into as of the ____ day of _____, 2016 (the "Agreement Date") by and between the City of Chicago (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Planning and Development (the "Department"), and the Board of Education of the City of Chicago (the "Board"), a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois.

RECITALS

WHEREAS, pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1 et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, the Board operates an elementary school known as National Teachers Academy at 55 West Cermak Road ("NTA") and a high school known as The William Jones College Preparatory High School at 700 South State Street ("Jones"); and

WHEREAS, the Board desires to construct an athletic field and related improvements (the "Facility") to serve NTA and Jones on real property at 2300 South Dearborn Street, Chicago, Illinois (the "Property") (the construction of the Facility shall be referred to herein as the "Project"); and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on September 13, 1989 (as amended by ordinances adopted by the City Council on March 21, 1990, May 12, 1999, October 6, 2010 and November 26, 2013): "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Michigan/Cermak Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Michigan/Cermak Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Michigan/Cermak Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Michigan/Cermak TIF Ordinances", the Redevelopment Plan

approved by the Michigan/Cermak TIF Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Plan" and the redevelopment project area created by the Michigan/Cermak TIF Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Area"); and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 21, 1999: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the 24th/Michigan Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the 24th/Michigan Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "24th/Michigan TIF Ordinances", the Redevelopment Plan approved by the 24th/Michigan TIF Ordinances is referred to herein as the "24th/Michigan Redevelopment Plan" and the redevelopment project area created by the 24th/Michigan TIF Ordinances is referred to herein as the "24th/Michigan Redevelopment Area"); and

WHEREAS, all of the Property lies wholly within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the Michigan/Cermak Redevelopment Area shall be known as the "Michigan/Cermak Increment" and Increment collected from the 24th/Michigan Redevelopment Area shall be known as the "24th/Michigan Increment"); and

WHEREAS, the Board is a taxing district under the Act; and

WHEREAS, the Michigan/Cermak Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements within the boundaries of the Michigan/Cermak Redevelopment Area and the 24th/Michigan Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use Increment from one redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area from which the Increment is received so long as the applicable redevelopment plans permit such use (the "Transfer Rights"); and

WHEREAS, the Michigan/Cermak Redevelopment Area is either contiguous to, or separated only by a public right of way from, the 24th/Michigan Redevelopment Area; and

WHEREAS, the Michigan/Cermak Redevelopment Plan permits the exercise of Transfer Rights with respect to Michigan/Cermak Increment and the 24th/Michigan Redevelopment Plan permits the receipt of Increment pursuant to Transfer Rights; and

WHEREAS, the City may, in its discretion, exercise its Transfer Rights pursuant to the Act and the Michigan/Cermak and 24th/Michigan Redevelopment Plans to allocate and use a portion of the Michigan/Cermak Increment for the Project; and

WHEREAS, the City desires to allocate and use a portion of the Michigan/Cermak Increment in an aggregate amount not to exceed \$4,600,000 (the "City Funds") for the Project; and

WHEREAS, in accordance with the Act, the TIF-Funded Improvements (as defined in Article Three, Section 3 hereof) are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Michigan/Cermak Redevelopment Plan and the 24th/Michigan Redevelopment Plan, and the City has found that the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03 (u) of the Act;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE ONE: INCORPORATION OF RECITALS

The recitals set forth above are incorporated herein by reference and made a part hereof.

ARTICLE TWO: THE PROJECT

1. The plans and specifications for the Project shall be provided to the City by the Board, and (c) approved by the City in the City's discretion. The Board shall comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto. The Board shall include a certification of such compliance with each request for City Funds hereunder and at the time the Project is completed. The City shall be entitled to rely on this certification without further inquiry. Upon the City's request, the Board shall provide evidence satisfactory to the City of such compliance.

2. In all contracts relating to the Project, the Board agrees to require the contractor (including the Commission, if applicable) to name the City as an additional insured on insurance coverages and to require the contractor to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the Project by the contractor or contractor's suppliers, employees, or agents.

ARTICLE THREE: FUNDING

1. (a) On a quarterly basis (or as otherwise agreed to by the Department), the Board shall provide the Department with a Requisition Form, in the form of Exhibit E hereto, along with: (i) a cost itemization of the applicable portions of the budget attached as Exhibit G hereto; (ii) evidence of the expenditures upon TIF-Funded Improvements which the Board has incurred; and (iii) all other documentation described in Exhibit E. The City shall review and, in the City's

discretion, approve each Requisition Form and make the applicable requested and approved disbursement of City Funds, subject to the availability thereof. The availability of the City Funds is subject to the City's compliance with all applicable requirements regarding the use of such funds and the timing of such use. No City Funds shall be disbursed with respect to the Project until the Board has evidenced to the City in writing to the City's satisfaction that the Board owns or otherwise controls the Property, or has the right to enter the Property and undertake such activities as the Board deems necessary prior to owning or otherwise controlling the Property.

(b) Delivery by the Board to the Department of a Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such Requisition Form, that:

(i) the total amount of the City Funds disbursed in the previously made Disbursement (if any) represents the actual amount paid to the general contractor, subcontractors, and other parties who have performed work on or otherwise provided goods or services in connection with the Project, and/or their payees;

(ii) all amounts shown as previous payments on the current Requisition Form have been paid to the parties entitled to such payment;

(iii) the Board has approved all work and materials for the current Requisition Form, and such work and materials conform to the plans and specifications for the Project; and

(iv) the Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto.

The City shall have the right, in its discretion, to require the Board to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any approval of a Requisition Form by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Board.

(c) [intentionally omitted]

(d) [intentionally omitted]

(e) (i) [intentionally omitted]

(ii) The City, subject to the terms of this subsection 1(e)(ii), may, until the earlier to occur of (1) the expiration of the Term of this Agreement or (2) the date that the City has paid directly or the Board has been reimbursed in the full amount of the City Funds under this Agreement, exclude up to 90% of the Increment generated from the construction value of a new assisted development project and pledge that Increment to a developer on a basis superior to that of the Board. For purposes of this subsection, "a new assisted development project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes. Further, for purposes of this subsection, "Increment generated from the construction value of a new assisted development project" shall be the amount of Increment generated by the equalized

assessed value ("EAV") of such affected parcels over and above the EAV of such affected parcels for the year immediately preceding the year in which the new assisted development project commences (the "Base Year"). Except for the foregoing, the Board shall retain its initial lien status relative to Michigan/Cermak Increment.

In the event that the City elects to avail itself of the provisions of this subsection, it shall, at least seven (7) days prior to executing a binding commitment pledging the Increment described above, certify, in a letter to the Board, the affected parcels and the EAV thereof for the Base Year.

(f) [intentionally omitted]

(g) The availability of City Funds is subject to: (i) the City's annual retention of Michigan/Cermak Increment in an amount necessary for the payment of expenses incurred by the City in the administration of the Michigan/Cermak Redevelopment Area; and (ii) the City's compliance with all applicable requirements regarding the use of such funds and the timing of such use.

(h) The Board shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds in connection with the 24th/Michigan and/or Michigan/Cermak Redevelopment Areas, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements ("Other Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Board or the Project. The Board shall, at the Board's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Other Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The City may, in its sole discretion, use all or a portion of the proceeds of such Other Bonds if issued to pay for all or a portion of the TIF-Funded Improvements.

2. The current estimate of the cost of the Project is \$4,600,000. The Board has delivered to the Commissioner, and the Commissioner hereby approves, a detailed project budget for the Project, attached hereto and incorporated herein as Exhibit G. The Board certifies that it has identified sources of funds (including the City Funds) sufficient to complete the Project. The Board agrees that the City will only contribute the City Funds to the Project and that all costs of completing the Project over the City Funds shall be the sole responsibility of the Board. If the Board at any point does not have sufficient funds to complete the Project, the Board shall so notify the City in writing, and the Board may narrow the scope of the Project as agreed with the City in order to construct the New Facility with the available funds.

3. Attached as Exhibit H and incorporated herein is a preliminary list of capital improvements, land assembly costs, relocation costs and other costs, if any, recognized by the City as being eligible redevelopment project costs under the Act with respect to the Project, to be paid for out of City Funds ("TIF-Funded Improvements"); and to the extent the TIF-Funded Improvements are included as taxing district capital costs under the Act, the Board acknowledges that the TIF-Funded Improvements are costs for capital improvements and the City acknowledges it has determined that these TIF-Funded Improvements are necessary and directly result from the 24th/Michigan Redevelopment Plan. Prior to the expenditure of City Funds on the Project, the Commissioner, based upon the detailed project budget, shall make such modifications to Exhibit H as he or she wishes in his or her discretion to account for all of the City Funds to be expended

under this Agreement; provided, however, that all TIF-Funded Improvements shall (i) qualify as redevelopment project costs under the Act, (ii) qualify as eligible costs under the 24th/Michigan Redevelopment Plan; and (iii) be improvements that the Commissioner has agreed to pay for out of City Funds, subject to the terms of this Agreement.

4. If the aggregate cost of the Project is less than the amount of the City Funds contemplated by this Agreement, the Board shall have no claim to the difference between the amount of the City Funds contemplated by this Agreement and the amount of the City Funds actually paid by the City to the Board and expended by the Board on the Project.

5. If requested by the City, the Board shall provide to the City quarterly reports on the progress of the Project and reasonable access to its books and records relating to the Project.

6. [intentionally omitted]

7. During the Term hereof the Board shall not sell, transfer, convey or otherwise dispose of all or any portion of the Property or any interest therein to a party other than the City (a "Transfer"), or otherwise effect or consent to a Transfer to a party other than the City, without the prior written consent of the City. The City's consent to any Transfer may, in the City's sole discretion, be conditioned upon (among other things) whether such a Transfer would conflict with the statutory basis for the grant of the City Funds hereunder pursuant to the Act.

8. If in future (including after the expiration or termination hereof) the Board transfers (or causes to be transferred) the Property (or any portion thereof) to the City (or to a third party approved by the City and the Board) for public use, then the City Funds provided hereunder shall constitute consideration and/or compensation from the City to the Board for such transfer.

ARTICLE FOUR: TERM

The Term of the Agreement shall commence as of the Agreement Date and shall expire on the date on which the 24th/Michigan Redevelopment Area is no longer in effect (through and including July 21, 2022).

ARTICLE FIVE: INDEMNITY; DEFAULT

1. The Board agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Board's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Board's or any contractor's failure to pay general contractors, subcontractors or materialmen in connection with the Project.

2. The failure of the Board to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Board under this Agreement or any agreement directly related to this Agreement shall constitute an "Event of Default" by the Board hereunder. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all agreements directly related to this Agreement, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the

specific performance of the agreements contained herein.

In the event the Board shall fail to perform a covenant which the Board is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Board has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the Board shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

3. The failure of the City to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the City under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the City hereunder. Upon the occurrence of an Event of Default, the Board may terminate this Agreement and any other agreement directly related to this Agreement. The Board may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

In the event the City shall fail to perform a covenant which the City is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the City has failed to cure such default within thirty (30) days of its receipt of a written notice from the Board specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the City shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

ARTICLE SIX: CONSENT

Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

ARTICLE SEVEN: NOTICE

Notice to Board shall be addressed to:

Chief Financial Officer
Board of Education of the City of Chicago
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602

and

General Counsel
Board of Education of the City of Chicago
One North Dearborn Street, 9th Floor
Chicago, Illinois 60602

Notice to the City shall be addressed to:

Commissioner
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602

and

Corporation Counsel
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth above, by any of the following means: (a) personal service; (b) electric communications, whether by telex, telegram, or telecopy; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

Such addresses may be changed when notice is given to the other party in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

ARTICLE EIGHT: ASSIGNMENT; BINDING EFFECT

This Agreement, or any portion thereof, shall not be assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Board and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

ARTICLE NINE: MODIFICATION

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

ARTICLE TEN: COMPLIANCE WITH LAWS

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

ARTICLE ELEVEN: GOVERNING LAW AND SEVERABILITY

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied

in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

ARTICLE TWELVE: COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one instrument. A signature delivered by facsimile or electronic means shall be considered binding for both parties.

ARTICLE THIRTEEN: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties regarding the Project.

ARTICLE FOURTEEN: AUTHORITY

Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on _____, 2016. Execution of this Agreement by the Board is authorized by Board Resolution 01-0725-RS2. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

ARTICLE FIFTEEN: HEADINGS

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

ARTICLE SIXTEEN: DISCLAIMER OF RELATIONSHIP

Nothing contained in this Agreement, nor any act of the City or the Board shall be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the Board.

ARTICLE SEVENTEEN: CONSTRUCTION OF WORDS

The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

ARTICLE EIGHTEEN: NO PERSONAL LIABILITY

No officer, member, official, employee or agent of the City or the Board shall be individually or personally liable in connection with this Agreement.

ARTICLE NINETEEN: REPRESENTATIVES

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

For the Board: Mary De Runtz, Deputy Chief Facilities Officer
Board of Education of the City of Chicago
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602
Phone: 773-553-2920

For the City: Denise Roman, Coordinator of Economic Development
City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1003
Chicago, Illinois 60602
Phone: 312-744-6502

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

City of Chicago, Illinois

By: _____
Commissioner
Department of Planning and Development

The Board of Education
of the City of Chicago

By: _____
Frank M. Clark, President

Attest: _____
Estela G. Beltran, Secretary

By: _____
Forrest Claypool, Chief Executive Officer

Board Report No. 01-0725-RS2

Approved as to legal form:

Ronald L. Marmer, General Counsel

AGREEMENT EXHIBITS A-D
[intentionally omitted]

AGREEMENT EXHIBIT E
REQUISITION FORM

_____ REQUISITION FORM

State of Illinois)
) SS
County of Cook)

The affiant, _____, _____ of the Board of Education of the City of Chicago, a body corporate and politic (the "Board"), hereby certifies to the City of Chicago (the "City") that with respect to that certain Intergovernmental Agreement between the Board and the City regarding the National Teachers Academy and Community Turf Field dated _____, 2016 (the "Agreement"):

A. The following is a true and complete statement of all expenditures for the Project by the Board to date:

TOTAL: \$ _____

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project paid for by the City to date:

\$ _____

C. The Board requests disbursement for the following cost of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in paragraph C above has been previously reimbursed by the City.

E. The Board hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and the Board is in compliance with all applicable covenants contained therein.

2. No Event of Default or condition or event that, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

3. The Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto.

F. Attached hereto are: (1) a cost itemization of the applicable portions of the budget attached as Exhibit G to the Agreement; and (2) evidence of the expenditures upon TIF-Funded Improvements for which the Board hereby seeks reimbursement.

All capitalized terms that are not defined herein have the meanings given such terms in the Agreement.

THE BOARD OF EDUCATION
OF THE CITY OF CHICAGO, a body corporate and politic

By: _____
Name: _____
Title: _____

Subscribed and sworn before me this ____ day of _____, _____.

My commission expires: _____

Agreed and accepted:
CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

Name: _____
Title: _____

AGREEMENT EXHIBIT F
[intentionally omitted]

AGREEMENT EXHIBIT G
PROJECT BUDGET
(see attached)

Exhibit G
Project Budget

Jones Academic High School Athletic Field at National Teachers Academy

<u>Task Description</u>	<u>Budget</u>
Planning	\$15,000
Land Acquisition and Site control	\$284,000
Design	\$171,200
Construction of turf athletic field	\$3,539,000
Implementation / Administration	\$337,800
Environmental abatement	\$253,000
Total	\$4,600,000

AGREEMENT EXHIBIT H
PROJECT TIF-FUNDED IMPROVEMENTS
(see attached)

Exhibit H
TIF - Eligible Expenses

Jones Academic High School Athletic Field at National Teachers Academy

<u>Task Description</u>	<u>Budget</u>
Planning	\$15,000
Land Acquisition and Site control	\$284,000
Design	\$171,200
Construction of turf athletic field	\$3,539,000
Implementation / Administration	\$337,800
Environmental abatement	<u>\$253,000</u>
Total	\$4,600,000



City of Chicago



O2015-8512

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Intergovernmental agreement with Board of Trustees of Community College District No. 508 (City Colleges) for construction of new Malcom X College facility
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with City Colleges regarding an acceptance of property.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on February 16, 2000 and published at pages 25276 through 25408, in the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project ("Plan") for the Central West Tax Increment Financing Redevelopment Project Area ("TIF Area"), was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on February 16, 2000 and published at pages 25408 through 25420 in the Journal of such date, the TIF Area was designated as a redevelopment project area pursuant to the TIF Act; and

WHEREAS, pursuant to an ordinance ("TIF Ordinance") adopted by the City Council on February 16, 2000 and published at pages 25421 through 25432 in the Journal of such date, tax increment financing was adopted pursuant to the Act as a means of financing certain TIF Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, the Plan and the use of tax increment financing provide a mechanism to support new growth through leveraging private investment, and helping to finance land acquisition, demolition, remediation, site preparation and infrastructure for new development in the TIF Area; and

WHEREAS, the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, (the "Board of Trustees"), a body politic and corporate, and created by the legislature pursuant to the Public Community College Act of the State of Illinois, owns four (4) parcels of improved real property upon which sits a one-building, three story facility and land located in the TIF Area at 1900 West Van Buren and 1901 West Jackson Boulevard upon which the Old Malcom X College Campus sits on a rectangular parcel containing approximately 485,526 square feet ("Old Malcolm X"), as legally described on **Exhibit A** attached hereto and made a part hereof (the improved real property and land collectively referred to as the "Property"); and

WHEREAS, the Board of Trustees is constructing a new Malcom X College facility to the north of the Property and will no longer need the Property for community college purposes; and

WHEREAS, the Board of Trustees is interested in transferring the Property to the City, at no cost to the City, for the City's future redevelopment of the Property; and

WHEREAS, the Board of Trustees is authorized under Section 3-41 of the Public Community College Act (110 ILCS 805/3-41) to sell real property belonging to the Board of Trustees and not needed for community college purposes; and

WHEREAS, the Board of Trustees is authorized to transfer the Property to the City pursuant to the Local Government Property Transfer Act (50 ILCS 605/0.01, et seq); and

WHEREAS, the City is interested in acquiring the Property, at no cost to the City, from the Board of Trustees for future City development in the TIF Area; and

WHEREAS, pursuant to the Board of Trustees Resolution No. 32818, adopted on November 5, 2015, the Board of Trustees was authorized to enter into an Intergovernmental Agreement ("IGA") with the City for the transfer of the Property to the City pursuant to the terms and conditions of the IGA; and

WHEREAS, the conveyance of the Property to the City is consistent with the goals and objectives of the City of Chicago and Department of Planning and Development ("DPD"); and

WHEREAS, the City Council finds that such conveyance of the Property to the City by the Board of Trustees is consistent with the goals and objectives of the Plan, and is in the best interests of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE QTY OF CHICAGO:

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. The Commissioner of the Department of Planning and Development (the "Commissioner"), or his designee is authorized to execute an Intergovernmental Agreement substantially in the form attached hereto as **Exhibit B** and made a part hereof, and such other documents as may be necessary to implement the transaction, including, without limitation, any tax parcel identification number divisions, as may be necessary or appropriate to carry out and comply with the provisions of this ordinance, subject to the approval of the Corporation Counsel.

SECTION 3. The City's acquisition of the Board of Trustee's Property, pursuant to the terms and conditions of the Intergovernmental Agreement, is hereby approved.

SECTION 4. The Commissioner is further authorized to accept a deed of conveyance from the Board of Trustees subject to the approval of the Corporation Counsel.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately upon its passage and approval.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

Commonly known as: 1900 West Van Buren Street, Chicago, Illinois 60612

Property Index Numbers: 17-18-224-035-0000;
17-18-225-036-0000;
17-18-226-026; and
17-18-227-033-0000

EXHIBIT B

**FORM OF INTERGOVERNMENTAL AGREEMENT
(Attached)**

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CHICAGO,
THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
FOR LAND TRANSFER**

(OLD MALCOLM X)

This Intergovernmental Agreement (the "Agreement") is entered into this ____ day of _____, 2015, between the **CITY OF CHICAGO** (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Planning and Development ("DPD"), and the **BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508**, a body politic and corporate created by the legislature pursuant to the Public Community College Act of the State of Illinois (the "Board of Trustees"). The City and Board of Trustees together shall be referred to herein collectively as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, the City is a home rule unit of local government under the 1970 Constitution of the State of Illinois and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Board of Trustees owns four (4) parcels of improved real property and land located in the Central West Tax Increment Financing Redevelopment Project Area ("TIF Area") at 1900 West Van Buren and 1901 West Jackson Boulevard upon which the Old Malcolm X College Campus sits ("Old Malcolm X"), as legally described on Exhibit A attached hereto and made a part hereof (the improved real property and land collectively referred to as the "Property"); and

WHEREAS, the Board of Trustees is constructing a new Malcolm X College facility to the north of the Property and will no longer need the Property for community college purposes; and

WHEREAS, the Board of Trustees is interested in transferring the Property to the City, at no cost to the City, for the City's future redevelopment of the Property; and

WHEREAS, the City is desirous of effectuating the transfer and acquisition of the Property, at no cost to the City, for future development within the TIF Area; and

WHEREAS, the Board of Trustees is authorized under Section 3-41 of the Public Community College Act (110 ILCS 805/3-41) to sell real property belonging to the Board of Trustees and not needed for community college purposes; and

WHEREAS, the Board of Trustees is authorized to transfer the Property to the City pursuant to the Local Government Property Transfer Act (50 ILCS 605/0.01, et seq); and

WHEREAS, pursuant to Board of Trustees Resolution Number 32818 adopted on November 5, 2015, the Board of Trustees is authorized to enter into an intergovernmental agreement ("IGA") with the City for the transfer of the Property to the City; and

WHEREAS, on December __, 2015, a resolution approving the acquisition of Property was approved by the Chicago Plan Commission under Referral Number _____; and

WHEREAS, on _____, the City Council of the City (the "City Council") adopted an ordinance published in the Journal of the Proceedings of the City Council (the "Journal") for said date at pages _____ to _____, authorizing the Commissioner of DPD, subject to the approval of the Corporation Counsel, to negotiate and enter into this Intergovernmental Agreement with the Board of Trustees for the City's acquisition of the Property for future development in the TIF Area; and

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, agreements, covenants and conditions, mutual benefits and detriments herein contained, and other good and valuable consideration, the City and the Board of Trustees agree as follows:

1. **Incorporation of Recitals.** The above recitals are incorporated herein and made a part hereof as if fully set forth herein.

2. **Transfer of Board of Trustees Property to the City.** Board of Trustees agrees to convey, or cause to be conveyed, the Property by Quitclaim Deed ("Deed") to the City, and the City agrees to accept all right, title and fee simple interest in the Property on the Closing Date as defined in Section 4 hereof and subject to the terms of this Agreement.

3. The Board of Trustees will transfer, or cause to be transferred, the Property to the City as follows:

- (i) **Title:** No later than 45 days prior to the Closing Date, the Board of Trustees will deliver to the City a current commitment for a standard ALTA owner's policy of title insurance (the "Title Commitment"). The Title Commitment will be issued by Chicago Title Insurance Company (or another title insurance company reasonably acceptable to the City). The City shall be responsible for paying for, and specifying the amount of any title insurance policy it may desire for the Property acquisition.
- (ii) **Survey:** No later than 45 days prior to the Closing Date, the Board of Trustees, at its own cost, will deliver to the City a copy of a recent ALTA survey prepared by an Illinois licensed land surveyor, which shall be certified to the City and to such other parties as the City may reasonably designate.
- (iii) **Title or Survey Defects:** In the event the title or survey discloses any matters that are unacceptable to the City, the City shall give written notice to the Board of Trustees at least 30 days prior to the Closing Date. In the event notice is not received by the Board of Trustees by such date, all objections to any such matter shall be deemed to have been waived. In the event such defects are unable to be corrected by the Closing Date (after such extensions to the

Closing Date as may be reasonably required to permit such resolution), then the City may elect to terminate this Agreement upon written notice to the Board of Trustees, or may elect to take the Property subject to such title or survey defects (in which case all objections to any such matter shall be deemed to have been waived), without any adjustment in consideration. Notwithstanding the foregoing, title objections may be raised at Closing based on the results of any later date title examination.

- (iv) **Property Vacated and Delivery of Possession:** The Board of Trustees and its tenants, if any, shall be fully vacated from the Property and deliver Possession of the Property on the Closing Date.

4. **Closing Date.** The Closing Date shall be a date agreed upon by the Parties, but shall in any event occur on or before January 25, 2016 (the "Closing Date"), or as otherwise mutually agreed to by the Parties.

Prior to the Closing Date, the Board of Trustees shall provide the deliverables set forth above. At Closing, the Board of Trustees shall provide it fully executed and notarized Quitclaim Deed in recordable form.

5. **Right of Entry.** The Board of Trustees grants to the City and its contractors, if any, a non-exclusive thirty (30) day right of entry to perform reasonable investigations and inspections of the Property covered by this agreement no later than 45 days prior to the Closing Date, provided that the City shall have no obligation to perform such investigations under this Agreement. The right of entry granted hereunder shall terminate upon the earlier of (i) the Closing Date, (ii) the termination or expiration of this Agreement, and (iii) as to the City or its contractors, if any, the completion of its activities.

6. **Notices.**

All notices and communications concerning this Agreement shall be sent as follows:

If to the Board of Trustees:	Board of Trustees of Community College District No. 508 226 W. Jackson Blvd. Chicago, IL 60606 Attn: Eugene Munin, General Counsel
------------------------------	--

With a copy to:	David Narefsky Mayer Brown LLP 71 South Wacker Drive Chicago, Illinois 60606
-----------------	---

If to the City:

Department of Planning and Development
City of Chicago
121 North LaSalle Street
Room 1000, City Hall
Chicago, Illinois 60602
Attn: Commissioner

With a copy to:

City of Chicago
Department of Law
121 North LaSalle Street
Room 600, City Hall
Chicago, Illinois 60602
Attn: Deputy Corporation Counsel
Real Estate and Land Use Division

Unless otherwise specified, any notice, demand, communication or request required hereunder shall be given in writing at the addresses set forth above and shall be effective (a) if given by personal service, upon delivery, (b) if sent by overnight courier, effective on the business day after delivery to such courier, or (c) if sent by registered or certified mail, return receipt requested, effective three (3) business days after mailing. The notice address for a Party may be changed by giving notice in the manner in this section.

7. **Warranties and Representations.** In connection with the execution of this Agreement, the City and Board of Trustees each warrant and represent that it is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated herein.

8. **Assignment.** Except as set forth in this Agreement, neither the City nor the Board of Trustees shall assign, delegate or otherwise transfer all or any part of their rights or obligations under this Agreement, or any part hereof, unless as approved in writing by the other parties. The absence of written consent shall void the attempted assignment, delegation or transfer and shall render it of no effect.

9. **No Third Party Beneficiary.** This Agreement is for the sole and exclusive benefit of the City and the Board of Trustees and their respective successors and assigns.

10. **Headings.** The section headings contained herein are for convenience only and are not intended to limit, expand or modify the provisions of such sections.

11. **Non-liability of Public Officials.** No official, employee, agent or elected or appointed representative of the City or the Board of Trustees shall be charged personally by the other party with any liability or expense of defense or be held personally liable under any term or provision of this Agreement or because of City's or the Board of Trustees' execution or attempted execution or because of any breach hereof.

12. **Counterparts.** This Agreement is comprised of two or more identical counterparts, each of which may be fully executed by the Parties and, executed, will be deemed an original having identical legal effect.

13. **Authority.** The conveyance and acceptance of the conveyance of the Property are authorized under Section 3-41 of the Public Community College Act and under the Local Government Property Transfer Act.

14. **Severability.** If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentence clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

15. **Interpretation.** Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.

16. **Cooperation.** The City and the Board of Trustees agree at all times to cooperate fully with one another in the implementation of this Agreement.

17. **Force Majeure.** Neither the City nor the Board of Trustees shall be obligated to perform any of their obligations hereunder if prevented from doing so by reasons outside of their reasonable control, including but not limited to, events of force majeure.

18. **Governing Law.** This agreement shall be governed by and construed in accordance with Illinois law, without regard to its conflicts of law principles.

19. **Entire Agreement.** This Agreement, and the exhibits attached and incorporated hereby, shall constitute the entire Agreement between the Parties and no other warranties, inducements, considerations, promises or interpretations, which are not expressly addressed herein, shall be implied or impressed upon this Agreement.

20. **Time of Essence.** Time is of the essence in this Agreement.

21. **Waiver.** The failure by either Party to enforce any provisions of this Agreement shall not be construed as a waiver or limitation on that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

22. **Termination.** This Agreement shall commence as of the date of execution and shall terminate on the Closing Date, upon which any contractual responsibilities to the other party shall terminate.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement for Land Transfer to be made, executed and delivered as of the day and year first above written.

CITY OF CHICAGO,
by and through its
Department of Planning and Development

By: _____
David L. Reifman
Commissioner

**BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT NO. 508**

By: _____
Cheryl Hyman

Its: Chancellor

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

Commonly known as: 1900 West Van Buren Street, Chicago, Illinois 60612

Property Index Numbers: 17-18-224-035-0000;
 17-18-225-036-0000;
 17-18-226-026; and
 17-18-227-033-0000



City of Chicago



O2015-8842

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Intergovernmental agreement (Memorandum of Understanding) with Amtrak, Metra and RTA to allocate funds for rehabilitation and improvement of property in Canal/Congress Redevelopment Area (Union Station)
Committee(s) Assignment:	Committee on Finance

FIN.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with Amtrak regarding Union Station.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City wishes to collaborate on the improvement and development of Union Station and its related properties (the "Property") in Chicago, Illinois;

WHEREAS, Chicago Union Station Company, an Illinois corporation, the sole shareholder of which is the National Railroad Passenger Corporation, a District of Columbia corporation ("Amtrak"), owns the Property; and

WHEREAS, the City, through its Department of Transportation ("CDOT"), and in collaboration with Amtrak, the Illinois Regional Transportation Authority, an Illinois municipal corporation, by and through its Commuter Rail Division ("Metra"), the Regional Transportation Authority, an Illinois municipal corporation ("RTA," and collectively with Metra and Amtrak, the "Parties"), and other stakeholders, developed a plan for the Property (the "Union Station Master Plan"); and

WHEREAS, CDOT and the Parties desire to undertake planning, historic review and preliminary engineering work for certain projects derived from the Union Station Master Plan (the "Project"); and

WHEREAS, the Property lies wholly within the boundaries of the Canal/Congress Redevelopment Area (as hereinafter defined); and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the "Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to ordinances adopted on November 12, 1998 and published in the Journal of the Proceedings (the "Journal") of the City Council of the City (the "City Council") for said date at page 81982, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City known as the "Canal/Congress Redevelopment Project Area" (the "Canal/Congress Redevelopment Area"); (ii) designated the Canal/Congress Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Canal/Congress Redevelopment Area;

WHEREAS, City Council amended the Plan pursuant to an ordinance adopted June 19, 2002 and published at page 88202 of the Journal; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(3), such incremental ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay the costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the Canal/Congress Redevelopment Area shall be known as the

"Canal/Congress Increment"); and

WHEREAS, the City, by and through CDOT, wishes to make available to Amtrak a portion of the Canal/Congress Increment in an amount not to exceed \$500,000 for the purpose of reimbursing Amtrak for expenses incurred in the rehabilitation and improvement of the Property (the "TIF-Funded Improvements") in the Canal/Congress Redevelopment Area to the extent and in the manner provided in the Agreement (as hereinafter defined); and

WHEREAS, the Plan contemplates that tax increment financing assistance would be provided for private improvements, such as the Project, within the boundaries of the Canal/Congress Redevelopment Area; and

WHEREAS, the City and the Parties wish to enter into an intergovernmental agreement in substantially the form attached as Exhibit A (the "Agreement") whereby the City shall pay for or reimburse \$500,000 for the TIF-Funded Improvements; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings that are necessary and directly result from the redevelopment project constituting the Project as described in the Act.

SECTION 3. Subject to the approval of the Corporation Counsel of the City of Chicago as to form and legality, the Commissioner of CDOT is authorized to execute and deliver the Agreement in substantially the form attached hereto as Exhibit A, and such other documents as are necessary, between the City of Chicago and the Parties.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance shall be in full force and effect from and after the date of its passage and approval.

EXHIBIT A

MEMORANDUM OF UNDERSTANDING
AMONG
NATIONAL RAILROAD PASSENGER CORPORATION
CITY OF CHICAGO,
COMMUTER RAIL DIVISION OF THE ILLINOIS REGIONAL TRANSPORTATION
AUTHORITY,
AND
REGIONAL TRANSPORTATION AUTHORITY
FOR A
JOINT PLANNING AND DESIGN EFFORT

THIS MEMORANDUM OF UNDERSTANDING (“Memorandum”) is entered into as of _____, 2015 (“**Effective Date**”) by and among National Railroad Passenger Corporation, a corporation of the District of Columbia (“**Amtrak**”); the City of Chicago, an Illinois municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Transportation (“**City**”); Commuter Rail Division of the Illinois Regional Transportation Authority, a division of an Illinois municipal corporation (“**Metra**”); and Regional Transportation Authority, an Illinois municipal corporation (“**RTA**”).

For and in consideration of the covenants set forth in this Memorandum, the parties hereby agree as follows:

BACKGROUND

A. Amtrak, the City, Metra and RTA continue to collaborate on the improvement and development of Chicago Union Station (“**CUS**”) in Chicago, Illinois.

B. Amtrak is the sole shareholder of Chicago Union Station Company (“**CUSCo**”) which owns CUS, including the concourse, mezzanine, headhouse, tracks and platforms. Amtrak also owns the parking garage and associated air rights at 310 South Canal Street, and the platform canopies and associated air rights to the west of 300 South Riverside Plaza (“**Related Properties**”).

C. The City, in collaboration with Amtrak, Metra, RTA and other stakeholders, managed and developed a conceptual master plan for CUS and Related Properties (“**CUS Master Plan**”) from 2009 to 2012 (“**Stage 1**”), and further developed master plan concepts from 2012 to 2015 (“**Stage 2**”).

D. Amtrak, the City, Metra and RTA desire to undertake planning, historic review and preliminary engineering work, up to 30% design, for a predetermined number of projects that are derived from the CUS Master Plan. This predetermined number of projects is called “**Phase 1**”. The first phase of planning and design for Phase 1 projects is called “**Phase 1A**” and the work that is the subject of Phase 1A is more clearly identified on Exhibit A attached hereto and hereby made a part hereof.

E. Amtrak, the City, Metra and RTA desire to establish a funding and payment mechanism for the undertaking of Phase 1A. Amtrak assumes management responsibilities for Phase 1A, in collaboration with the City, Metra, RTA, and in coordination with other stakeholders.

F. The "Parties" (as defined in Section 1) acknowledge that each of Amtrak, the City, Metra and RTA has allocated funds for the undertaking of Phase 1A, and each desires for such funds to be combined and utilized for the benefit of the joint planning and design effort.

G. The purpose of this Memorandum is to outline the Parties' financial commitments and intent to cooperate with one another and work together in good faith to develop Phase 1A.

H. The City is authorized, under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects.

I. In accordance with the provisions of the Act, and pursuant to the ordinance adopted on November, 12, 1998 and published at pages 81982 of the Journal of Proceedings of the City Council (the "Journal") of such date, the City Council of the City: (i) approved a certain redevelopment plan and project (together with all amendments thereto, the "City Redevelopment Plan") for the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Area") within the City; (ii) designated the Area as a redevelopment project area; and (iii) adopted tax increment allocation financing (the "TIF Adoption Ordinance") for the Area.

J. Under the Act and the TIF Adoption Ordinance, certain taxes are allocated and, when collected, are paid to the Treasurer of the City for deposit by the Treasurer into the Canal/Congress TIF Fund established to pay redevelopment project costs incurred in the Area, which taxes may be used to pay all or a portion of the costs of construction of public improvements within the Area that are incurred or that are to be incurred in furtherance of the objectives of the City Redevelopment Plan, to the extent the municipality by written agreement accepts and approves such costs.

K. Pursuant to the Plan, certain TIF-funded City programs and redevelopment agreements have been established by the City Council of the City as of the Effective Date, which programs and agreements pledge portions of the Canal/Congress TIF Fund (collectively, the "Prior Obligations").

L. The City and Amtrak have agreed that the City will pay up to but no more than \$500,000 toward Phase 1A from Available Incremental Taxes (as defined below) or from any other source of funds available to and selected by the City ("City Funds").

M. Phase 1 is the type of public improvement that is contemplated by the City Redevelopment Plan, and therefore the costs incurred for Phase 1A ("Project Costs") qualify as "Redevelopment Project Costs" under the Plan, as defined in Section 5/11-74.4-3(q) of the Act.

N. On _____, 2015, the City Council adopted an ordinance authorizing the execution of this Memorandum

1. **Definitions.** The following defined terms are used in this Memorandum:

1.1 **"Partners Committee"** means the group comprised of Designated Representatives identified in Section 6 of this Memorandum.

1.2 **"Party"** means each of Amtrak, the City, Metra and RTA, and **"Parties"** shall mean Amtrak, the City, Metra and RTA collectively.

1.3 **"Phase 1A"** means the joint planning and design effort comprised of planning, historic review and preliminary engineering work, in collaboration with the City, Metra and RTA and other stakeholders, as further described in the scope of work attached hereto as Exhibit A.

1.4 **"Project"** means the totality of the effort required to develop Phase 1A.

1.5 **"Right of Entry"** means the required document(s) that grant(s) rights of entry from Amtrak to another Party to certain portions of such Party's property, to which the other Party or Parties and its

contractors, employees and agents must adhere, including, by way of example only, providing indemnity and insurance coverage of the types and in the amounts required by Amtrak.

1.6 **“Stakeholders”** will be selected by the Partners Committee and will have an interest in or operate facilities or services in and around CUS, and will advise and assist the Parties in development of the Project.

1.7 **“Term”** shall have the same meaning set forth in Section 2.

2. **Term.** This Memorandum shall be effective as of the Effective Date and, unless extended by mutual agreement of the Parties, shall terminate at the date that is twenty four (24) months after the Effective Date (or any later date as agreed by the Parties in writing).

3. **Purpose.** The Parties agree to cooperate and work diligently together to develop Phase 1A. The Parties agree to the following:

3.1 In developing Phase 1A, the Parties agree to unanimously agree on the following:

- (a) Process for making decisions and resolving disputes;
- (b) Process for determining and amending the Project scope and schedule;
- (c) Process for soliciting bids for Project vendors and agreement on vendor selection. The Parties will designate a procurement representative, and alternates as necessary, from each organization to participate in the solicitation and selection process, including attending meetings, interviewing vendors, reviewing proposals and documentation, providing feedback, and ultimately participating in the selection of a Project vendor.
- (d) Planning, design milestones and ongoing related activities;
- (e) Resources (budget(s), funding, manpower, etc.);
- (f) Meeting schedules and expectations;
- (g) Organization, composition and management of Partners, Technical and Coordination Committees; and
- (h) Ongoing design and historic preservation review.

3.2 In developing Phase 1A the Parties shall take into consideration the following:

- (a) Being flexible and creating a modular and adaptable plan and design;
- (b) Providing for various scenarios and assumptions;
- (c) Optimizing the Project’s value for the Parties’ core missions while driving maximum value, functionality and sustainability;
- (d) Focusing on CUS and Related Properties;
- (e) Accommodating Amtrak, Metra and other operational requirements and related activities surrounding CUS and Related Properties;
- (f) Considering local and regional corridor planning efforts conducted by Midwestern states and the FRA, such as the Chicago to St. Louis corridor planning effort and the Chicago to Detroit/Pontiac corridor planning effort, including the recently awarded Chicago Terminal Planning Study led by the Illinois Department of Transportation. Further considering Midwest Regional Rail Initiatives and Midwest High-Speed Rail Initiatives impacting CUS;
- (g) Defining the relationship of this joint planning and design effort to other adjoining planning, design, development, historic preservation and construction efforts;

- (h) The potential impact of Phase 1A on:
 - (i) Easements or property rights;
 - (ii) Abutters;
 - (iii) Community interests;
 - (iv) City, state and regional planning and design efforts;
 - (v) Safety and Security; and
 - (vi) Compliance with local, state and federal regulatory requirements; and
- (i) The historic preservation goals of the City.

3.3 The Parties agree that they shall exercise their rights under this Section 3 reasonably and in good faith in order to reach agreement on the matters identified in this Section. In the event that the Parties, after the use of diligent and good faith efforts, are unable to reach unanimous agreement on the matters identified in this Section 3, the Parties agree to submit the open questions to the chief executive of each Party, who shall jointly make a final determination on all open questions.

4. **Undertakings During the Term.** A. The Parties agree to meet regularly to advise one another regarding progress on any one or more of the undertakings required during the Term. The Parties will agree on the organization of the Partners, Technical and Coordination Committees to collaborate on the Project, as aligned with the Purpose section of this agreement. The Parties acknowledge the importance of working expeditiously and diligently on the Project.

B. The information needed during the development of Project requires the performance of various tasks by the Parties, including, but not limited to, (a) survey of CUS as it pertains to the Project; (b) site investigation and analysis of existing conditions; (c) site and infrastructure planning and design; (d) analysis of operating requirements; (e) space programming; (f) creation of public information and marketing materials; (g) potential locations and sizing for the construction of station elements; (h) Project staging and phasing; (i) historic review; (j) preliminary engineering; (k) due diligence requirements; (l) and analysis of property ownership rights and interests.

5. **Obligations of Parties.**

5.1 Funding and Costs

(a) The Parties agree to be responsible in the following proportions for the costs incurred by Amtrak in connection with Phase 1A, up to the applicable Maximum Funding Obligation set forth below for each Party.

Party	Max. Funding Obligation	Percentage of Total Project
Amtrak	\$3,000,000	50.00%
RTA	\$1,500,000	25.00%
Metra	\$1,000,000	16.67%
City	\$ 500,000	8.33%
Total	\$6,000,000	100.0%

An estimate of the costs anticipated for the duration of Phase 1A is attached hereto as Exhibit A (the "Cost Estimate"). Such estimate does not, however, limit each Party's obligation to reimburse Amtrak for all costs actually incurred by Amtrak in connection with Phase 1A, up to the amount of such Party's Maximum Funding Obligation set forth above. In the event that Amtrak determines that the total funding required for Phase 1A is projected to exceed Six Million Dollars (\$6,000,000), Amtrak shall give each of the Parties notice of the revised budget based on the then approved scope

of work for Phase 1A. Unless and until the Parties hereto can agree in writing on revising the scope of work or on how to fund the shortfall, Amtrak may not incur expenses in excess of the approved budget of Six Million Dollars (\$6,000,000).

(b) The Parties acknowledge that RTA and Metra would need to receive the prior approval of their respective Boards of Directors in order to agree to pay more than the Maximum Funding Obligation set forth above for RTA or Metra, as applicable.

(c) The Parties agree that during Phase 1A they will each waive the right to be reimbursed for overhead expenses incurred in connection with the management of the Project.

5.2 Invoicing and Payment

(a) For the monthly costs incurred pursuant to this Memorandum, Amtrak shall pay its Funding Obligation on a monthly basis.

(b) Amtrak shall invoice and the other Parties shall pay Amtrak in accordance with Invoices issued by Amtrak which shall include an identification of the total monthly costs incurred by Amtrak and reviewed by the parties pursuant to 5.2(d) below and the individual proportional share of those total costs for each Party shall be in accordance with this Memorandum, as follows:

<u>Party</u>	<u>Proportional Share of Costs</u>
RTA	25.00%
Metra	16.67%
City	8.33%

(c) Payments of any Amtrak invoices are due within thirty (30) calendar days of receipt of Amtrak's invoice by the Parties.

(d) Prior to submitting a monthly invoice for payment by the Parties, Amtrak will forward to each Party for their review and comment documentation supporting costs incurred by Amtrak including, but not limited to labor cost reports, copies of material invoices, third party contractor/consultant invoices, a report of materials issued from inventory, Amtrak owned equipment utilization pricing statement (other than incidental or minor usage, which shall not be reimbursable), management labor detail, and a statement of other reimbursable costs and charges for the Project. If any Party objects to any charges identified in such documentation, it shall notify Amtrak, in writing, of its objection to any charges within ten (10) business days of receipt of such documentation. Any such objection must specify the reason for the objection and provide the basis for such objection. Within ten (10) business days following receipt of any objections, Amtrak will provide the Parties with additional documentation and/or explanation as required, to address the objections that have been raised. A Party's objection to a charge shall be considered resolved unless the objecting Party provides an additional written objection to Amtrak within five (5) business days of receipt of such additional documentation and/or explanation from Amtrak, detailing the basis for its continued objection. If the objection is still not resolved, any Party may pursue any right or remedy as specified in this Memorandum, including non-payment of disputed charges (but must pay all non-disputed charges). Amtrak reserves the right to invoice the Parties for any costs not objected to during the invoice review process or which remains disputed at the end of the review process outlined above, and may at this time or anytime thereafter submit its monthly invoice for reimbursement from the Parties, as set forth in 5.2(b) above.

Any submitted cost not objected to within the ten (10) business day period following receipt of such documentation shall be deemed approved and subject to payment by the parties as described in 5.2(c).

In the event that Amtrak is not paid in full the proportional sums billed to the Parties within sixty (60) calendar days following the Parties' receipt of the Amtrak invoices, Amtrak at its option, and in addition to any other rights it may have under this Memorandum, may suspend all of the Phase 1A work until such time as Amtrak is assured of adequate funding by the Parties for such work.

5.3 Intentionally Deleted

5.4 TIF Eligible Improvements

(a) City Funds shall be used to pay Amtrak for its incurred costs of TIF-Eligible Improvements, in accordance with the terms of this Memorandum. "TIF-Eligible Improvements" means those improvements of the Project which (i) qualify as Redevelopment Project Costs as defined in the Act, (ii) are eligible costs under the Plan, and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Memorandum. The City represents that all of the work described in Exhibit A hereto represents TIF-Eligible Improvements. Amtrak may implement changes to the Project that cause variations in the improvements described in Exhibit A, provided that all the changes qualify as TIF-Eligible Improvements.

(b) The City intends to pay its share of Phase 1A Project Costs out of "Available Incremental Taxes", which means such taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Canal/Congress TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, and which are not encumbered or pledged for the payment of Prior Obligations.

(c) The City warrants that it has available and has segregated on the books of the City an amount of City funds sufficient to pay the Project Costs, and covenants that the City funds will not be used for any purpose other than the Project Costs during the Term of this Memorandum.

(d) Amtrak shall provide the City with reasonable access to its books and records relating to the Project as shall be required by the City and necessary to reflect and disclose fully the amount and disposition of the Project Costs. The rights of access and inspection provided in this paragraph shall continue for one year from the later of the expiration or the termination of this Memorandum.

(e) Should the City determine that City Funds were not disbursed for TIF-Eligible Improvements; the City shall provide such findings to Amtrak for review and comment. Should Amtrak agree with the City's findings, it shall make reimbursement to the City for of any City Funds paid for such disallowed Project Costs. Should Amtrak disagree with the City's findings, it shall provide the City with its rationale supporting its position. Amtrak and the City shall promptly confer to discuss and resolve such disagreement.

5.5 Funding Subject to Appropriation

The Parties hereto acknowledge and agree that each Party is reliant on public funding for its obligations under this Memorandum. Each Party's obligation for payment of funds under this Memorandum for future fiscal years is contingent upon the availability of appropriated funds from which payment can be made.

6. **Designated Representatives.** Each Party shall designate up to two representatives who shall represent such Party in any discussions or other matters relating to the performance of the Project. Until further notice, Amtrak's designated representatives are Anthony DeDominicis, Senior Manager of Infrastructure Planning, and Peter Gariepy, Manager of Infrastructure Planning. Until further notice, such designated representatives on behalf of the City shall be Jeffrey Sriver, CDOT Director of Transportation Planning and Programming and Luann Hamilton, CDOT Deputy Commissioner. Until further notice, such designated representatives on behalf of Metra shall be David Kralik, Department

Head, Long Range Planning and Peter Zwolfer, Deputy Executive Director, Operations . Until further notice, such designated representatives on behalf of RTA shall be Jessica Hector-Hsu. Each Party may substitute other delegates, from time to time, by providing written notice to each other Party of the identity of the then current Designated Representatives for such Party.

7. **Exclusive Rights.** While the Parties intend to jointly develop Phase 1A, nothing in this Memorandum shall be interpreted as providing exclusive rights to any Party related to the planning, design, improvement or development of any property which a Party does not own or control. Each Party reserves the right to enter into discussions with other Parties and persons and dispose of any property which such Party owns whether or not the property is part of the Project.

8. **Right of Entry.** The City, Metra and RTA may only enter onto Amtrak's property (including CUS) if Amtrak has granted a Right of Entry to those Parties. Amtrak may grant the City, Metra and RTA, their agents and contractors, a Right of Entry onto Amtrak property, and such entry shall be subject to terms and conditions as Amtrak, from time to time, deems appropriate, in its sole discretion, including without limitation, satisfaction of required insurance and indemnity provisions and security clearances.

9. **Confidentiality.** Subject to applicable state or federal Freedom of Information Act ("FOIA") requests and any other applicable State laws, the Parties agree to maintain all information which they disclose to each other regarding the physical condition of the CUS property, including any environmental or engineering reports or any other information that relates to portions of CUS that need to be renovated or replaced, as the confidential information of the Parties (such information being referred to collectively as the "Confidential Information". The Parties further agree:

- (i) Not to make any use whatsoever of another's Confidential Information, except in connection with formulating revised proposals and, accordingly, without limiting the generality of the foregoing, not to use such Confidential Information in connection with any work performed by the Parties for any third party;
- (ii) Not to reveal, disseminate or disclose to any third party any Confidential Information except with the written approval of the disclosing Party to a person or entity that signs a confidentiality agreement substantially in accordance with the terms of this Section 9; and
- (iii) That any Confidential Information submitted to the receiving Party in tangible form shall be returned to Amtrak upon the request of the disclosing Party and all copies of such tangible information shall be destroyed.

Confidential Information does not include disclosure of information or data which can be conclusively proven is in the public domain at the time of disclosure.

The Parties understand that failure to comply with the foregoing confidentiality provisions may result in the non-breaching Party suffering irreparable harm, which may not be adequately compensated for by monetary damages alone. The Parties, therefore, agree that in the event of a breach or threatened breach of such provisions, the non-breaching Party or Parties shall be entitled to injunctive and/or other preliminary or equitable relief, in addition to any other remedies available at law for actual damages, but not for consequential or punitive damages.

Notwithstanding the foregoing, when required by FOIA or any other applicable federal or state law, regulation or court order, disclosure of Confidential Information shall be permitted, provided that the disclosing Party shall, to the extent permitted by law, give the other Parties advance notice of the disclosure in order to permit such Parties to obtain a restraining order or other relief against the third party seeking to compel disclosure of the Confidential Information.

10. **Intellectual Property Rights.** The Parties acknowledge and agree that all intellectual property (patents, trademarks, service marks, trade names, domain names, rights in designs, database rights, copyrights including rights in computer software, standards), rights in know-how and other intellectual or industrial property rights (whether registered or unregistered and including applications for the registration of

any of the foregoing) and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world, required to be used in the framework of the relationships contemplated by this Memorandum but owned or provided by a Party or one of a member of its affiliates/subsidiaries shall, unless specifically otherwise agreed in writing, remain the property of that Party or its affiliate/subsidiary (as the case may be). Subject to the foregoing, any intellectual property which arises in the course of establishing and maintaining the relationships contemplated by this Memorandum and which is developed jointly by the Parties shall belong jointly to the Parties. The Parties will consider and discuss the terms and conditions on which any such intellectual property may be used by any Party in its operations unrelated to the Project, but in any event the Parties shall each have an irrevocable, nonexclusive, royalty free right and license to use the jointly developed intellectual property with respect to the improvement and development of CUS, at no consideration to any of the parties hereto, and shall solely own in its own name any derivative works derived therefrom, which right and license shall be perpetual and shall survive the termination or expiration of the Term.

11. **Publicity.** Each party executing this Memorandum agrees to use reasonable efforts to coordinate any and all public statements through Amtrak's, the City's, Metra's and RTA's public relations departments. Notwithstanding the foregoing, this Section shall not apply with respect to information shared during a public hearing meeting held by a Party in the normal course of business of such Party, or with respect to responses to reporter inquiries made in the immediate aftermath of such a public hearing.

12. **Notices.** All notices and other communications given pursuant to this Memorandum, with the exception of invoices and supporting documentation which may be delivered by electronic mail, must be in writing and are deemed to be properly served if delivered in person to the party to whom it is addressed or on the third day after deposit in the United States registered or certified mail, return receipt requested, postage prepaid, as follows:

Amtrak National Railroad Passenger Corporation
 2955 Market Street.
 Philadelphia, Pa. 19104
 Attn: Anthony DeDominicis

With a copy to: National Railroad Passenger Corporation
 60 Massachusetts Avenue, N.E.
 Washington, D.C. 20002
 Attn: General Counsel

City: The City of Chicago
 Department of Transportation
 30 N. LaSalle Street, Suite 1100
 Chicago, Illinois 60602
 Attn: Commissioner

With a copy to: The City of Chicago
 Department of Law
 121 N. LaSalle Street, Room 600
 Chicago, Illinois 60602
 Attn: Finance and Economic Development Division

Metra: Commuter Rail Division of the Regional Transportation Authority
Strategic Capital Planning Department
547 West Jackson Boulevard
Chicago, Illinois 60661
Attn: David Kralik

With a copy to: Commuter Rail Division of the Regional Transportation Authority
Law Department
547 West Jackson Boulevard
Chicago, Illinois 60661
Attn: General Counsel

RTA: Regional Transportation Authority
Attn: Capital Programming, Planning and Performance
Department of Planning
175 West Jackson, Suite 1550
Chicago, Illinois 60604
Attn: Jessica Hector-Hsu

Addressees may be changed by the parties by notice given in accordance with the provisions hereof.

13. **Income or Compensation to, or Ownership by City Elected Officials.** Amtrak acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it has read such provision and understands that pursuant to Section 2-156-030 (b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months, and (C) notwithstanding anything to the contrary contained in this Memorandum, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Memorandum shall be grounds for termination of this Memorandum and the transactions contemplated hereby. Amtrak hereby represents and warrants that, to the best of its knowledge, no violation of Section 2-156-030 (b) has occurred with respect to this Memorandum or the transactions contemplated hereby.

14. **Patriot Act Certification.**

(a) Amtrak represents and warrants that to its actual knowledge neither Amtrak nor any Affiliate thereof (as defined in Section 14(b) below) is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

(b) "Affiliate" means a person or entity related to Amtrak that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Amtrak, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

15. **Inspectors General.** The duty of every officer, employee, department, agency, contractor, subcontractor, developer and licensee of the City, and every applicant for certification of eligibility for a City contract or program, is to cooperate with the City's Legislative Inspector General and with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapters 2-55 and 2-56, respectively, of the Municipal Code of Chicago. Amtrak understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code of Chicago. Nothing in this Memorandum shall be construed to limit the rights, obligations, authority, or responsibilities of Amtrak's Office of the Inspector General pursuant to the Inspector General Act of 1978, as amended, including the right to seek information by subpoena.

16. **Status.**

(a) This Memorandum represents the intentions of the Parties to enter into discussions regarding the Project but creates no legal obligations on any Party to enter into any agreement or transaction or take any other action, except as expressly set forth in this Memorandum.

(b) Notwithstanding anything to the contrary in this Memorandum, negotiating this Memorandum or any agreement or other document contemplated by this Memorandum shall not obligate any Party to enter into any agreement or other document with another Party or with any third party.

(c) Nothing in this Memorandum shall be deemed to constitute, create, give effect to, or otherwise recognize a joint venture, partnership, principal and agent, trust, fiduciary or any other formal business entity or special relationship of any kind between the Parties, and the rights and obligations of the Parties with respect to the subject matter of this Memorandum shall be limited to those rights and obligations expressly set forth herein. None of the Parties shall be entitled to make any legally binding commitment on behalf of any other Party without the express prior written consent of such other Party. By this Memorandum, or the performance of the transactions contemplated hereby, neither Party shall acquire any ownership or interest in any property whatsoever of the other Party other than any intellectual property that may be created, as described in Section 10 of this Memorandum.

(d) The parties confirm their full and complete understanding that, this Memorandum is merely a reflection of the manner in which they will proceed with respect to developing Phase 1A and that notwithstanding anything to the contrary contained herein: (i) no Party will be bound by any prior written or oral representations or negotiations between them, either directly or through any intermediary, relating the matters addressed by this Memorandum, it being the intent of the parties that this Memorandum is intended to be the final and complete agreement of the parties with respect to the subject matter hereto; (ii) no Party will have any liability hereunder for refusing to compromise on any issue, or terminating negotiations at any time for any reason or no reason; (iii) this Memorandum will not give rise to any claim based on promissory estoppel, partial performance, detrimental reliance or any other equitable theory; (iv) the Parties acknowledge that approvals of Phase 1A are required by Amtrak's Board of Directors, the Federal Railroad Administration and the City of Chicago, Metra and RTA; and (v) no Party shall have any liability hereunder or bring suit against another in connection with the terms of this Memorandum except for the requirements under Sections 5, 9, 10 and 11, which will survive the termination of this Memorandum and be binding on the Parties.

17. **Disadvantaged Business Enterprises (DBEs).**

Amtrak agrees that in the awarding of contracts for the performance of the Project that Amtrak will abide by the requirements of Amtrak's DBE program, as approved by the Federal Railroad Administration.

18. Audit.

Each Party, to the extent applicable, shall maintain for a minimum of three years after completion of the Project adequate books, records and supporting documentation related to the performance of the Project and any associated expenditures, which shall be available for review and audit by each Party and/or their internal or external auditors, and each Party shall cooperate fully with any audit and provide full access to all relevant materials.

19. Default.

In the event that any Party hereto shall fail to perform its obligations in accordance with the terms of this Memorandum, and such failure shall continue uncured for ten (10) business days following written notice to the defaulting party, any Party hereto may elect to declare an event of default and may pursue any of the following as its sole and exclusive remedies:

(i) Effective upon thirty (30) days' notice to each of the other Parties, withdraw from participation in this Memorandum, in which event the withdrawing Party, in which event the withdrawing Party's obligations shall cease and desist as of the date of withdrawal; or

(ii) Seek an injunction, declaratory judgment or other court order requiring the defaulting Party to perform its obligations as required by this Memorandum.

20. Multiple Counterparts.

This Memorandum may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same Memorandum.

Continued on Next Page

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first above written.

Amtrak:

NATIONAL RAILROAD PASSENGER CORPORATION, a corporation of the District of Columbia

By: _____
Name: _____
Its: _____

City:

CITY OF CHICAGO, an Illinois municipal corporation

By: _____
Commissioner
Department of Transportation

Metra:

Commuter Rail Division of the Regional Transportation Authority, a division of an Illinois municipal corporation

By: _____
Name: _____
Its: _____

RTA:

REGIONAL TRANSPORTATION AUTHORITY, an Illinois municipal corporation

By: _____
Name: _____
Its: _____

Exhibit A

Project Description and Budget

See Attached.

CUS Phase 1 Projects and Estimated Costs

Phase 1A

Project Category / Project Name	Planning and Design (30%)	Project Descriptions
Station Concourse Capacity Expansion		
Renovate Canal Street Lobby, NS/EW Concourse Expansion, HVAC Overhaul	1,316,000	Renovate and expand the entrance lobby off of Canal Street to allow for greater pedestrian flow and increased natural light into the Concourse. Expand the Concourse to increase service, waiting and circulation spaces, removing existing congestion points. Overhaul HVAC systems throughout the Concourse and Mezzanine levels.
Renovate and Expand Adams Street (ADA) Entrance	252,000	Expand and better align the Adams Street entrance with the flow of traffic, and install an ADA-compliant elevator. The project will enhance the ingress and egress of passengers in and out of the station, particularly during peak travel periods.
Renovate and Expand Jackson Boulevard Entrance	84,000	Expand and better align the Jackson Boulevard entrance with the flow of traffic. The project will enhance the ingress and egress of passengers in and out of the station, particularly during peak travel periods.
Install Canal Street Headhouse (ADA) Entrance Elevator	28,000	Install an ADA-compliant elevator to the Canal Street entrance of the Headhouse, where one does not currently exist, improving accessibility to and from this reactivated space.
Add Vertical Access Along Canal Street	140,000	CDOT is leading planning and design for the reconstruction of the Canal Street viaduct bisecting CUS from Madison to Taylor Streets. Coordination is necessary to ensure that opportunities for additional vertical access along Canal Street may be created as part of the Canal Street viaduct reconstruction project.

Total: 1,820,000

Commuter Platform Capacity Expansion		
Widen Platforms 6/8 and 10/12 and Add Direct Access (ADA) to Street Level	1,344,000	Widen currently congested platforms to better accommodate Metra commuter trains that are often at capacity during peak travel periods. Widening these platforms would also provide an opportunity to introduce direct vertical access, such as stairs, escalators, and ADA-compliant elevators, between platform and street level.
Add Platform 2/4 Direct Access (ADA) to Jackson Street	140,000	Create direct platform access to Jackson Street to enhance safety and accessibility for Metra commuter passengers by allowing an alternative to entering and exiting the station through the heavily used and congested Concourse, including installation of an ADA-compliant elevator.
Add Platform 1/3 Direct Access (ADA) to Madison Street	140,000	Create direct platform access to Madison Street to enhance safety and accessibility for Metra commuter passengers by allowing an alternative to entering and exiting the station through the heavily used and congested Concourse, including installation of an ADA-compliant elevator.

Total: 1,624,000

Terminal Track Capacity Expansion		
Various Interlocking Improvements Within Terminal Area Limits	840,000	Various switch, signal, and interlocking improvements are needed on both the south and north approach tracks to the station to enhance operational flexibility and increase capacity for train movements.

Total: 840,000

Intermodal Connections		
Pedestrian Passageway Tunnel and Street Access to Olgilvie Transportation Center	1,036,000	Create a below-grade, weather protected pedestrian passageway connecting the CUS Concourse with the Olgilvie Transportation Center. This improvement will repurpose an existing unused corridor adjacent to Track 1, and require creating access points to street level at Madison Street, as well as an intermediate point such as Monroe Street.
Pedestrian Passageway Tunnel to CTA Clinton Blue Line Station	280,000	Create a below-grade, weather protected pedestrian passageway connecting the CUS Concourse with the CTA Clinton Blue Line Station at the intersection of Clinton Street and Congress Parkway. This passageway would likely be created by extending and enhancing an existing pedestrian passageway adjacent to Track 2, under Canal Street.

Total: 1,316,000

Additional Station Improvements		
Renovation and Expansion of Station Retail	100,000	Retail spaces on the Concourse and Mezzanine levels will be evaluated and modified as a part of the improvements listed above to further enhance the customer experience at CUS. This project is limited to conceptual design, and intended to work closely with the concurrently advancing CUS Master Development Plan, which will explore retail development opportunities as part of its scope.
Convert Mail Platform to Accessible Passenger Platform	100,000	Convert the existing Mail Platform adjacent to Track 30 to an accessible ADA-compliant passenger platform for equipment that is 48 inches a top-of-rail to increase track and platform capacity in the near-term. This project is separate from the long-term Mail Platform proposal for HSR service recommended in the CUS Master Plan.
Train Shed Ventilation Improvements	200,000	Amtrak is currently undertaking a study of the fire emergency and platform ventilation system in the north and south train sheds of CUS. Phase 1A work will examine the results of this study and advance the recommended concept through preliminary engineering. This work will also consider ventilation options as part of the ongoing Canal Street Viaduct Reconstruction Project.

Total: 400,000

Grand Total: 6,000,000



City of Chicago



O2015-8868

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Intergovernmental agreement with Sister Agencies regarding implementation of task force recommendations
Committee(s) Assignment:	Committee on Budget and Government Operations



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Chief Procurement Officer, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the city's Sister Agencies regarding the implementation of task force recommendations.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Board of Education of the City of Chicago ("CPS") is a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, the Chicago Housing Authority ("CHA") is an Illinois municipal corporation, the Chicago Transit Authority ("CTA") is an Illinois municipal corporation, the Chicago Park District ("CPD") is an Illinois municipal corporation, the Public Building Commission of Chicago ("PBC") is an Illinois municipal corporation, and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, ("CCC") is a body politic acting on behalf of City Colleges of Chicago; and

WHEREAS, the Procurement Reform Task Force (the "Task Force") has issued a report dated November 17, 2015 (the "Report") detailing findings and recommendations for reforming the procurement policies and practices of the City and six of its sister agencies (its "Sister Agencies"): CPS, CHA, CTA, CPD, PBC and CCC; and

WHEREAS, the Report includes recommendations to improve efficiency, increase accountability, and economize public funds in government procurement (as described more fully in the Report, the "Recommendations"); and

WHEREAS, one of the Recommendations calls for the creation of a committee of Chief Procurement Officers of the City and its Sister Agencies (the "CPO Committee") that is charged with addressing the Recommendations, tracking their implementation, and issuing progress reports, among other responsibilities; and

WHEREAS, the City and its Sister Agencies desire to enter into an intergovernmental agreement, in substantially the form attached as Exhibit A (the "Agreement"), to set forth the terms and conditions governing their respective obligations to implement the Recommendations; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated here by this reference.

SECTION 2. Subject to the approval of the Corporation Counsel as to form and legality, the Chief Procurement Officer of the City or his or her designee is authorized to execute the Agreement, and such other documents as are necessary, between the City and its Sister Agencies in substantially the form attached as Exhibit A. The Agreement shall contain such other terms as are deemed necessary or appropriate by the City.

SECTION 3. The City of Chicago Inspector General, within 90 days following the issuance of each Annual Report required of the CPO Committee pursuant to the Agreement, shall prepare and make publicly available an independent evaluation of the progress of the parties to the Agreement in implementing the Recommendations.

SECTION 4. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance,

the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

EXHIBIT A

PROCUREMENT REFORM TASK FORCE
INTERGOVERNMENTAL AGREEMENT

See attached pages.

PROCUREMENT REFORM TASK FORCE
INTERGOVERNMENTAL AGREEMENT

This Procurement Reform Task Force Intergovernmental Agreement (this "**Agreement**") is made and entered into as of the _____ day of _____, 20__ among:

- the City of Chicago, a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois (the "**City**"),
- the Board of Education of the City of Chicago, a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois ("**CPS**"),
- the Chicago Housing Authority, an Illinois municipal corporation ("**CHA**"),
- the Chicago Transit Authority, an Illinois municipal corporation ("**CTA**"),
- the Chicago Park District, an Illinois municipal corporation ("**CPD**"),
- the Public Building Commission of Chicago, an Illinois municipal corporation ("**PBC**"), and
- the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, a body politic, on behalf of City Colleges of Chicago ("**CCC**")

(the City, CPS, CHA, CTA, CPD, PBC and CCC shall each be known herein as a "**Party**").

RECITALS

WHEREAS, the Procurement Reform Task Force (the "**Task Force**") has issued a report dated November 17, 2015 and attached as Exhibit A (the "**Report**") detailing findings and recommendations for reforming the procurement policies and practices of the City and six of its sister agencies: CPS, CHA, CTA, CPD, PBC and CCC; and

WHEREAS, the Report includes recommendations to improve efficiency, increase accountability, and economize public funds in government procurement (as described more fully in the Report, the "**Recommendations**"); and

WHEREAS, the Parties desire to work cooperatively to implement the Recommendations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Article One: Incorporation of Recitals and Exhibits

The recitals set forth above and exhibits attached hereto are incorporated herein by reference and made a part hereof.

Article Two Implementation of Recommendations

The Parties agree to work cooperatively to implement and effectuate the Recommendations, including without limitation by taking the following actions:

(a) establishing a committee consisting of the Chief Procurement Officer ("**CPO**") of each Party (the "**CPO Committee**"), which shall meet at least quarterly or on such other more frequent schedule determined by the CPO of the City (the "**City CPO**") and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CPO of each Party;

(b) establishing a committee consisting of the Chief Information Officer ("**CIO**") of each Party (the "**CIO Committee**") which shall meet at least quarterly or on such other more frequent schedule determined by the City CIO and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CIO of each Party;

(c) establishing a committee consisting of at least one representative of each Party appointed by the CPO of each Party (the "**Working Group**") which shall meet at least quarterly or on such other more frequent schedule determined by the City CPO;

(d) effectuating and complying with the implementation measures agreed to by the CPO Committee, the CIO Committee and the Working Group, in each case subject to the approval of the CPO Committee;

(e) within 14 days after the end of each calendar quarter ending in March, June and September, beginning with the quarter ending March 31, 2016, preparing and delivering to the Mayor of the City a quarterly report (the "**Quarterly Report**") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations;

(f) within 60 days after the end of each calendar year, beginning with the year ending December 31, 2016, preparing and delivering to the City Council of the City of Chicago ("**City Council**") an annual report (the "**Annual Report**") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations; and

(g) participating annually in a public hearing of City Council to discuss the Annual Report.

The CPO Committee is authorized to establish rules, policies and procedures that the Parties shall implement and follow, consistent with the spirit of the Recommendations and in furtherance thereof, and to establish remedies for noncompliance.

Each Party's respective Inspector General or equivalent shall have the authority to investigate the Party's performance under and compliance with this Agreement. Each Party shall cooperate with the City's Office of Inspector General ("**City OIG**") to provide information pertaining to the Party's progress in implementing the Recommendations as necessary for the City OIG's completion of its annual independent evaluation of the implementation of the Recommendations.

Article Three: Term

This Agreement shall be in effect for a five-year period beginning on _____, 20____ through and including _____, 20____, and shall renew automatically for successive two-year periods unless all Parties agree in writing not to renew the Agreement.

Article Four: Consent

Whenever the consent or approval of one or more Parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Five: Notice

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified mail, return receipt requested. Telephone numbers and email addresses below are included for convenience only.

If to City	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: Department of Law City Hall, Room 600 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
If to CPS	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: _____ _____ Chicago, Illinois 606__
If to CHA	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: _____ _____ Chicago, Illinois 606__
If to CTA	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: _____ _____ Chicago, Illinois 606__
If to CPD	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: _____ _____ Chicago, Illinois 606__
If to PBC	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: _____ _____ Chicago, Illinois 606__
If to CCC	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____	With copies to: _____ _____

	Email	Chicago, Illinois 606
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The addresses above may be changed when notice is given to the other Parties in the same manner as provided above. Any notice, demand or request sent pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (c) shall be deemed received two (2) days following deposit in the mail.

Article Six: Assignment; Binding Effect

This Agreement, or any portion thereof, shall not be assigned by a Party without the prior written consent of the other Parties.

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the Parties hereto and such successors and permitted assigns.

Article Seven: Modification

This Agreement may not be altered, modified or amended except by written instrument signed by the Parties hereto as of the date of such instrument; provided, however, that any material alteration, modification or amendment shall require the approval of the governing board or governing body of each Party.

Article Eight: Compliance With Laws

The Parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

Article Nine: Governing Law and Severability

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Article Ten: Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Eleven: Entire Agreement

This Agreement constitutes the entire agreement of the Parties regarding the Report and the Recommendations.

Article Twelve: Authority

The Parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder; provided, however, that the obligations

of the Parties to implement and effectuate the Recommendations are subject to, as applicable: (a) the appropriation and availability of funds, and (b) the approval of the governing board or governing body of each Party and/or third parties.

Article Thirteen: Headings

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Fourteen: Disclaimer of Relationship

Nothing contained in this Agreement, nor any act of a Party hereto, shall be deemed or construed by any of the other Parties hereto or by third persons to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the Parties.

Article Fifteen: No Personal Liability

No officer, member, official, employee or agent of any Party shall be individually or personally liable in connection with this Agreement.

[signature pages follow]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Rahm Emanuel
Title: Mayor

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Name: _____
Title: _____

CHICAGO HOUSING AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO TRANSIT AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO PARK DISTRICT

By: _____
Name: _____
Title: _____

PUBLIC BUILDING COMMISSION OF CHICAGO

By: _____
Name: _____
Title: _____

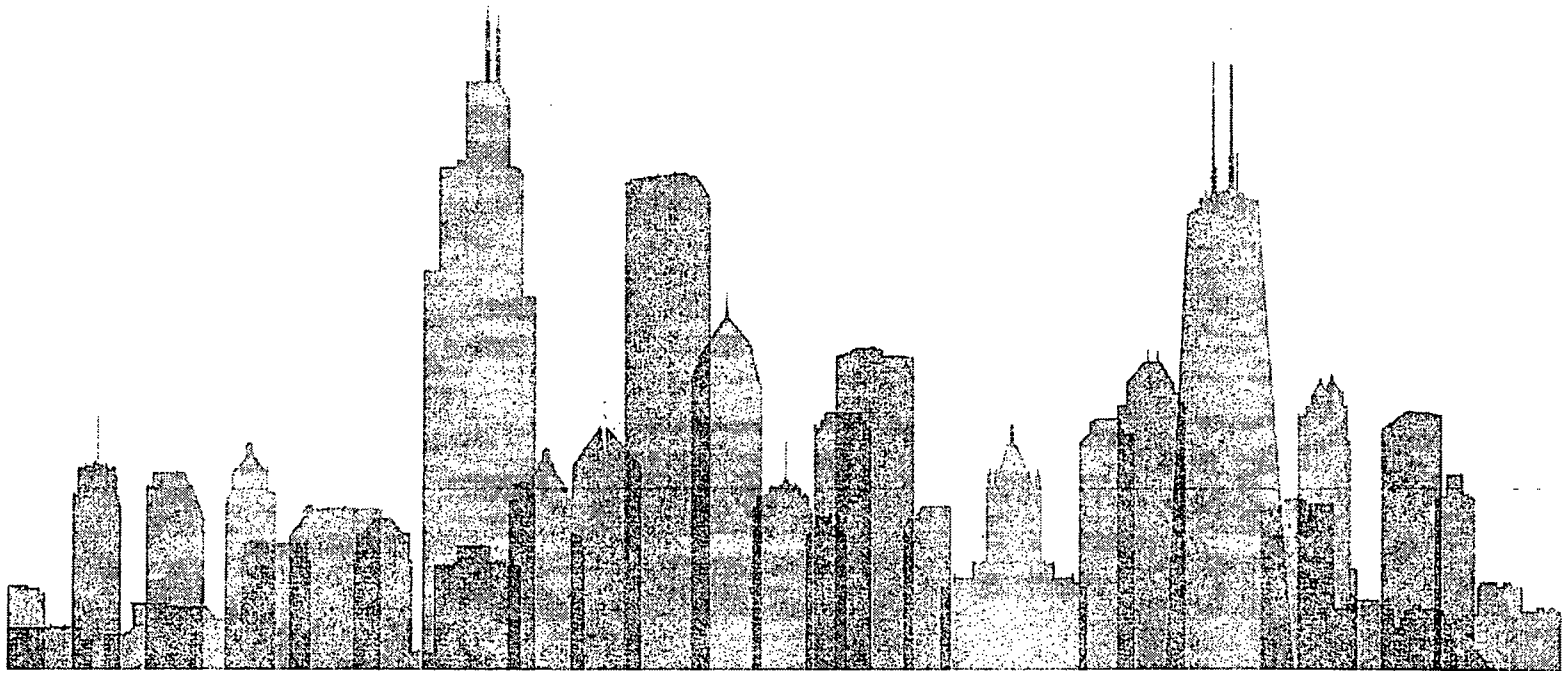
Board of Trustees of Community College District
No. 508, County of Cook and State of Illinois

By: _____
Name: _____
Title: _____

Exhibit A

Procurement Reform Task Force Report

Attached.



REPORT OF THE CHICAGO PROCUREMENT REFORM TASK FORCE

November 17, 2015

November 17, 2015

Dear Mayor Emanuel,

We, the members of the Procurement Reform Task Force, are pleased to submit this report detailing our findings and recommendations for reforming the procurement policies and practices of the City of Chicago and six of its sister agencies—Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission. This report represents months of research, discussion, analysis, and outreach in furtherance of our mandate to identify opportunities to improve efficiency, increase accountability, and economize public funds in government procurement.

To achieve our mandate, the Task Force issued a comprehensive survey to all member agencies, reviewed policies and procedures, held meetings with procurement staff, researched statutory obligations and comparative practices, and solicited feedback from agency Inspectors General. Through this work, the Task Force gained an understanding of the current status of procurement across the City and its sister agencies and identified opportunities for improvement through a series of findings. Based on the findings, the Task Force developed the enclosed set of recommendations to be accomplished in the immediate, intermediate, and long term.

The Task Force's recommendations continue reforms started by your administration and build on the ongoing work of the Government Procurement Compliance Forum. The recommendations are intended to further current efforts to ensure that the policies and practices of the City and sister agencies support competition, efficiency, transparency, integrity, and uniformity in procurement. They outline actions to streamline operations, reduce redundancies, and enhance resource management across the City and its sister agencies. The recommendations also identify steps to limit the risks for fraud and conflicts of interests through implementation of uniform best practices and improved information-sharing and oversight. These improvements will not only increase transparency for the public and reduce administrative burden, they will also lower barriers to entry for vendors and increase competition.

To ensure the public's trust and fulfill our obligations as stewards of public funds, the Task Force believes government procurement must be fair, open, and built to maximize value for taxpayers. We know you share these priorities and look forward to the City's and sister agencies' continued collaboration to implement these reforms, which will result in lasting benefits for the City and its residents.

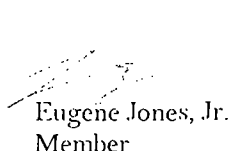
Sincerely,


Jamie L. Rhee
Co-Chair


Joseph Ferguson
Co-Chair


Forrest Claypool
Member


Dorval Carter
Member


Eugene Jones, Jr.
Member


Cheryl Hyman
Member


Michael Kelly
Member


Felicia Davis
Member

ACKNOWLEDGMENTS

The Task Force is thankful for the efforts and assistance of many individuals whose contributions were essential to this report. The success of this project depended on the full commitment of the City of Chicago and the participating sister agencies—Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission. We thank all the officials and staff, especially those from the procurement departments, who spent many hours responding to questionnaires, answering emails, and talking with the Task Force about their policies, practices, and systems. Their ideas and suggestions inspired many of the Task Force's recommendations.

The Task Force also acknowledges our *pro bono* partners, Civic Consulting Alliance and Mayer Brown LLP. In particular, we thank Antonio Benecchi and Alfonso de Hoyos y Acosta for their consultation on process, David Narefsky for his assistance with research, and Lori Lightfoot for moderating a successful discussion session to finalize the recommendations.

Finally, we would like to thank the Mayor's Office, the City of Chicago's Department of Procurement Services, and the Office of Inspector General for their contributions throughout this project. ---

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EXECUTIVE SUMMARY

The City of Chicago and its sister agencies—Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission—spent over \$6 billion on goods and services in Fiscal Year 2014. From constructing buildings to buying office supplies and from implementing technology systems to purchasing road salt, these organizations rely on their procurement processes, contract terms, and compliance efforts to ensure receipt of the highest quality goods and services at the lowest possible cost for the taxpayers in and around Chicago. To achieve those results, the City and sister agencies are constantly seeking to employ best practices, operational efficiencies, and transparent procurement processes that maintain the public's trust. In recent years, the City and its sister agencies have made individual efforts toward streamlined operations and process improvements and have begun cooperative efforts through the Government Procurement Compliance Forum (GPCF), which is organized and led by the City's Chief Procurement Officer, Jamie Rhee. The GPCF brings together procurement staff from the City and sister agencies, as well as representatives from other government entities and non-profit organizations that assist vendors, to collaborate on best practices and achieve the goals of making local municipal procurement more efficient and transparent.

While the GPCF's work continues, Mayor Rahm Emanuel identified an opportunity to achieve broader and more impactful results through collaboration among the City and its sister agencies, and on May 27, 2015, he convened the Procurement Reform Task Force. The Task Force is composed of the Chief Procurement Officer (CPO) for the City of Chicago and the Chief Executive Officer, Executive Director, or Chancellor of the six participating sister agencies: Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission.

The Mayor charged the Task Force with a mandate to identify opportunities for the City of Chicago and its sister agencies (referred to herein as "Participating Members") to implement uniform best practices governing the award, management, and oversight of contracts in an effort to improve efficiency, increase accountability, and economize public funds. He appointed the City's CPO, Jamie Rhee, and its Inspector General, Joe Ferguson, as co-chairs, to lead the Task Force's efforts. The Task Force Co-Chairs formed a Working Group, which was composed of staff from the City of Chicago's Department of Procurement Services and its Office of Inspector General and was supported by the Mayor's Office, the Department of Innovation and Technology, and two private sector entities providing *pro bono* services, the Civic Consulting Alliance and Mayer Brown LLP.

The Task Force divided its work into two phases—findings and recommendations. In its first phase, the Working Group sought information and analyzed data regarding the current status of procurement at the City and its sister agencies. Based on a comprehensive survey of procurement and related topics, reviews of agency documents and other materials, as well as in-person meetings with each Participating Member, the Task Force drafted and adopted a set of 43 findings. The findings are grouped into five categories that represent essential principles of government procurement:

Competition – Through maximizing competition, governments can ensure they are getting the best value with taxpayer dollars. When the procurement process is fair, standardized, and accessible, it invites greater vendor participation which can drive down cost while improving quality. While competitive procurements are resource-intensive endeavors, the front-end costs are far outweighed by the benefits to the City and its sister agencies in the form of savings, better value, and enhanced public trust in government.

Efficiency – Like many governments across the country, the City and its sister agencies face tremendous fiscal challenges as they continue to provide essential services to Chicagoans. Within the area of procurement, there are significant opportunities to identify overlapping processes that could be consolidated, conducted jointly, or made compatible. Because the Participating Members work with many of the same vendors, such changes would not only decrease internal administrative costs but would also encourage competition by reducing barriers to entry.

Transparency – Taxpayers have a right to know how their dollars are being spent. In procurement, transparency encompasses information about what goods and services are purchased, from whom they are purchased, and through what processes. Transparency means not only sharing these basic facts with the public, but also providing clear, effective notice and access to information in a manner that is consistent and user-friendly. A procurement system that is fully transparent strengthens the government's relationship with the public, and increases competition by making the system more accessible.

Integrity – Procurement departments are entrusted with purchasing goods and services that are vital to the health, safety, and wellbeing of the public in the most economical and effective manner possible. As such, procurement processes must be consistently and thoroughly regulated, which requires transparent processes that are routinely audited and reviewed. This also includes safeguards that ensure impartiality and clear mechanisms for reporting irregular and illegal activity.

Uniformity – The Participating Members provide many distinct services to Chicagoans and are governed by unique sets of laws and regulations. Despite these differences, they regularly procure similar goods and services from an overlapping pool of vendors. Creating greater uniformity and compatibility in policies, procedures, and documents would conserve limited government resources in this strained fiscal climate, and reduce needless obstacles that inhibit competition.

The findings in these areas revealed opportunities for reform that broadly include: strengthening processes and controls and adopting best practices; ensuring greater consistency and coordination between the Participating Members both to improve internal processes and the vendor experience; and reducing administrative burden and cost through greater collaboration and shared services. These findings made clear that collective action by the City and its sister agencies must be taken in order to address certain inefficiencies, disparities, and gaps in standards, processes, and compliance.

In its second phase of work, the Task Force developed a series of recommendations to build a better procurement system exemplified by increased efficiency, maximum competition, reduced burden on

vendors, leveraged buying power, and robust oversight. The recommendations are categorized in groups based on whether they can be implemented on an immediate, intermediate, or long-term basis – classifications representing the amount of work and resources required for implementation, not the recommendations' priority.

The Task Force recognizes that the procurement staff at the City and sister agencies take their responsibilities seriously, and they work diligently and honestly to improve the procurement processes at their respective agencies. The Task Force also understands the fiscal situation that its Participating Members face, with some experiencing unprecedented financial pressures that require City and agency leaders to identify and pursue spending reductions, significant program cuts, and new revenue streams. The Task Force views the current financial climate as both an opportunity to advance changes that might not otherwise be considered, and a potential obstacle to improvements that require an outlay of resources.

Despite financial constraints and the daily demands of their workloads, the Participating Members' enthusiastic participation in this process has led to the discovery of opportunities for positive change. Such cooperation and active participation will be integral to the implementation of the Task Force's recommendations. The Task Force is confident that the commitment demonstrated by each Participating Member will be the driving force behind the implementation of the following Task Force recommendations:

Immediate Recommendations (end of Q1 2016)

1. Create a Committee of the Participating Members' CPOs to rule on certain administrative decisions, address obstacles to coordination, and ensure best practices across the City and its sister agencies.
2. Charge the CPO Committee with addressing the Task Force recommendations, tracking their implementation, and issuing quarterly progress reports.
3. Establish minimum standards by which all Participating Members will publish their anticipated sole source awards, receive public and vendor feedback, and make decisions about whether a solicitation is necessary.
4. Hire or secure *pro bono* services from a law firm to:
 - a. Identify contract provisions that could be subject to standardization across Participating Members' templates, and draft uniform contract templates incorporating the required terms of the Participating Members, including contract duration and number of renewals.
 - b. Where appropriate, standardize solicitation documents issued by Participating Members and the documents required in response.
5. Charge the Chicago Government IT Coordination Committee, which consists of the CIOs of the Participating Members, with identifying the procurement-related systems that can be shared and developed jointly and developing a schedule for implementation.
6. Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format.

7. Create an easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other procurement-related information such as the buying plan, notices of award, and prequalified pools; a list of all debarred vendors; and all current contract and vendor databases.
8. Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online.
9. Establish minimum standards for conducting due diligence of vendors before entering into a contract.
10. Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value.
11. Evaluate the consistency of MBE/WBE/DBE certifications accepted by Participating Members.
12. Implement the uniform criteria and processes for evaluating Good Faith Efforts regarding requests for waivers for MBE/WBE/DBE goals that are currently being developed and will be recommended by the Government Procurement Compliance Forum.
13. Require a written, publicly posted protest process for each Participating Member.
14. Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations.
15. Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment.

Mid-Term Recommendations (end of Q4 2016)

16. Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source.
17. Develop a common electronic Economic Disclosure Statement system that: allows for the submission of uniform information for all Participating Members' vendors and subcontractors; integrates disclosures and certifications into Participating Members' procurement databases; automates conflict checks and due diligence; and can be updated in real time.
18. Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members.
19. Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.
20. Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public.
21. Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations.
22. Develop universal programming for vendor outreach and training.
23. Develop uniform, minimum contract close-out procedures for use by all Participating Members.

24. Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance.
25. Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor.
26. Seek to establish reciprocal debarment among Participating Members through the use of a debarment review board or another mechanism as permitted by law.
27. Establish uniform practices, where permitted by law, to expand preferences for local vendors and support a workforce development or similar contract award preference.

Long-Term Recommendations (2017 and beyond)

28. Implement a universal procurement system that serves as a single point of entry for posting and responding to all Participating Members' procurement opportunities, and as a central repository for all contract and vendor information.
29. Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team.
30. Secure a *pro bono* study regarding the financial impact of the City's risk shifting contractual provisions.
31. Evaluate the benefits of center-led or consolidated procurement among the Participating Members.

BACKGROUND

On May 27, 2015, Mayor Emanuel convened the Procurement Reform Task Force to review the procurement policies and procedures of the City of Chicago and its sister agencies—Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission—and develop recommendations to enhance oversight, streamline processes, and implement best practices. As stewards of public funds entrusted with delivering the goods and services that Chicago residents depend on, the Task Force member agencies are continually engaged in self-examination and system improvements. The creation of this Task Force is recognition that, although each of these entities provides distinct functions and is governed by separate laws and regulations, there are fundamental similarities among them that require significant coordination and collaboration in order to achieve meaningful reform.

This report presents the Task Force’s findings and recommendations for procurement at the City of Chicago and its sister agencies. The report includes background on the Task Force’s membership, process, and context. It then discusses the Task Force’s findings regarding the current state of procurement at the City and its sister agencies and provides actionable recommendations to create a system grounded in the principles of competition, efficiency, transparency, integrity, and uniformity.

MEMBERS

The participating members of the Task Force are seven separate governmental units (referred to herein as “Participating Members”). These public bodies have unique missions and operate under a diverse array of state, federal, and local laws and regulations. A brief summary of each organization and the name of its Task Force representative follow:



City of Chicago
Jamie L. Rhee, Chief Procurement Officer
Joseph Ferguson, Inspector General

The City of Chicago, a home rule unit of local government under Section 6 of Article VII of the Illinois Constitution, is composed of 27 departments under the executive authority of the Mayor. City government includes two other City-wide elected officials—Treasurer and Clerk—and 50 Aldermen, who compose the City Council. City departments serve approximately 2.7 million City residents and 9.5 million Chicagoland residents, and maintain the facilities, services, roads, and alleys throughout the City’s 237 square miles. Some of the notable departments include the Departments of Aviation, Buildings, Family and Support Services, Fire, Fleet and Facility Management, Planning and Development, Police, Public Health, Public Library, Streets and Sanitation, Transportation, and Water Management. As it plans for the next fiscal year, the City has identified a \$754 million shortfall that it must address. While the Mayor does not direct the operations of the sister agencies, he does play a role in their management and oversight by appointing board members and the heads of the organizations.



Chicago Public Schools (CPS)
Forrest Claypool, Chief Executive Officer

CPS is subject to the Illinois School Code, 105 ILCS 5/1 et seq., and governed by the Chicago Board of Education, whose seven members are appointed by the Mayor. The Mayor also appoints CPS' Chief Executive Officer, who is responsible for the management of the school system. CPS educates about 400,000 children in over 600 schools, making it the third largest school district in the country. It is currently in the middle of a five-year action plan that prioritizes raising classroom standards, building systems of support, engaging families, and implementing sound fiscal and operational systems. See cps.edu/pages/actionplan.aspx.



Chicago Transit Authority (CTA)
Dorval Carter, President

Created by the Metropolitan Transit Authority Act, 70 ILCS 3605/1 et seq., CTA is the second largest public transportation system in the country, operating bus and rail service throughout the City and to 35 surrounding suburbs. It provides approximately 1.64 million rides per weekday. CTA's system consists of 140 bus routes and eight train routes that run over 224 miles of track. CTA is governed by the Chicago Transit Board. Four of its seven members are appointed by the Mayor of Chicago with the advice and consent of the City Council and the remaining three by the Governor of Illinois with the advice and consent of the State Senate. The transit system is led and managed by a President, who is appointed by the Mayor subject to the approval of the Board.



Chicago Housing Authority (CHA)
Eugene Jones, Jr., Acting Chief Executive Officer

Authorized by the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., and subject to the regulations of the U.S. Department of Housing and Urban Development, CHA develops and manages housing for low-income Chicago residents. It currently provides homes to more than 50,000 families and individuals. Since 2000, CHA has been implementing its Plan for Transformation, redeveloping and rehabilitating its public housing inventory and shifting the focus from high rises to mixed-income developments. See www.thecha.org/about/plans-reports-and-policies. CHA is overseen by a ten-member board appointed by the Mayor and confirmed by the City Council. Its day-to-day operations are performed under the direction of a Chief Executive Officer appointed by the Mayor subject to the approval of the Board.



City Colleges of Chicago (CCC)
Cheryl Hyman, Chancellor

Established by the Illinois Public Community College Act, 110 ILCS 805/1 et seq., CCC is a community college system composed of seven schools across the City—Richard J. Daley College, Kennedy-King College, Malcolm X College, Olive-Harvey College, Harry S. Truman College, Harold Washington College and Wilbur Wright College—as well as culinary and communications facilities, and five child development centers. CCC enrolls 115,000 students annually at its colleges and satellite sites and employs 5,700 faculty and staff. The CCC Board of Trustees is composed of seven voting members, appointed by the Mayor with approval by the City Council, and one student trustee elected by the student body. The Chancellor, who oversees the CCC, is appointed by the Mayor subject to the approval of the Board.



Chicago Park District (CPD)
Michael Kelly, General Superintendent and
Chief Executive Officer

Created by the Chicago Park District Act, 70 ILCS 1505/.01 et seq., CPD owns and manages one of the largest municipal park systems in the country, with 580 parks, 77 pools, 23 beaches, and 2 conservatories on 8,100 acres of land, including 26 miles of lakefront. CPD offers sports, environmental, and cultural programming for all ages at its facilities. CPD land also houses ten museums and hundreds of concessionaire vendors who provide dining and recreational opportunities. CPD is governed by its Board of Commissioners, composed of seven members appointed by the Mayor and approved by the City Council. The General Superintendent for CPD, who leads the operations for the District, is appointed by the Mayor subject to the approval of the Board of Commissioners.



Public Building Commission of Chicago (PBC)
Felicia Davis, Executive Director

Authorized by the Public Building Commission Act, 50 ILCS 20/1 et seq., and § 2-140-010 of the Municipal Code of Chicago, PBC formed in 1956 to develop the Chicago Civic Center, now the Richard J. Daley Center. PBC centralizes functions of various branches of government to ease the acquisition, improvement, and construction of buildings and facilities. With clients that include the City of Chicago and each sister agency on this Task Force, as well as Cook County, PBC has built and renovated schools, colleges, libraries, parks, fire houses, and police stations. PBC also continues to serve as property manager for the Daley Center. PBC is governed by an eleven-member Board of Commissioners that includes six Mayoral appointees and is comprised of representatives of its government clients and other civic and business leaders. Currently, the Mayor is the Chairman of the Board of Commissioners. Subject to the Board's approval, the Chairman appoints the Executive Director of the PBC, who runs the agency's operations.

The Participating Members vary not only in their mission and regulation, but also in their size and resources. These differences provide context for the findings across the organizations. The chart below compares agency headcount and budgets for Fiscal Year 2014.

	City	CPS	CTA	CHA	CCC	CPD	PBC
Operating Budget (including Federal dollars)	\$8.7 billion	\$5.59 billion	\$1.38 billion	\$712 million	\$509.2 million	\$425.5 million	\$33.9 million
Operating Federal dollars	\$1.48 billion	\$908.4 million	Federal funding is discussed in connection with specific projects	Budget is almost all federal dollars	\$402,595	\$2.18 million	Not applicable
Capital Budget	\$2.44 billion	\$307.7 million	\$717.9 million	\$314 million	\$147.7 million	\$32.5 million	\$150.5 million
Agency Headcount	31,378	41,579	9,661 ¹	442 ²	5,700	3,102	66 ³
Procurement Headcount	40	23	42 ⁴	27 ⁵	11	12	12
Procurement Budget	\$3.27 million	\$2.45 million	\$7.9 million	\$2.46 million	\$996,881	\$874,606	\$985,242

Relevant to the Task Force's review, the Participating Members issue differing numbers of competitive and noncompetitive procurements, have varying numbers of contracted vendors, and expend significantly different amounts of money through their procurements. The following chart compares those numbers for 2014.

¹ This only includes the capital budget for improvements at the Richard J. Daley Center, which is part of PBC's annual budget. Costs for capital projects developed by the PBC on behalf of its clients (City of Chicago, Cook County, and sister agencies) are included in the respective clients' capital budgets. In 2014, the PBC had a total of \$151 million in work-in-place for projects in development on behalf of its clients.

² 23% (9) of the City's procurement headcount is attributable to compliance and oversight staff.

³ CTA has separate Purchasing and Diversity departments with separate budgets. The CTA's Purchasing department was \$5.71 million for 36 individuals. The CTA's Diversity department budget was \$2.19 million for 14 individuals, 6 of whom had job duties solely dedicated to procurement compliance.

⁴ 37% (10) of the CHA's procurement headcount is attributable to compliance staff.

⁵ 20% (\$640,000) of the City's procurement budget is attributable to compliance and oversight.

	City	CPS	CTA	CHA	CCC	CPD	PBC
# of Competitive Procurements	318	614	1472	199	179	169	107
# of Non-competitive Procurements	13	18	43	26	31	4	16
# of Vendors	2,666	4,774 ⁶	425	340	308	293	296
Total Spend	\$2,500,969,517	\$2,055,088,025	\$914,341,020	\$222,147,560 ⁷	\$175,783,701 ⁸	\$68,992,507	\$134,266,509

Despite the legal independence, distinct statutory obligations, separate funding authority and revenue streams, and varying resources of the Participating Members, the public commonly views these entities as one City government providing City services. The public's perception stems from the fact that the Participating Members serve the same constituents, operate in the same region, often use the same resources and vendors to accomplish their mission, and are led by individuals appointed by the Mayor. These circumstances highlight the importance and urgency of the Task Force's efforts as it seeks to break down barriers to coordination and make each Participating Member more accountable for the expenditure of its public funds.

PROCESS

After the May 27, 2015 launch meeting, the Task Force Co-Chairs formed a Working Group composed of staff from the City of Chicago's Department of Procurement Services and its Office of Inspector General. The Working Group was supported by staff from the Mayor's Office and the Department of Innovation and Technology, and two private sector entities providing *pro bono* services, the Civic Consulting Alliance and Mayer Brown LLP.

The Working Group led the first phase of the Task Force's efforts, summarizing the current status of procurement through key findings. The Working Group developed a comprehensive survey that was circulated to each Participating Member. The survey sought information on six topics: Procurements, Contracts, Grants, MBE/WBE/DBE Programs, Systems and Technology, and Oversight.

⁶ This represents the number of CPS vendors with purchase orders in Fiscal Year 2014. CPS had 8,955 vendors in its system that year.

⁷ Total spend represents CHA's spend for 2014 contracts only. CHA's 2014 spend through purchase orders was \$355,100,868.

⁸ Total spend represents CCC's Fiscal Year 2014 from 7/1/13 to 6/30/14.

- The **Procurement** section addressed the competitive and noncompetitive processes used to award contracts, including Invitations to Bid, Requests for Proposals, Requests for Qualifications, and emergency and sole source awards. It also inquired about vendor communications and conflict of interest controls.
- The **Contract** section included questions regarding agreement templates, terms and conditions, contracting authority and process, vendor verification and training, and contract close-out procedures.
- The **Grants** section requested similar information related to any grants that the Participating Members award.⁹
- The **Minority-Owned Business Enterprise/Women-Owned Business Enterprise/Disadvantaged Business Enterprise (MBE/WBE/DBE) Programs** section requested information on Participating Members' Supplier Diversity programs. The MBE and WBE programs are municipal programs that support equal access to contracting opportunities for minority- and women-owned businesses by establishing participation goals for contracts funded with public dollars. The DBE program is a federal program, which applies to contracts procured with federally sourced funds, and enables small businesses owned by socially and economically disadvantaged individuals to compete for federally-funded contracts procured by State and local agencies. In order to participate in these programs, the businesses must be certified by an appropriate agency or organization as an MBE, WBE, or DBE. Generally, in order for the MBE, WBE, or DBE's involvement with the contract to satisfy the requisite goal, it must be performing a commercially useful function related to the contract in an area of specialty in which it is certified. With regard to these programs, the survey inquired about program certifications accepted, due diligence performed, agency participation goals, and the process for determining good faith efforts for the utilization of certified firms on government contracts.
- The **Systems and Technology** section addressed internal and outward facing systems related to procurement and contracting, including costs and any recent or planned improvements or implementations.
- The **Oversight** section requested information on all entities involved in monitoring procurements and contracts, any recent or routine audits performed, processes for handling contract breaches and violations of law, and the debarment process.

Participating Members were also invited to share their highest priorities, most significant risks, and areas of interest related to the Task Force's mandate. The Participating Members provided a wealth of responsive information through their narrative answers and supporting documents.

The Working Group solicited additional input regarding procurement oversight and integrity from the Offices of Inspectors General for the Participating Members through a brief questionnaire. Mayer Brown conducted research on the Participating Members' statutory requirements related to procurement and on comparative practices in similarly situated municipalities. Mayoral Fellows compared the Participating Members' procurement websites and the Civic Consulting Alliance

⁹ Based on the information received from the survey responses and in-person meetings, the Task Force determined that the majority of Participating Members do not award grants. The Task Force's findings and recommendations therefore do not address grant awards or administration. Those City Departments and sister agencies that do award grants would still benefit from a review for potential efficiencies in grant administration which in critical respects should be conducted in accordance with the same principles that apply to procurement

provided best practices for a Procure-to-Pay process as well as ongoing strategic guidance regarding data collection and analysis.

After studying the submitted materials and legal research, the Working Group held meetings with representatives from each of the Participating Members. During the meetings, each agency contributed insights regarding its procurement and contracting practices, potential process improvements, and opportunities for collaboration.

Once the Task Force reached consensus on its findings, it then began work on the recommendations. Representatives from each Participating Member took part in a facilitated discussion session to identify actionable solutions to the issues and deficiencies highlighted by the findings. Some recommendations are achievable in the very near term and have been identified for immediate implementation. Other recommendations require additional study and decision-making, or planning and an outlay of resources. In those cases, they contain some explanation of the needed steps and have been identified for mid-term or long-term implementation. Regardless of when the recommendation can be deemed fully implemented, all of the recommendations require immediate action in order to ensure that the deficiencies and inefficiencies identified by the Task Force are addressed and that the urgency behind the Task Force's creation is not lost.

ENVIRONMENT

The Task Force's review has not been undertaken in a vacuum. Its analysis has been informed by positive, ongoing efforts to improve procurement and address public criticism of and controversy surrounding certain procurement processes. The Task Force is also aware of the tremendous constraint on public funds in the current budget cycle and for the foreseeable future.

In a number of respects, the Task Force's efforts are an extension of the work of the Government Procurement Compliance Forum (GPCF). First convened in January 2014, under the leadership of the City, this forum of city, county, state, and federal government procurement and compliance officials, as well as non-profit organizations representing the vendor community, was created to discuss best practices in procurement and MBE/WBE/DBE compliance. Through this forum, representatives of various public bodies have shared lessons learned and engaged in joint outreach efforts, culminating in a unified Buying Plan and an annual Vendor Fair. The Task Force is similarly focused on best practices, but limited to the City and its sister agencies, which have a greater ability to coordinate and establish uniformity where appropriate.

The positive trends in efforts like the GPCF are at times overshadowed by negative media coverage of high-profile procurements. Such coverage involving public bodies serves as a reminder of the risk all government entities face in public purchasing if they do not remain vigilant. Similarly, public misperception of the procurement process creates distrust by the public of government agencies.

FINDINGS

The Task Force focused on five key traits essential to successful public sector procurement and contracting: competition, efficiency, transparency, integrity, and uniformity. Findings regarding the Participating Members' current policies and practices are listed under the trait most relevant to the issue identified. Where findings relate to multiple traits, such as both efficiency and transparency, it is noted in the finding discussion.

The findings across all five traits serve as a call to action for the City and its sister agencies. They highlight recurring opportunities for Participating Members to enact meaningful reforms. While some improvements may be achieved on a limited basis by an individual agency implementing a best practice or a modified process, the most impactful reforms require collective action by the Participating Members in order to effect meaningful structural change across Chicago's procurement systems. These opportunities for reform include: 1) building stronger processes and controls, 2) ensuring greater consistency and coordination, and 3) reducing administrative burden and cost.

First, there are a number of findings where one or more Participating Members may be employing a practice or standard that provides greater competition, transparency, or oversight than those of other Participating Members. This review allows all Participating Members to take note of better practices that others may be using and lays the foundation for recommendations on how all Members can employ more uniform best practices.

Second, the findings reveal opportunities for Participating Members to achieve greater standardization in their documentation and policies, eliminating needless disparity when dealing with many of the same vendors performing similar work or services for multiple Participating Members. Lack of coordination among the Participating Members has a direct impact on the vendor community. The complication and confusion created by varying processes and forms can create barriers to entry and frustration among businesses resulting in a less competitive vendor pool and fueling the perception that Chicago is a challenging city with which to do business.

Finally, findings across all five categories demonstrate opportunities for Participating Members to reduce burden and cost through collaboration, joint purchasing, and shared services. None of the Participating Members can afford to remain within the silo of its own operations. Opportunities to save money and resources are lost when agencies award parallel procurements that could have been issued jointly, duplicate the establishment of vendor pools, and implement inconsistent compliance efforts.

Realizing savings by addressing these findings is not a mere hope. Governments that have already tackled these issues have demonstrated success in saving significant sums.¹⁰ While the City and its sister agencies cannot resolve the issues identified below on their own, together through collective action, the Participating Members can address these issues and can achieve similar results for Chicagoans.

¹⁰ For example, the State of Virginia, which spends approximately the same amount annually through procurements as the Participating Members, implemented a comprehensive electronic procurement system that established a single-contact, government-to-business network that reduced paperwork, increased transparency, and streamlined operations. As a result, Virginia estimates that it saves \$30 million per year through leveraged buying power and \$11 million per year in administrative efficiency, while also significantly increasing competition, access to opportunities by disadvantaged businesses, and the speed of processing procurements and the delivery of goods and services. See <https://eva.virginia.gov/cd/files/evafact1benefits-savings.pdf>.

COMPETITION

Robust competition is the best way Participating Members can assure that they secure the greatest value when purchasing goods and services with taxpayer money. Public agencies should strive for free and open competition through well-publicized procurement opportunities that follow standardized solicitation processes.

While developing and executing competitive procurements requires significant time and effort, it is justified by the resulting optimized value and public trust. Moreover, efficiency and competitive procurement are not an either/or proposition. Increased use of joint procurements, piggybacking, and consortium purchasing can further competition with less administrative burden. Even in small value procurements, abbreviated public processes that encourage open competition can and should be developed. Entities that do not employ these practices often cite the burden and inconvenience, but in doing so they overweigh the front-end costs, underestimate associated risks and the compliance and enforcement costs that ensue from those risks, and relatedly underestimate the benefits. Of course, the frequency of using these methods of procurement must be balanced with providing opportunities to MBE/WBE/DBEs and new businesses by issuing more solicitations.

Inevitably, there will arise unexpected circumstances in which it is not possible or economical to run even an abbreviated solicitation process, such as in emergency situations where life or public safety are at risk. However, instances in which noncompetitive awards are made for goods and services should be rare, and controls should be in place to confirm that the use of a noncompetitive process is justified.

Without processes that maximize competition, public bodies open themselves up to criticism from the public and vendors that they are running an unfair procurement system that benefits some at the expense of others, while wasting public funds on higher cost goods and services. Only by ensuring a holistically competitive procurement system can Participating Members transform the public's perceptions, rooted in Chicago's past, that give rise to suspicions of insider dealings, graft, and waste.

The findings on competition in procurement are:

1. Participating Members use a variety of common competitive processes, including Invitations for Bids, Requests for Proposals, and Requests for Qualifications; however, their solicitation documents and award procedures vary.

Participating Members generally use the same competitive procurement mechanisms. All use:

- Invitations for Bids (IFB). IFB is a competitive process in which the award is based solely on the lowest price. In an IFB, bidders are first determined to be responsible bidders based on relevant criteria and whoever submits the lowest bid among the responsive, responsible bidders is awarded the contract.
- Requests for Proposals (RFP). RFP is a competitive process in which price is not the sole criteria. Often used for professional services, responses to the RFP are scored on a variety of criteria, a winning respondent is selected, and a contract is then negotiated. If agreement cannot be reached with the contractor, another high scoring respondent may be chosen.

- Requests for Qualifications (RFQ). RFQ is a competitive process often used for procurements involving technical skills and knowledge. The solicitation focuses on the applicants' demonstration of their professional qualifications and ability to provide the services in the specified area of expertise. This process is substantially similar to Letters of Interest and Qualifications (LIQ), which are used by some Participating Members.

Some Participating Members use additional procurement options such as:

- Reverse auctions. A reverse auction is a competitive process which first requires the determination that bidders are responsible based on their experience and capabilities, and then is followed by a live, public auction in which the responsible bidders attempt to win the award by offering the lowest bid before the end of the auction.
- Requests for Information (RFI). An RFI is a solicitation used to gather information about vendors' capabilities in a certain field. The process can be used to learn about how vendors would handle a specific project and to qualify vendors for a subsequent solicitation.

These common (and in some cases overlapping) building blocks provide a foundation on which the Participating Members can build more collaboration in purchasing.

While the processes are generally standard, there is variation in the Participating Members' solicitation documentation, requirements, and terminology. Certain solicitation provisions may be required by statute for a Participating Member; however, much of the variation among the agencies is within their discretion and could be made uniform to ease consolidation and reduce burden on the vendor community. Variation that exists in the Participating Members' solicitation documents then runs throughout the procurement process into their contracts and dispute resolution procedures, serving as an obstacle to consolidation across agencies. This variation also increases the administrative burden on vendors requiring them to deal with different processes and documents when they respond to solicitations from multiple Participating Members.

2. While all of the Participating Members use the same forms of noncompetitive procurements—emergency, sole source, and, in some cases, small purchase—the standards and controls governing those procurements vary in content and efficacy, and expose the agency and taxpayer to risk of abuse and fraud.

As with competitive procurements, Participating Members utilize most of the same noncompetitive procurements. However, the circumstances under which those processes may be used and the controls over those processes vary. For example, in the case of emergency procurements, the determination that the noncompetitive purchase is justified due to risk to health, safety, or public exigency must be verbally approved by the CCC Board Chairman when over \$25,000, approved by the CPD Board when over \$100,000, and approved by CHA's Board when over \$1,000,000. While different organizations may rightfully tolerate different degrees of risk, a threshold range of \$975,000 for board approval among the various Participating Members does not make much sense given the similar environment in which they operate.

This variation in standards and controls for noncompetitive processes highlights areas where some Participating Members are further from a best practice than others. It also suggests that if certain

agencies can successfully employ more competitive practices in their procurements, then the other Participating Members can do the same. Several of the ensuing findings address some of the more significant variations among the Participating Members' noncompetitive procurement processes.

3. Through a small purchase process, contracts up to differing thresholds are awarded with varying degrees of rigor in competition, transparency, and oversight.

The threshold for what defines a small purchase varies greatly among the Participating Members—from under \$2,500 at CCC to under \$100,000 at CHA and the City. While most Participating Members require some level of competition for small purchases, the rigor of these processes varies from a formal bid solicitation process to awards with no competition.

The City advertises all small orders, and bids are submitted to its bid and bond room and posted online. Other Participating Members most commonly procure small purchases by the user department directly soliciting multiple quotes. One Participating Member noted that its procurement department does not know how the user department goes about soliciting its quotes, and as a result the procurement department instituted a practice of also posting small purchase opportunities on its website. At CPS, where they do not use the term “small purchase,” directly solicited quotes are used to procure services valued up to \$250,000 for categories identified as “non-biddable.” Non-biddable purchases are defined by Board Rule 7-2 (b) as all items exempted from competitive bidding requirements under 105 ILCS 5/10-20.21, such as contracts requiring professional skills, contracts for perishable foods and beverages, contracts for data processing equipment, and contracts for duplicating machines and supplies.

The varying thresholds for small purchases and the varying degrees of competition in the processes means that significantly different sums of public funds are awarded with little competition at the City and its sister agencies. Moreover, the process of directly soliciting three or more bids from vendors often involves little oversight by the agency's procurement office, and may not provide much competition in the process, as acknowledged by the Participating Member who now posts small purchase awards as well. This disparity among the Participating Members is difficult to justify.

4. While some of the Participating Members have a competitive process for emergency contracts, only one imposes a limit on the contract's duration and only one has an open solicitation process.

Even in the exigent circumstances of an emergency, some Participating Members have taken steps to support a competitive procurement. The City announces all emergency contracting opportunities through its alert system and posts all outstanding emergency contracting opportunities on its website for bidding. CPS solicits a contracted pool of qualified vendors to provide emergency facility restoration and assigns the emergency work as it arises based on the services needed and capacity. PBC requires that the user department make diligent efforts to solicit proposals from multiple vendors and document those efforts.

One method to ensure that this noncompetitive process is not abused is to limit the duration of emergency contracts. An operating principle for such a limitation period would be that the term of an emergency contract should be no longer than minimally necessary to competitively procure the goods or services. Only one agency operates with such a limit currently—the CTA. CTA limits the duration

of emergency contracts to the approximate amount of time it will take to complete a new competitive procurement.

In practice, emergency procurements are at times used for needs that should have been anticipated and would normally require a competitive procurement but, due to delay or poor planning, have developed into an emergency. The incidence of such inappropriate use of emergency contracts undermines perception of the fairness and integrity of the competitive procurement system from which it deviates. The impact of this inappropriate use of emergency contracts would be lessened by limits on their duration.

5. Participating Members use varying criteria to justify sole source awards, and most do not distinguish between sole source and disadvantageous or single source justifications.¹¹

Participating Members all allow sole source awards; however, their justification criteria differ significantly. Some do not enumerate specific criteria but require simply that the good or service be unique or only available from one source. Others have forms that seek specific information about the exclusive capabilities of the prospective contractor.

Most Participating Members allow a sole source award when a determination is made that although multiple vendors are available, a particular vendor is the only financially or operationally viable option for the agency. Only CTA has a separate justification process for awards where there may be more than one source, but it is deemed to be disadvantageous to the agency to competitively procure, and instead the award is directed to a specific vendor. Other Participating Members either do not distinguish between these justifications in their sole source process or lack written procedures for either sole source or disadvantageous awards.

The practice of applying the same criteria, whether formally or informally, to both sole source and disadvantageous procurements is problematic because the two inquiries are quite different. A disadvantageous justification is often a more subjective determination of whether such a contract is in the best interests of the governmental unit, while a sole source justification is often a more objective determination about exclusive capacity or availability. The blending of these two categories allows an otherwise objective determination to become a discretionary decision.

6. For sole source procurements, most Participating Members do not require public posting to confirm the user department's justification.

Most Participating Members base a sole source procurement on the justification of the user department. At certain agencies, the justification requires that the requester solicit other bids before awarding a sole source contract. CCC researches other potential vendors and sometimes conducts a public bid. PBC requires the user department to make diligent efforts to solicit proposals from multiple vendors and to document those efforts.

¹¹ Sole source contracts are generally awarded after a determination that the needed good or service can only be provided by the contracted vendor. Disadvantageous or single source contracts are generally awarded after a determination that it would be financially disadvantageous or otherwise not in the public interest to award the contract to anyone other than the contracted vendor.

Until recently, the City was the only Participating Member that posted sole source notices on its website in order to ensure that there is no other vendor that can provide the relevant good or service. After the public has an opportunity to comment and raise objections to the proposed award, the City's Non-Competitive Review Board holds a hearing and votes on a recommendation to the CPO, who has final approval authority. Following a recent audit of its sole source process by Accenture, CPS now joins the City in posting sole source notices online. CPS also has a review committee, which was in place prior to the audit, that makes a recommendation to its CPO regarding sole source awards.

By posting the proposed sole source awards and allowing a meaningful opportunity for the public and vendor community to comment on whether other entities can provide the goods or services sought, the City and CPS establish a strong control on the improper use of sole source. However, the full benefit of the process is only realized if the posting can be easily accessed on the agencies' websites with clear instruction on how to respond. By establishing a committee that reviews and recommends whether a sole source award is appropriate, the City and CPS achieve a separation of duties that mitigates any potential bias in the user department's request for a sole source award.

7. With regard to contract modification, only one Participating Member has a written policy requiring resolicitation when a significant change from the contract's original purpose is sought.

The CTA Policy and Procedures manual provides that all change orders and contract amendments must be within the general scope of the contract, and any cardinal changes require rebidding. In certain circumstances PBC requires board approval for change orders and CPS requires board approval for contract modifications. The City requires that all amendments have the same approvals as the original contract. While Participating Members, as a matter of practice, limit contract amendments that would significantly deviate from the originally posted solicitation, most do not have written policies that limit this use of amendments or provide guidance on acceptable and unacceptable revisions.

A lack of written rules prohibiting significant modification of a contract after an award without a new solicitation allows the potential for an end run around the procurement process. It may also allow for award of a contract based upon a design or other criteria that are not appropriate or fully developed for the project, only to be amended at a later point in time with a resulting increase in cost. This can undermine public confidence in the efficacy and integrity of the agency's procurement and contract management system. Regardless of how entrenched appropriate practices may be, written regulations are necessary to hold individuals accountable in those instances in which agency staff deviates from those practices.

8. While Participating Members have general practices as to contract duration and renewals, and a few have firm limits for certain types of contracts, for the majority of contracts there are no established rules limiting contract duration or the number of renewals.

Contract duration limits can serve as a control ensuring that, despite the administrative burden of competitive procurements, goods and services are periodically rebid to achieve the best pricing on the current market. While Participating Members have requirements regarding specific contract types, such as leases, and some have developed common practices regarding a contract term, none, including

the City, have established duration or renewal limits on their contracts beyond those required by state and federal law.

Pursuant to HUD regulations, CHA contracts are generally limited to five years, inclusive of the initial term and renewals. Several other Participating Members often limit contract terms and renewals to five years as a matter of practice, although they are not required to by law or policy, and thus the application may not be consistent. CCC generally limits contracts to two- or three-year initial terms and two one-year renewals, while CTA and PBC typically limit contracts to three-year base terms and limit renewals to two years.

The development of common practices regarding contract terms and renewals indicates a general recognition that contracts shouldn't run for an excessive number of years without being rebid, yet the lack of established standards allows for Participating Members to enter into long-term contracts based on the determinations of individual employees. It also allows for contracts to be repeatedly renewed when user departments fail to appropriately plan for a new solicitation.

9. Only one Participating Member has a firm limit on increasing the contract value without a new procurement.

The Participating Members are subject to the Public Works Contract Change Order Act, 50 ILCS 525/1 et seq., which requires units of local government and school districts to complete a new competitive bid on a public works contract when a single change order would increase the price of the original contract by 50 percent or more. However, outside of construction contracts, only CCC has a firm limit—10 percent—requiring a new procurement if an amendment seeks to increase the value of the original contract by more than that amount. CPS cannot increase the value of a contract over the threshold that would trigger a different procurement process than the one used initially. The other Participating Members do not have a limitation on increasing contract value for non-construction work.

The lack of limitations on increasing contract value can open the door to gamesmanship when submitting bids. Reasonable limitations would foreclose the possibility of thwarting the procurement process by underbidding only to later push price increases, while at the same time recognizing that legitimate situations arise that require cost increases when rebidding is not feasible.

10. The majority of Participating Members do not provide any workshops or training to potential vendors.

The complex regulations and requirements involved in government procurement can serve as barriers to entry for many potential vendors. Outreach through training seminars, workshops, and written guidance can remove those barriers for companies of all sizes. CHA, PBC, and the City hold vendor trainings. The City has the most extensive offerings with 15 different workshops offered multiple times per year on topics such as "Doing Business with the City of Chicago," "Contracting 101: How to Respond to a Request for Proposal," "How to Navigate the DPS Website," and "Compliance Documentation 101." Other Participating Members have expressed a desire to offer more training, or join in with the City. This therefore constitutes a clear opportunity for joint programming, particularly as greater uniformity of standards and processes is achieved.

EFFICIENCY

The strained fiscal environment mandates that public entities maximize efficiency. Fiscal demands require the need for assessment and reform of how municipal government operates, including how it procures. Participating Members run comparable procurement processes for similar goods and services from an overlapping set of vendors and contractors. Opportunities to streamline and consolidate are evident.

Greater efficiency benefits the public bodies, the vendor community, and the public at large. For agencies, consolidated efforts can reduce administrative burden, allowing staff to redirect efforts to other aspects of their mission or reduce overhead. For vendors, coordinated solicitations, contracts, and information requests can reduce the cost of responding to solicitations, create more uniform expectations, and incentivize increased participation and therefore competition in the process. For citizens, strategically planned joint procurements can leverage buying power, lowering costs and saving tax dollars.

The findings on efficiency in procurement are:

11. In 2014, the Participating Members spent over \$18 million cumulatively on procurement administration, a portion of which was spent on duplication of effort.

Given the varying sizes of the Participating Members, procurement staffing numbers vary from 11 to 42, and procurement budgets vary from \$874,000 to \$7.9 million. The cumulative expense of the Participating Members' procurement operations is a relatively insignificant sum of their overall budgets in light of the vital services they provide. Nonetheless, it is clear that certain funding is paying for a duplication of efforts in some areas while potentially directing resources away from other vital functions that, as identified elsewhere in this report, could benefit from additional attention. As the ensuing findings will highlight, there are opportunities for greater efficiency around pre-qualified vendor pools, vendors' economic disclosure statements, IT systems, debarment processes, and MBE/WBE compliance, which could reduce redundancy, improve results, and allow for a more effective allocation of resources.

12. All Participating Members use their own pre-qualified pools of vendors, a potential area of inefficiency for government and inconvenience for vendors.

All Participating Members have pre-qualified pools of vendors for certain service types. These service categories include construction management, planning, IT, surveying, and environmental consultation, among others. Use of vendor pools among the Participating Members is common and growing, with the CTA recently completing its first RFP for a professional services vendor pool. Such vendor pools bring a greater degree of competition to the purchase of services.

Yet, many of the Participating Members' service pools overlap. For example, the City, CTA, CHA, and CPD each have a pre-qualified vendor pool for engineering services. Each governmental unit conducted its own solicitation, evaluation, and selection process to establish that pool. In other words, there were four processes to generate four overlapping lists. This is a redundant expenditure of scarce public resources. On the other side of the equation, in order for an engineering firm to be eligible for

contracts from each Participating Member, it would have to respond to each solicitation and gather all required documentation for four separate entities.

Given that the specific task orders define the nature of the engineering services needed for any particular project, it is feasible and economically advantageous for Participating Members to draw from one vendor pool for these services. While some Participating Members are subject to federal regulations that will need to be considered prior to coordination, these requirements should not be presumed to be insurmountable obstacles to consolidated vendor pools. While any consolidation must ensure that it isn't creating new barriers of entry for firms seeking an opportunity to participate in vendor pools, generally this collaboration would make doing business with the Participating Members more attractive and streamlined.

13. As all of the Participating Members collect some form of economic disclosure information from vendors, there is an opportunity for efficiency and more transparency for both government and vendors in a centralized online system.

All Participating Members perform some degree of due diligence on their vendors prior to entering into a contract with them. One common element of that due diligence is to require vendors to complete some type of Economic Disclosure Statement (EDS), in which they attest to certain self-reported information about their ownership, affiliations, and past practices. An EDS is critical to knowing the vendor and assuring it is of appropriate character, fitness, and financial soundness and is free of conflicts that would impact its ability to perform work for the relevant public entity.

Currently there is no centralized online database for submitting or storing this information. Although Participating Members generally require similar information from vendors, their EDS forms vary. Despite overlap among the Participating Members' vendors, they must complete these statements for each contract opportunity. If a vendor has a single reportable change of information, it must make multiple repetitive amendments across all of the agencies. This creates an unnecessary administrative burden for all parties involved in the process.

14. Most Participating Members do not integrate disclosures and certifications into their procurement databases in a manner that allows for conflict checks and due diligence.

As mentioned above, the lack of a centralized, online system for EDS's creates inefficiency across the Participating Members, but it also misses an opportunity for efficiency and stronger oversight within each agency. Each Participating Member is collecting a significant amount of information through certifications and disclosures that remains in hardcopy files or on scanned pages. These documents must be manually reviewed to determine whether there are any issues or concerns. Thus, agencies are making efforts to collect information that is not used to its fullest potential.

An online EDS system, such as the City's, can perform requisite checks automatically, flagging problematic responses and debarred vendors. Once the information is entered electronically it can be readily searched and analyzed by both government officials and the public. Additionally, information can be imported from one procurement to another, saving vendors time and effort.

15. Participating Members' IT procurement systems are not standardized or interoperable.

Each Participating Member uses a number of different systems to support its procurement and contracting processes. They all process their procurements electronically to varying degrees. In some cases, the Participating Members are using the same, or similar, technology products to support their systems. Also, the Participating Members are using similar systems to support similar processes, even where they might be using different products. These commonalities indicate that the Participating Members are very likely to benefit from a coordinated strategy for technology implementation. The areas showing the most commonality include the management and publication of procurement-related information, online submission of Economic Disclosure Statements, compliance monitoring, and end-to-end procurement processing.

Further, where the Participating Members are using the same products, there does not appear to be any coordination or interoperability. For example, the majority of Participating Members use the same software, B2G Now, to track MBE/WBE compliance, an area identified previously as possibly benefiting from shared services. Despite the common use of this product to track compliance among the same vendors, the Participating Members' systems are generally not interoperable.¹² Participating Members' current practices for purchasing and implementing procurement-related systems represents a lost opportunity to reduce administrative and purchasing costs as well as to improve coordination among Participating Members and service to vendors.

16. All Participating Members are engaged in uncoordinated systems improvements related to procurement.

Every investment that a Participating Member makes in procurement technology without coordination with its sister agencies is a potential lost opportunity to build more efficient systems and to support more effective and transparent processes. For example, one Participating Member reported implementing a product to handle the submission, evaluation, and storage of RFPs within a few weeks and at a cost of approximately \$6,000 per year, a timeline and budget that stands in sharp contrast to most other Participating Members' procurement-related software implementations. While this may not be the best solution for the group, a coordinated technology strategy will ensure that all Participating Members are benefiting from best practices and achieving the best solution at the best price for Chicago.

17. Participating Members have an interest in more coordination in areas including compliance monitoring, joint procurement, debarment, and hiring.

While differing statutes and cost restrictions play a role, the greatest obstacle to achieving efficiency in procurement is a comfort with the status quo and a resistance to change. For this reason, the Participating Members' interest and willingness to seek greater coordination is significant.

¹² This stands in contrast to the integration of the City of Chicago's and Cook County's MBE/WBE database, which allows certification and compliance personnel from each agency to view details about the certification status of vendors, regardless of agency. The linked databases also provide greater transparency to the public in that a vendor's certification status and host agency is visible and consistent on both agencies' websites.

Participating Members expressed an interest in more coordination through joint procurement, uniform contracting, shared compliance monitoring, debarment reciprocity, and staff recruitment and hiring.

Participating Members acknowledged the potential benefits to their agencies and the vendor community if certain aspects of the process could be streamlined and more uniform across City agencies. For example, several Participating Members reported having limited field resources to dedicate to verifying MBE/WBE compliance. Under a shared services model, a dedicated team devoted solely to MBE/WBE compliance could eliminate duplication of effort and provide increased monitoring for all Participating Members. While opinions may vary on the priority of projects and the details of implementation will require negotiation, the value of these efforts is not in question.

TRANSPARENCY

The importance of transparency in procurement and contracting flows from the simple premise that the public has the right to know how its tax dollars are being spent. This knowledge includes what is being purchased, who is being paid and how much, and how contracts are being awarded. The degree to which an agency's procurement process is transparent is dependent not just on what information is made available, but also how easily accessible and user-friendly it is.

In addition to informing the public, transparency has a direct impact on the two principles already discussed above—competition and efficiency. Participating Members acknowledge that in their day-to-day work they continually battle Chicago's reputation, rooted in past practice and anecdote, that there is a culture of cronyism and insider-dealing. One of the best weapons against that perception is transparency. Sunshine is the best disinfectant. When the integrity of the process is fully exposed to public and media scrutiny, there is little need to guess at motive and little opportunity to infer improper intent. A procurement process that is perceived as open and fair encourages competition and increases the Participating Members' ability to achieve their mission of securing the best value for taxpayers. Greater access to information also creates efficiencies by reducing the public's and media's need to prepare Freedom of Information Act (FOIA) requests and the agencies' need to respond to them.

The findings on transparency in procurement are:

18. Participating Members' information regarding procurement opportunities is dispersed and decentralized.

All Participating Members post competitive procurement opportunities on their own websites and in at least one newspaper. Some agencies use other digital tools as well, such as e-mail notifications and social media. Vendors wishing to learn about all contracting opportunities with the City and sister agencies need to check seven different web pages or consult two newspapers¹³ regularly, or sign up for multiple email alerts and notifications from the agencies that offer these services. The decentralized state of information reduces transparency, presents a barrier to entry for vendors, and hinders effective procurement planning across agencies.

19. Some Participating Members publish notices related to the procurement process beyond the original bid opportunity (and its extension or cancellation), while others limit their procurement announcements to the bid opportunity.

All Participating Members provide information about open procurement solicitations and any changes to those solicitations, such as extensions or cancellations, and two Participating Members publish information on their websites regarding noncompetitive procurements. The City, CHA, CPD, and PBC also post bid tabulations. All Participating Members post award or contract information, although one only includes this information in monthly board reports. The City also posts the subcontractors on bids, change orders, contract amendments, and vendor payment information, and has developed a Bid

¹³ All participating members post in the Chicago Sun-Times, except CPS, which posts in the Chicago Tribune

Tracker application, which shows where each bid is in the contracting process, from advertisement to award. For the other Participating Members, little else is published during the procurement process and engagement of a vendor.

This stands in contrast to the information made available by governmental bodies that more closely comport with best practices. The State of Illinois is an instructive reference point of comparison. In order to inform the public and vendor community of ongoing procurements, State agencies must post on the State's Procurement Bulletin not only open solicitations but also notices of award, notices of contract renewal, notices of renegotiated contracts and change orders that increase the cost by more than \$10,000 or extend the term by 30 days or more, information regarding emergency contracts within three days of award, notices of emergency contract extensions, and notices of anticipated sole source awards. Providing this additional information engenders public trust in the little-understood procurement process, reduces the internal resources spent on FOIA responses, and encourages competition by equalizing the playing field among vendors.

20. Only the City and, as of August 2015, CPS notify the public before awarding contracts through noncompetitive processes.

With the exception of the City and CPS, no Participating Member publicly posts advance notice of the anticipated award of a sole source contract to confirm that there are no other appropriate vendors.

The procurement process relies on the competition of the marketplace to ensure that taxpayers receive the best value for their dollars. Decisions to exempt government purchases from this process should be rare and thoroughly vetted as a general practice, especially in a strained fiscal environment. While internal justification procedures are an important part of the process, there is no substitute for the information provided by the marketplace. The determination that a product or service can only be procured from one source is ultimately a judgment about available competition, and that cannot be made in a vacuum. By providing an opportunity for the public and vendor community to supply additional, relevant information, agencies can become more informed about the state of the market and make better decisions about whether a procurement should be sole source.

The City is the only Participating Member to post solicitations for emergency contracts, which are typically noncompetitive awards. When possible the City will post these opportunities on a very abbreviated schedule in an effort to trigger competition despite the exigent circumstances. All Participating Members have the ability to reach the vendor community rapidly and directly through internet postings and electronic messaging tools. Many procurements that have historically been noncompetitive due to their urgency and short turnaround times can now involve some degree of competition through better utilization of existing technologies.

21. Four of the Participating Members make their contracts available to the public, but the others do not.

The City, CPS, CHA, and CPD make their contracts available to the public on their websites. CHA just recently began posting contracts online. PBC posts all Design Build and General Contractor contracts on individual project pages on the PBC website, and CTA and CCC do not post contracts. CCC, CTA, and PBC post basic information about their awarded contracts, but the contract documents are not

available. The inaccessibility of contracts provides an advantage to incumbent vendors, thus driving down competition, fosters suspicion in the procurement process, thus feeding into the narrative of a corrupt Chicago government, and has no countervailing operational rationale or justification.

22. Most Participating Members make their list of vendors available to the public; however, the degree of accessibility varies.

CPS, CHA, and CPD post contract award information online, which includes vendor information, in a relatively accessible format. The CTA and PBC also post contract award information in an online database which includes vendor information, but the results are more difficult to browse. The CTA vendor database offers search fields such as award amount, vendor name, and contract date; however, this presumes that the user has some baseline information with which to search. PBC and CCC also include vendor information in the context of monthly board reports. The City maintains a comprehensive vendor list on its website that is searchable by name, user department, or other criteria. CCC does not provide vendor information online. Posting vendor information not only encourages competition through openness, it also provides an important public check on government.

23. The City's online Economic Disclosure Statement system provides access to information on contractors, retained parties, and ownership interests which is relevant to conflict checks.

All Participating Members, except the City which has an online system, receive Economic Disclosure Statements (EDS) or a similar document, as in the case of CHA which receives a Contractor's Affidavit, in hard copy. While some Participating Members scan and electronically store the EDS's, and at least two Participating Members post the scanned EDS's with their contracts online, the information can only be searched manually, which takes time, leaves the process vulnerable to human error, and hinders transparency.

The continued collection of this requisite information on hardcopy forms impedes accessibility and the use of automated analysis and compliance tools, making it harder and more resource-intensive to perform due diligence and ensure adherence to Ethics rules. This puts everyone, from procurement staff to Board members to vendors, at risk of a conflict of interest or the appearance of one. Given the high stakes and limited resources, it is difficult to justify procurement staff spending countless hours of their time flipping through paper forms that are less effective than available electronic tools.

24. Participating Members' purchasing plans or other types of forward-looking contract lists are not all readily accessible online.

All Participating Members create purchasing plans that identify anticipated contract opportunities. Most agencies' plans project 12 to 18 months into the future—CCC and CHA look ahead 12 months, CPS looks ahead 15 months, City and CTA look ahead 18 months, and CPD generally looks ahead 12 to 18 months. PBC issues a monthly forecast of upcoming opportunities because its ability to plan ahead is limited by its clients' development plans. The City, CTA, and CPD currently post their plans on their respective websites. The other Participating Members stated an intention to post their plans online or currently share their plans through outreach. Posting these plans online in a user-friendly format is a relatively simple task that would provide the public and the vendor community with a wealth of information about anticipated expenditures of taxpayer dollars.

Recent efforts by the Government Procurement Compliance Forum involving a joint Buying Plan serve as a model for collaboration among the Participating Members to create a more unified and focused approach to procurement. All Participating Members, as well as several non-City entities, including Cook County and the State of Illinois, contributed to a Buying Plan for the second half of 2015 through 2016. This Buying Plan is posted on the City's website and is distributed at vendor fairs.

25. All Participating Members either do or will soon put debarred vendors online.

All Participating Members that have debarred vendors post their debarred vendor list online, except for one agency, which has plans to post its debarred vendors online soon. One agency that reports its debarred vendors online does so only in the searchable text of its monthly Board Reports, rather than as a separate list.

In addition to promoting transparency generally, the public availability of these lists allows the Participating Members to review each other's debarred vendors as part of their due diligence. Debarment by one agency can be grounds for debarment by another agency. Debarment lists must be public and readily accessible for this information sharing to occur. Inconsistent debarment postings needlessly put all of the Participating Members at risk for spending precious public resources on contracts with vendors known to be irresponsible.

26. The accessibility and comprehensiveness of Participating Members' procurement websites vary significantly.

Participating Members provide critical information to vendors and the public on their websites, yet the types of information provided are not standard and have varying degrees of comprehensiveness, and the ease of access varies greatly. All Participating Members provide current procurement opportunities, MBE/WBE/DBE plan information, and basic forms for download. As mentioned above, most agencies post active contracts, which include vendor information, but some do not. Several also post information about rules, regulations, procedures and bid tabulations. The City, CPS, CHA, CPD, and PBC post their pre-qualified vendor pools.

The organization of the information varies widely, impacting accessibility and ease of use. For example, the City's procurement website contains a wealth of information; however, the nonintuitive interface makes it challenging to find the information sought. CTA has an online database that houses its vendor and contract information; however, once in the vendor information database, for example, the user must either search for a particular result or browse over 4,000 results that are shown 15 per page.

CPD's purchasing website, on the other hand, provides a model for other Participating Members to emulate. The website functions entirely from one menu which is easy to navigate. Its contract database displays 100 results at a time for easy browsing and provides a keyword search for the vendor name and contract title fields.

INTEGRITY

Maintaining public trust and serving the public interest are vital to the success of any governmental activity. In order to accomplish those goals in procurement, an agency must ensure the integrity of the process from the drafting of the solicitation to the close-out of the contract. This requires clear, consistent policies and strong due diligence and oversight.

Integrity of process has many facets. Policies and regulations should be established in writing and staff must be trained to ensure appropriate and impartial application of the rules. Checks and controls should be built into the processes to maintain consistent standards. Compliance and auditing staff should be reviewing the procurements and contracts to identify any anomalies and issues. Finally, employees and vendors should be well-informed of the resources available for reporting any concerns or information about corruption, wrongdoing, or illegality in the process. As responsible stewards of public funds, the Participating Members must maintain systems with high levels of accountability and due diligence.

The findings on integrity in procurement are:

27. The comprehensiveness and specificity of the Participating Members' procurement policies vary significantly.

A Participating Member's procurement requirements may be composed of an array of federal and state statutes, ordinances, board resolutions, regulations, and agency policies. In addition, some agencies have established certain practices over time that are not strictly required by written policy. With unwritten rules or decentralized information, it is much more challenging for an agency to maintain a consistent, uniform process, for vendors to navigate the process, and for the public to trust the process. Furthermore, it is challenging to audit and evaluate systems that are not well-codified, depriving these processes of crucial oversight.

Certain Participating Members have addressed this issue by creating comprehensive procurement policy manuals that cover all aspects of the process and clearly lay out the requirements. For example, the CTA has a 113-page manual that serves both as a primer on the process and a resource guide for anyone inside and outside of the organization with a question about how an aspect of the process works. The City also offers a primer on procurement, *Procurement Fundamentals*, which is intended for use by the public and is available on its website; a Toolkit for internal staff; and the *Vendor Compliance Resource Guide*, which addresses the roles and responsibilities of primes and subcontractors during each stage of the contracting process and is also available online.

28. All Participating Members stated that communications regarding active procurements are to be limited and generally flow through the procurement office; however, these rules are not clearly codified and disseminated at every agency.

To ensure that the procurement process is fair and no vendor has the advantage of undisclosed information, communications regarding an upcoming or ongoing procurement solicitation are generally regulated. All Participating Members stated that communications regarding planned or open procurements are to flow through their procurement office. They also stated that procurement staff

and individuals directly involved in reviewing proposals are informed of their obligations. However, it is unclear whether user department staff, especially those not close to the procurement process but who interact with many vendors as part of their day-to-day job duties, are well informed regarding what is an acceptable communication and what is prohibited prior to, during, and after a solicitation.

Participating Members require employees to report procurement communications they believe to be violations of the law or Ethics rules, but there is little guidance regarding what communications fall into those categories. Also, it is unclear if Participating Members know to what extent vendor communications during open procurements are occurring in user departments because there is no reporting mechanism for such communications, except for those which agency staff believe rise to the level of a criminal or ethical violation. This incomplete and reactive approach to procurement communications at best puts well-meaning employees at risk for inadvertently breaking the rules and at worst allows for insider-dealing at taxpayer expense.

At least two Participating Members do address these issues to some degree. In its manual and Ethics Ordinance, CTA has a policy on inappropriate types of procurement communications. CTA has also implemented an internal training for all CTA staff members called "Purchasing 101" that addresses, among other things, inappropriate communications as well as the potential criminal consequences of engaging in said communications. CPS provides a unique example of a procurement office providing training to its user departments. In 2014, CPS trained approximately 2,500 people in department leadership about the procurement process and rules, including rules on communications.

29. All Participating Members perform some due diligence on their vendors before entering into a contract, but the level of scrutiny widely varies and often over-relies on a vendor's self-certification.

As discussed above, one element of Participating Members' due diligence for vendors is the self-reported economic disclosures and certifications. The additional steps that Participating Members take to verify the good standing of their vendors prior to contracting varies. One Participating Member performs a debt check, campaign contribution check, business registration check, debarment check on state and federal levels, and criminal background check where warranted. Another calls the vendors' provided references and checks any required licenses. Another Participating Member mentioned only debarment checks. This varied landscape allows an unscrupulous vendor who cannot contract with one Participating Member, because of its stringent verification procedure, to potentially get a contract with another whose process is less thorough. There is little reason that the level of scrutiny or verification should vary among the Participating Members. Additionally, establishing a set of comprehensive and uniform vendor verification processes could create an efficiency by eliminating duplicative efforts.

30. Participating Members' due diligence regarding subcontractors varies from requiring no information about them to requiring that all subcontractors be reported and submit all the same disclosures as the prime contractor.

Ethics rules and regulations often require consideration of subcontractors. For example, the City's Ethics Ordinance establishes that no City official or employee with contract management authority over a contract can have a financial interest in a subcontractor to that contract. Also, Mayor Emanuel's

Executive Order 2011-4 prohibits any subcontractor to a City contract from making a campaign donation to the Mayor. In order to oversee and enforce provisions such as these, and protect against other conflicts of interest, there must be available information regarding subcontractors.

Nonetheless, the information reported regarding subcontractors varies. All Participating Members collect subcontractor information to the extent it is necessary for specific contracts to satisfy MBE/WBE/DBE reporting. However, outside of MBE/WBE compliance, one Participating Member requires no information regarding subcontractors, while another requires all subcontractors to be identified and complete the same disclosure forms as the prime contractor. At least one Participating Member was revamping its handling of subcontractor information at the request of its board. In order to ensure that board members do not have a conflict with regard to contract approvals, that agency is starting to require subcontractors to complete the EDS.

The Task Force is mindful of the impact further administrative requirements may have on small subcontractors. However, a uniform, consolidated disclosure system managed by a shared compliance office could minimize the burden on individual Participating Members and free up critical resources for providing guidance and assistance to vendors.

31. Participating Members' contract close-out processes vary, ranging from some with no established process to others that have significant requirements.

Not all Participating Members have a formal process at the end of a contract term to verify that all requirements of the contract have been fulfilled. Some Participating Members indicated that they address compliance issues as they arise over the course of the contract, a practice that surely all agencies employ.

Participating Members cannot afford to tie up public dollars in contracts that are not fully or properly performed. A close-out procedure is an added control that confirms the vendor provided all contracted goods and services and met MBE/WBE obligations, wage requirements, Equal Employment Opportunity requirements, and local preferences, if any. Through this process, one Participating Member secures a completed Certification and Release of Claims from the vendor and completes a Final Performance Evaluation. The lack of a robust close-out process increases the risk that a Participating Member does not receive full performance or compliance under the terms of the contract.

32. The majority of Participating Members lack a coordinated and comprehensive process for ensuring vendors' compliance with their obligations during the term of the contract.

Following the award of a contract, vendors should be held accountable for meeting the terms and conditions agreed to in the contract. A clear and robust contract compliance process serves multiple functions for taxpayers by verifying that vendors deliver the contracted goods and services, carry out their obligations in a safe and legal manner, and are adequately meeting the needs of the user department.

Most Participating Members either rely on the user department or a construction manager to oversee the performance of the contract, or they rely on disparate departments, such as Purchasing, Audit, Law, the user department, and the Inspector General, to serve this function together. Some Participating Members do have dedicated compliance teams, however these are primarily focused on

ensuring vendor compliance with MBE/WBE obligations and prevailing wage obligations rather than compliance with the contract overall. Without a coordinated approach to contract compliance that follows the contract from award to close-out, Participating Members expose themselves to several risks including incomplete delivery of goods and services, fragmented oversight over third-party project managers, and insufficient information sharing between user departments and the procurement staff about contractor performance, which deprives procurement staff of feedback that should inform future decisions about solicitations and awards.

33. There is inconsistency among Participating Members regarding the performance of internal audits of procurement functions and contract compliance.

Most Participating Members do not perform routine audits of a representative sample of procurements or contracts to ensure compliance with requirements or obligations. However, many agencies do have an Office of Internal Audit that will occasionally include procurement and contract audits on their annual plans. For example, CTA's Office of Internal Audit has established an annual audit plan that is presented and accepted by the Chicago Transit Board and typically includes an annual or biannual procurement-related audit in which the aim is to assess compliance with policies and regulations. CTA's Office of Internal Audit has successfully executed this plan, however CTA's Purchasing Department is not privy to when an audit will take place as this information is confidential. Some Participating Members reported that reviews are conducted after an issue is identified in the course of business. This ad hoc or reactive approach to audits by some Participating Members results in missed opportunities for improving effectiveness and efficiency.

Other Participating Members review the process more regularly, and report finding valuable insights as a result. For example, CCC has performed several audits of procurement and contracts over the past few years. In 2013, there was a broad review of procurement practices and that audit is scheduled again for 2016. An audit of purchase orders reviewed whether all required paperwork was completed and a recent audit involving CCC's vendors identified vendors with multiple identification numbers.

CPS has two programs for reviewing contract performance and compliance. With its Supplier Relationship Management Program, CPS meets with 40 key vendors on a quarterly basis to review their performance. In addition, since 2013 CPS has used an outside firm to audit CPS contracts for vendor compliance, and this firm has recovered significant sums for CPS from a number of vendors.

34. Not all employees and contractors of Participating Members have a clear obligation to report violations of law in procurement and contracting to their respective Offices of Inspector General.

Participating Members' Offices of Inspector General play an integral role in providing oversight of the procurement process and contract compliance through investigations and audits. These efforts are strengthened by clear obligations by employees and vendors to report corrupt and illegal activity related to government procurement and contracting. They are further bolstered by vendor outreach and training that certain OIGs conduct.

The majority, but not all, of Participating Members have policies requiring employees to report illegal or unethical activities in procurement and contracting to their respective OIGs. Similarly, not all

contracts of Participating Members require their vendors to report knowledge of corrupt or illegal activity.

35. Most Participating Members use external contract/project managers but hold them accountable to varying degrees.

When a Participating Member outsources the management and oversight of a contract to a third-party project manager, it is essential that the public entity have the structure and systems in place to ensure that it is receiving all necessary reporting from the external project manager and that there is accountability. Additionally, though contractors may appear to stand in the place of the governmental entity, the government remains the party that is ultimately responsible and therefore liable for the result.

As some Participating Members note, there will be variability in monitoring and reporting depending on the project; however, certain controls ensuring oversight of the external managers should be constant. One Participating Member is currently in the process of defining core project management requirements for its external managers and standardizing monitoring and oversight.

36. Outside of placement on a debarment list, Participating Members have no formal mechanism to share documented information regarding a vendor's poor performance, noncompliance, or wrongdoing.

Despite the fact that Participating Members often evaluate the performance of the same vendors when considering the award of public funds, they lack any formal mechanism for sharing documented information regarding vendors that have failed to comply with their contracts or have been deemed to be non-responsible. The only established mechanism for one Participating Member to learn about the poor performance or wrongdoing of another agency's vendor is through the debarment process. Information regarding a vendor's documented problems with contract performance, noncompliance, or wrongdoing may not necessitate debarment, but is still highly relevant to an agency's consideration of a contract award.

The absence of an official mechanism for information sharing among public bodies allows subpar vendors with a record of poor performance at one agency to be awarded contracts at sister agencies without consideration of their past record. Participating Members should have the best information possible in order to make informed decisions regarding the award of public funds.

UNIFORMITY

Some differences among Participating Members' procurement documents and process are the result of unique conditions, statutory requirements, or regulations; other variations are simply the result of a lack of coordination. Needless disparity among local government agencies can create confusion, increase costs, and leave some out of step with best practices. Greater uniformity creates a consistency of process that reduces burden, supports efficiency, and pushes all toward best practices.

The most common example of potential standardization that Participating Members cited in their survey responses and subsequent meetings was the creation of uniform contract templates. Agencies see the benefit in speaking with one voice in contracts, rather than issuing documents that generally cover similar terms in varied ways. The Task Force identified various other discrete tasks, forms, and processes that could benefit from greater uniformity, as discussed in this section.

The findings on uniformity in procurement are:

37. All Participating Members, except one, use contract templates for their agreements; however, the templates are not standardized among agencies despite similar terms and conditions.

Participating Members share many of the same vendors and have many of the same concerns in contracting. Yet, they all use different language in their contracts often to express similar terms and conditions. This creates needless complication and increases legal costs for vendors. This also increases the duration of contract negotiations, as vendors may view all contract provisions as negotiable when in fact there are certain nonnegotiable provisions across agencies. Participating Members have an opportunity to strengthen their position in contract negotiations by presenting uniform terms. Of course, there are certain regulations or requirements that may only apply to certain Participating Members. Most Participating Members acknowledged that accommodation for this variation could be built into the contract templates.

38. Participating Members accept from two to ten different MBE/WBE/DBE certifications.

All Participating Members have an MBE/WBE program, except CTA, which exclusively utilizes a DBE program. The City is the only Participating Member that is a certifying agency for MBE/WBE/DBE vendors.

Participating Members recognize multiple MBE/WBE/DBE certification programs, ranging from as few as two different certifications, in the cases of the City and PBC, to as many as ten, in the case of CHA, which accepts certifications from MBE, WBE, and DBE certifying agencies in support of its program. All Participating Members with MBE/WBE programs accept certification from the City, and all except CPD recognize Cook County's MBE/WBE certification. The City is statutorily restricted to the certifications it accepts. Other certifications accepted by Participating Members include those from the State of Illinois, Women's Business Development Center, Chicago Minority Supplier Development Council, and the Small Business Association. Participating Members verify that MBEs and WBEs have a current certification, but they rely on the certifying agency to determine the initial and ongoing validity of that certification.

It is unclear why Participating Members accept different certifications. One Participating Member told the Task Force that the variety of certifications allows it to meet its MBE/WBE goals, while another stated that it finds the City's list of certified MBE/WBE vendors to be more than sufficient. Representatives of one Participating Member were surprised to learn that all agencies did not accept the same certifications. PBC, which at one time accepted six certifications, limited its accepted certifications to two—City and Cook County—after concerns were raised about the due diligence applied to ensuring that the MBE/WBE subcontractors on its contracts were legitimate enterprises providing a commercially useful function on their projects.

39. Participating Members' written criteria for good faith efforts differ, as does the person or committee with authority to determine whether good faith efforts have been made.

Through their MBE/WBE programs, Participating Members seek to further the same broad policy goals. In doing so, they ask vendors to comply with requirements and verification procedures which overlap in spirit and function, but not in form.

Each Participating Member relies on its own list of criteria for determining whether a vendor has made sufficient good faith efforts to meet the MBE/WBE goals of the contract. There are many similarities among the different lists of criteria. For example, several Participating Members consider whether the vendor attended the pre-bid meeting, how the vendor advertised, and the vendor's outreach to and negotiations with subcontractors. While Participating Members seek much of the same information, some Members' criteria are very open-ended while others are highly specific: CPD asks "[t]o what extent did the contractor attempt to find a MBE and/or WBE?" while the City requires a "[d]escription of direct negotiations with certified MBE and WBE firms for specific sub-bids/proposals."

Most Participating Members charge one individual with making the recommendation regarding whether good faith efforts have been met, however multiple people may then be required to sign off on the decision including ultimately the CPO or Director of Purchasing. In contrast, CPS recently established a waiver committee that reviews all good faith efforts documentation and then votes to either grant or deny the waiver request. As with the variations in certification, the justification for these differences in the application and approval of good faith efforts is not apparent. The GPCF has a Certification and Compliance Committee that is in the process of developing uniform guidelines for good faith efforts.

40. Only the City and PBC apply preference for local vendors and labor in their procurements, and no Participating Member provides credit for employing graduates of workforce development programs.

The City and PBC offer preferences and/or incentives for local businesses and labor in their procurements. Other Participating Members do not. Some Participating Members, such as CHIA, are precluded from applying local preferences due to federal law or have determined that they lack the statutory authority to offer local preferences. The lack of uniformity on this policy matter will need to be considered and addressed when considering joint procurement opportunities.

Workforce development programs throughout the City train unemployed and underemployed Chicagoans for jobs in industries ranging from culinary arts to advanced manufacturing. Many of these programs are funded or operated by the Participating Members, such as the City and CCC. Others are run by academic institutions and area non-profits, often through the use of government grant funds. While governmental entities have committed substantial resources to training individuals with useful skills for today's economy, they are missing a crucial opportunity to ensure the success of these efforts. Other than CCC's inclusion of hiring goals for apprentices and student interns on specific contracts (e.g., construction of the new Malcolm X College) and an underutilized City incentive for employment of apprentices that have graduated from City Colleges, there are no incentives directing the over \$6 billion spent last year by Participating Members on goods and services toward workforce development program graduates who would benefit tremendously from quality employment experiences. Better alignment of training programs and employment incentive programs would provide greater value for taxpayers.

41. Protest processes for procurement awards vary from very informal to well-defined.

Protest processes are a tool of accountability in government procurement. They provide the opportunity for a stakeholder in the procurement to raise allegations of irregularities or violations that may have tainted the process, and they give agencies another avenue to ensure integrity and transparency in their purchasing.

The majority of Participating Members have an established protest process, but three Participating Members have no written process, handling concerns on a case-by-case basis. For those Participating Members with written processes, there is considerable overlap, but details involving filing deadlines, the information required, and the adjudicator of the protest vary. For example, the City and CPD require that a protest involving evaluations be filed within 10 days of the bid opening or due date, while CTA allows 20 days. CHA does not distinguish between protests over evaluations and contract award, and requires the protest for both to be filed within 10 days of the notice of award. Some Participating Members rely on the same person to authorize the contract and rule on the protest, and some provide an internal reconsideration or appeal process. For example, CPD allows a request for reconsideration, and CHA allows an appeal of a contracting officer's protest decision to the Chief Operating Officer.

42. Participating Members generally maintain their own debarment lists but consult each other's lists during a verification process.

Debarred vendor lists provide critical information about problematic firms, thereby helping to prevent governments from entrusting bad actors with public dollars and the provision of public services. When the City or a sister agency goes through the process of debarring a vendor, this information should be readily available to all Participating Members and routinely incorporated into the procurement process. At present, it is nearly impossible to verify that no vendors debarred by one Participating Member are actively working as contractors or subcontractors for another Participating Member given the gaps and disparities in data collection, transparency, and information-sharing.

Currently, all Participating Members maintain their own debarment lists, although some had no debarred vendors at the time they responded to the Task Force's survey. As part of the procurement

process, Participating Members consult their own debarment lists and most also check the lists of other governmental entities. There is wide variation among Participating Members with regard to which lists they consult. Most Participating Members check the City's list of debarred vendors, and some, such as CTA and CHA, check federal and other government lists, too. Only PBC stated that it checks lists that are available from other sister agencies.

In addition to the differences in protocol, there are differences among Participating Members in how they store their lists which make it challenging for agencies to consult one another's lists. For example, CTA posts a blank document on its website indicating that it has a debarred vendor list and no vendors are debarred at the present time. Yet other agencies have no information posted online about debarred vendors, making it unclear whether they have debarred vendors but do not post them online, or they have no debarred vendors at all. Another Participating Member includes the names of debarred vendors in its Board Reports, which are posted online but must be searched by keyword in order to identify debarred firms.

43. Participating members check debarment lists of other government entities but generally do not have automatic reciprocity.

The lack of reciprocity among the debarment lists of the Participating Members presents an inefficiency in the procurement process and also raises the possibility that firms debarred by one Participating Member can continue to contract with others. Most Participating Members consult debarment lists of other government entities, but they cannot debar a vendor that appears on another entity's list without first going through their own debarment procedures. Only PBC stated that it can automatically rely on another agency's list without going through its own debarment process.

The obligation to repeat the debarment process for a vendor that has been found to be unsuitable to contract with another Participating Member is a waste of resources. Once a Participating Member has deemed a vendor ineligible to receive a contract award funded by taxpayer dollars, there is no justification for their receipt of tax dollars from another Participating Member.

RECOMMENDATIONS

The findings detailed above serve as clear guideposts for the Participating Members' needed reforms. Based on the opportunities identified through the analysis of the Participating Members' current procurement policies and practices, the Task Force established the following set of recommendations. The Participating Members arrived at these recommendations after representatives from the City and sister agencies gathered for a moderated session to discuss how to address the findings.

In crafting the recommendations, the Participating Members employed certain criteria. The recommendations had to address a finding, be actionable by the Participating Members, allow for their success/completion to be measured/determined, and serve the public interest. Participating Members also grouped the recommendations based on the timing of their likely implementation: immediate, by the end of Q1 2016; mid-term, by the end of Q4 2016; and long-term, in 2017 and beyond. While there is always a risk that unforeseen events will impact implementation, Participating Members agreed that the time frame for each recommendation is reasonable.

To help ensure that these recommendations serve not just as a call to action, but as a true catalyst of change, Participating Members have identified the mechanisms for implementation in the recommendations. By tasking committees of Chief Procurement Officers and Chief Information Officers with responsibility for certain recommendations, collaborating with the Government Procurement Compliance Forum, and requiring regular status reports, Participating Members have established a framework for implementation of the recommendations.

The recommendations and their associated findings are:

IMMEDIATE RECOMMENDATIONS (END OF Q1 2016)

1. **Create a Committee of the Participating Members' CPOs to rule on certain administrative decisions, address obstacles to coordination, and ensure best practices across the City and its sister agencies.**

All Findings Addressed

2. **Charge the CPO Committee with addressing the Task Force recommendations, tracking their implementation, and issuing quarterly progress reports.**

All Findings Addressed

3. Establish minimum standards by which all Participating Members will publish their anticipated sole source awards, receive public and vendor feedback, and make decisions about whether a solicitation is necessary.

Findings Addressed:

5. Participating Members use varying criteria to justify sole source awards, and most do not distinguish between sole source and disadvantageous or single source justifications.
6. For sole source procurements, most Participating Members do not require public posting to confirm the user department's justification.
20. Only the City and, as of August 2015, CPS notify the public before awarding contracts through noncompetitive processes.

4. Hire or secure *pro bono* services from a law firm to:
a. Identify contract provisions that could be subject to standardization across Participating Members' templates, and draft uniform contract templates incorporating the required terms of the Participating Members, including contract duration and number of renewals.
b. Where appropriate, standardize solicitation documents issued by Participating Members and the documents required in response.

Findings Addressed:

1. Participating Members use a variety of common competitive processes, including Invitations for Bids, Requests for Proposals, and Requests for Qualifications; however, their solicitation documents and award procedures vary.
8. While Participating Members have general practices as to contract duration and renewals, and a few have firm limits for certain types of contracts, for the majority of contracts there are no established rules limiting contract duration or the number of renewals.
37. All Participating Members, except one, use contract templates for their agreements; however, the templates are not standardized among agencies despite similar terms and conditions.

5. Charge the Chicago Government IT Coordination Committee, which consists of the CIOs of the Participating Members, with identifying the procurement-related systems that can be shared and developed jointly and developing a schedule for implementation.

Findings Addressed:

15. Participating Members' IT procurement systems are not standardized or interoperable
16. All Participating Members are engaged in uncoordinated systems improvements related to procurement.

6. Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format.

Findings Addressed:

- 21. Four of the Participating Members make their contracts available to the public, but the others do not.
- 22. Most Participating Members make their list of vendors available to the public; however, the degree of accessibility varies.
- 30. Participating Members' due diligence regarding subcontractors varies from requiring no information about them to requiring that all subcontractors be reported and submit all the same disclosures as the prime contractor.

7. Create an easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other procurement-related information such as the buying plan, notices of award, and prequalified pools; a list of all debarred vendors; and all current contract and vendor databases.

Findings Addressed:

- 18. Participating Members' information regarding procurement opportunities is dispersed and decentralized.
- 19. Some Participating Members publish notices related to the procurement process beyond the original bid opportunity (and its extension or cancellation), while others limit their procurement announcements to the bid opportunity.
- 24. Participating Members' purchasing plans or other types of forward-looking contract lists are not all readily accessible online.
- 25. All Participating Members either do or will soon put debarred vendors online.
- 26. The accessibility and comprehensiveness of Participating Members' procurement websites vary significantly.
- 42. Participating Members generally maintain their own debarment lists but consult each other's lists during a verification process.

8. Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online.

Finding Addressed:

- 30. Participating Members' due diligence regarding subcontractors varies from requiring no information about them to requiring that all subcontractors be reported and submit all the same disclosures as the prime contractor.

9. Establish minimum standards for conducting due diligence of vendors before entering into a contract.

Finding Addressed:

29. All Participating Members perform some due diligence on their vendors before entering into a contract, but the level of scrutiny widely varies and often over-relies on a vendor's self-certification.

10. Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value.

Findings Addressed:

7. With regard to contract modification, only one Participating Member has a written policy requiring resolicitation when a significant change from the contract's original purpose is sought.
9. Only one Participating Member has a firm limit on increasing the contract value without a new procurement.

11. Evaluate the consistency of MBE/WBE/DBE certifications accepted by Participating Members.

Finding Addressed:

38. Participating Members accept from two to ten different MBE/WBE/DBE certifications.

12. Implement the uniform criteria and processes for evaluating Good Faith Efforts regarding requests for waivers of MBE/WBE/DBE goals that are currently being developed and will be recommended by the Government Procurement Compliance Forum.

Finding Addressed:

39. Participating Members' written criteria for good faith efforts differ, as does the person or committee with authority to determine whether good faith efforts have been made.

13. Require a written, publicly posted protest process for each Participating Member.

Finding Addressed:

41. Protest processes for procurement awards vary from very informal to well-defined.

14. Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations.

Findings Addressed:

18. Participating Members' information regarding procurement opportunities is dispersed and decentralized.

19. Some Participating Members publish notices related to the procurement process beyond the original bid opportunity (and its extension or cancellation), while others limit their procurement announcements to the bid opportunity.

15. Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment.

Finding Addressed:

17. Participating Members have an interest in more coordination in areas including compliance monitoring, joint procurement, debarment, and hiring.

MID-TERM RECOMMENDATIONS (end of Q4 2016)

16. Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source.

Findings Addressed:

2. While all of the Participating Members use the same forms of noncompetitive procurements—emergency, sole source, and, in some cases, small purchase—the standards and controls governing those procurements vary in content and efficacy, and expose the agency and taxpayer to risk of abuse and fraud.
3. Through a small purchase process, contracts up to differing thresholds are awarded with varying degrees of rigor in competition, transparency, and oversight.
4. While some of the Participating Members have a competitive process for emergency contracts, only one imposes a limit on the contract's duration and only one has an open solicitation process.
5. Participating Members use varying criteria to justify sole source awards, and most do not distinguish between sole source and disadvantageous or single source justifications.

17. Develop a common electronic Economic Disclosure Statement system that allows for the submission of uniform information for all Participating Members' vendors and subcontractors; integrates disclosures and certifications into Participating Members' procurement databases; automates conflict checks and due diligence; and can be updated in real time.

Findings Addressed:

13. As all of the Participating Members collect some form of economic disclosure information from vendors, there is an opportunity for efficiency and more transparency for both government and vendors in a centralized online system.
14. Most Participating Members do not integrate disclosures and certifications into their procurement databases in a manner that allows for conflict checks and due diligence.
23. The City's online Economic Disclosure Statement system provides access to information on contractors, retained parties, and ownership interests which is relevant to conflict checks.

18. Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members.

Findings Addressed:

11. In 2014, the Participating Members spent over \$18 million cumulatively on procurement administration, a portion of which was spent on duplication of effort.
12. All Participating Members use their own pre-qualified pools of vendors, a potential area of inefficiency for government and inconvenience for vendors.

19. Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.

Finding Addressed:

33. There is inconsistency among Participating Members regarding the performance of internal audits of procurement functions and contract compliance.

20. Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public.

Finding Addressed:

27. The comprehensiveness and specificity of the Participating Members' procurement policies vary significantly.

21. Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations.

Findings Addressed:

28. All Participating Members stated that communications regarding active procurements are to be limited and generally flow through the procurement office; however, these rules are not clearly codified and disseminated at every agency.
34. Not all employees and contractors of Participating Members have a clear obligation to report violations of law in procurement and contracting to their respective Offices of Inspector General.

22. Develop universal programming for vendor outreach and training.

Finding Addressed:

10. The majority of Participating Members do not provide any workshops or training to potential vendors.

23. Develop uniform, minimum contract close-out procedures for use by all Participating Members.

Finding Addressed:

- 31. Participating Members' contract close-out processes vary, ranging from some with no established process to others that have significant requirements.

24. Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance.

Findings Addressed:

- 32. The majority of Participating Members lack a coordinated and comprehensive process for ensuring vendors' compliance with their obligations during the term of the contract.
- 35. Most Participating Members use external contract/project managers but hold them accountable to varying degrees.

25. Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor.

Finding Addressed:

- 36. Outside of placement on a debarment list, Participating Members have no formal mechanism to share documented information regarding a vendor's poor performance, noncompliance, or wrongdoing.

26. Seek to establish reciprocal debarment among Participating Members through the use of a debarment review board or another mechanism as permitted by law.

Findings Addressed:

- 17. Participating Members have an interest in more coordination in areas including compliance monitoring, joint procurement, debarment, and hiring.
- 42. Participating Members generally maintain their own debarment lists but consult each other's lists during a verification process.
- 43. Participating members check debarment lists of other government entities but generally do not have automatic reciprocity.

27. Establish uniform practices, where permitted by law, to expand preferences for local vendors and support a workforce development or similar contract award preference.

Finding Addressed:

- 40. Only the City and PBC apply preference for local vendors and labor in their procurements, and no Participating Member provides credit for employing graduates of workforce development programs.

LONG-TERM RECOMMENDATIONS (2017 and beyond)

28. Implement a universal procurement system that serves as a single point of entry for posting and responding to all Participating Members' procurement opportunities, and as a central repository for all contract and vendor information.

Findings Addressed:

1. Participating Members use a variety of common competitive processes, including Invitations for Bids, Requests for Proposals, and Requests for Qualifications; however, their solicitation documents and award procedures vary.
18. Participating Members' information regarding procurement opportunities is dispersed and decentralized.
26. The accessibility and comprehensiveness of Participating Members' procurement websites vary significantly.

29. Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team.

Findings Addressed:

11. In 2014, the Participating Members spent over \$18 million cumulatively on procurement administration, a portion of which was spent on duplication of effort.
17. Participating Members have an interest in more coordination in areas including compliance monitoring, joint procurement, debarment, and hiring.
32. The majority of Participating Members lack a coordinated and comprehensive process for ensuring vendors' compliance with their obligations during the term of the contract.

30. Secure a *pro bono* study regarding the financial impact of the City's risk shifting contractual provisions.

Finding Addressed:

37. All Participating Members, except one, use contract templates for their agreements; however, the templates are not standardized among agencies despite similar terms and conditions.

31. Evaluate the benefits of center-led or consolidated procurement among the Participating Members.

Findings Addressed:

11. In 2014, the Participating Members spent over \$18 million cumulatively on procurement administration, a portion of which was spent on duplication of effort.
12. All Participating Members use their own pre-qualified pools of vendors, a potential area of inefficiency for government and inconvenience for vendors.
15. Participating Members' IT procurement systems are not standardized or interoperable.
16. All Participating Members are engaged in uncoordinated systems improvements related to procurement.
32. The majority of Participating Members lack a coordinated and comprehensive process for ensuring vendors' compliance with their obligations during the term of the contract.



PROCUREMENT REFORM TASK FORCE
INTERGOVERNMENTAL AGREEMENT

This Procurement Reform Task Force Intergovernmental Agreement (this "**Agreement**") is made and entered into as of the _____ day of _____, 20__ among:

- the City of Chicago, a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois (the "**City**"),
- the Board of Education of the City of Chicago, a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois ("**CPS**"),
- the Chicago Housing Authority, an Illinois municipal corporation ("**CHA**"),
- the Chicago Transit Authority, an Illinois municipal corporation ("**CTA**"),
- the Chicago Park District, an Illinois municipal corporation ("**CPD**"),
- the Public Building Commission of Chicago, an Illinois municipal corporation ("**PBC**"), and
- the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, a body politic, on behalf of City Colleges of Chicago ("**CCC**")

(the City, CPS, CHA, CTA, CPD, PBC and CCC shall each be known herein as a "**Party**").

RECITALS

WHEREAS, the Procurement Reform Task Force (the "**Task Force**") has issued a report dated November 17, 2015 and attached as Exhibit A (the "**Report**") detailing findings and recommendations for reforming the procurement policies and practices of the City and six of its sister agencies: CPS, CHA, CTA, CPD, PBC and CCC; and

WHEREAS, the Report includes recommendations to improve efficiency, increase accountability, and economize public funds in government procurement (as described more fully in the Report, the "**Recommendations**"); and

WHEREAS, the Parties desire to work cooperatively to implement the Recommendations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Article One: Incorporation of Recitals and Exhibits

The recitals set forth above and exhibits attached hereto are incorporated herein by reference and made a part hereof.

Article Two: Implementation of Recommendations

The Parties agree to work cooperatively to implement and effectuate the Recommendations, including without limitation by taking the following actions:

(a) establishing a committee consisting of the Chief Procurement Officer ("**CPO**") of each Party (the "**CPO Committee**"), which shall meet at least quarterly or on such other more frequent schedule determined by the CPO of the City (the "**City CPO**") and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CPO of each Party;

(b) establishing a committee consisting of the Chief Information Officer ("**CIO**") of each Party (the "**CIO Committee**") which shall meet at least quarterly or on such other more frequent schedule determined by the City CIO and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CIO of each Party;

(c) establishing a committee consisting of at least one representative of each Party appointed by the CPO of each Party (the "**Working Group**") which shall meet at least quarterly or on such other more frequent schedule determined by the City CPO;

(d) effectuating and complying with the implementation measures agreed to by the CPO Committee, the CIO Committee and the Working Group, in each case subject to the approval of the CPO Committee;

(e) within 14 days after the end of each calendar quarter ending in March, June and September, beginning with the quarter ending March 31, 2016, preparing and delivering to the Mayor of the City a quarterly report (the "**Quarterly Report**") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations;

(f) within 60 days after the end of each calendar year, beginning with the year ending December 31, 2016, preparing and delivering to the City Council of the City of Chicago ("**City Council**") an annual report (the "**Annual Report**") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations; and

(g) participating annually in a public hearing of City Council to discuss the Annual Report.

The CPO Committee is authorized to establish rules, policies and procedures that the Parties shall implement and follow, consistent with the spirit of the Recommendations and in furtherance thereof, and to establish remedies for noncompliance.

Each Party's respective Inspector General or equivalent shall have the authority to investigate the Party's performance under and compliance with this Agreement. Each Party shall cooperate with the City's Office of Inspector General ("**City OIG**") to provide information pertaining to the Party's progress in implementing the Recommendations as necessary for the City OIG's completion of its annual independent evaluation of the implementation of the Recommendations.

Article Three: Term

This Agreement shall be in effect for a five-year period beginning on _____, 20____ through and including _____, 20____, and shall renew automatically for successive two-year periods unless all Parties agree in writing not to renew the Agreement.

Article Four: Consent

Whenever the consent or approval of one or more Parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Five: Notice

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified mail, return receipt requested. Telephone numbers and email addresses below are included for convenience only.

If to City	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email _____	With copies to: Department of Law City Hall, Room 600 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
If to CPS	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email	With copies to: _____ _____ Chicago, Illinois 606__
If to CHA	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email	With copies to: _____ _____ Chicago, Illinois 606__
If to CTA	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email	With copies to: _____ _____ Chicago, Illinois 606__
If to CPD	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email	With copies to: _____ _____ Chicago, Illinois 606__
If to PBC	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____ Email	With copies to: _____ _____ Chicago, Illinois 606__
If to CCC	_____ _____ Chicago, Illinois 606__ Phone: 312-74_-____	With copies to: _____ _____

	Email	Chicago, Illinois 606
--	-------	-----------------------

The addresses above may be changed when notice is given to the other Parties in the same manner as provided above. Any notice, demand or request sent pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (c) shall be deemed received two (2) days following deposit in the mail.

Article Six: Assignment; Binding Effect

This Agreement, or any portion thereof, shall not be assigned by a Party without the prior written consent of the other Parties.

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the Parties hereto and such successors and permitted assigns.

Article Seven: Modification

This Agreement may not be altered, modified or amended except by written instrument signed by the Parties hereto as of the date of such instrument; provided, however, that any material alteration, modification or amendment shall require the approval of the governing board or governing body of each Party.

Article Eight: Compliance With Laws

The Parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

Article Nine: Governing Law and Severability

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Article Ten: Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Eleven: Entire Agreement

This Agreement constitutes the entire agreement of the Parties regarding the Report and the Recommendations.

Article Twelve: Authority

The Parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder; provided, however, that the obligations

of the Parties to implement and effectuate the Recommendations are subject to, as applicable: (a) the appropriation and availability of funds, and (b) the approval of the governing board or governing body of each Party and/or third parties.

Article Thirteen: Headings

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Fourteen: Disclaimer of Relationship

Nothing contained in this Agreement, nor any act of a Party hereto, shall be deemed or construed by any of the other Parties hereto or by third persons to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the Parties.

Article Fifteen: No Personal Liability

No officer, member, official, employee or agent of any Party shall be individually or personally liable in connection with this Agreement.

[signature pages follow]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Rahm Emanuel
Title: Mayor

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Name: _____
Title: _____

CHICAGO HOUSING AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO TRANSIT AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO PARK DISTRICT

By: _____
Name: _____
Title: _____

PUBLIC BUILDING COMMISSION OF CHICAGO

By: _____
Name: _____
Title: _____

Board of Trustees of Community College District
No. 508, County of Cook and State of Illinois

By: _____
Name: _____
Title: _____

Exhibit A

Procurement Reform Task Force Report

Attached.



City of Chicago



O2015-8860

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Renewal of lease with Chicago Transit Authority for use of vacant City-owned property at 5975 N Pulaski Rd
Committee(s) Assignment:	Committee on Housing and Real Estate



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015


TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Fleet and Facility Management, I transmit herewith ordinances authorizing the execution of lease agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,


Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1: On behalf of the City of Chicago as Landlord, the Commissioner of the Department of Fleet and Facility Management is authorized to execute a Lease renewal with the Chicago Transit Authority, as Tenant, for use of a vacant City-owned property located at 5975 North Pulaski Road; such Lease to be approved as to form and legality by the Corporation Counsel in substantially the following form:

LEASE

THIS LEASE is made and entered into this _____ day of _____, 2016 ("Commencement Date"), by and between the **CITY OF CHICAGO**, an Illinois municipal corporation and home rule unit of government (hereinafter referred to as "**Landlord**") and the **CHICAGO TRANSIT AUTHORITY**, a municipal corporation (hereinafter referred to as "**Tenant**").

RECITALS

WHEREAS, Landlord is the owner of the paved vacant land located at the southeast corner of West Peterson Avenue and North Pulaski Road (5975 North Pulaski Road), Chicago, Cook County, Illinois;

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord such Premises to be used by Tenant as a bus turn-around;

NOW THEREFORE, in consideration of the covenants, terms and conditions set forth herein, the parties hereto agree and covenant as follows:

SECTION 1. GRANT

Landlord hereby leases to Tenant the following described premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Beginning at the southeast corner of North Pulaski Road and West Peterson Avenue; thence east 100 feet; thence south on a line parallel with and 100 feet east of the east line of North Pulaski Road, 100 feet; thence southwesterly on a straight line to a point in the east line of North Pulaski Road 150 feet south of the place of beginning; thence north along the east line of North Pulaski Road, 150 feet to the place of beginning in the Southwest Quarter of Section 2, Township 40 North, Range 13, East of the Third Principal Meridian, Chicago, Illinois, County of Cook comprising a portion of PIN# 13-02-300-004 (as further depicted in Exhibit A - the "Premises").

SECTION 2. TERM

The term of this Lease ("Term") shall begin on the Commencement Date and shall end on December 31, 2025, unless sooner terminated as set forth in this Lease.

SECTION 3. RENT, TAXES, AND UTILITIES

3.1 Rent. Tenant shall pay base rent for the Premises in the amount of:

One Dollar (\$1.00) for the entire term the receipt and sufficiency of said sum being herewith acknowledged by both parties.

3.2 Taxes and Other Levies. Tenant shall pay when due all leasehold taxes, duties, assessments, water and sewer charges, and other levies assessed against the Premises. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Lease agreement.

3.3 Utilities. Tenant shall pay when due all charges for electricity, light, and telephone or other communication service, and all other utility services used in or supplied to the Premises.

3.4 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of the rent or taxes due hereunder shall be deemed to be other than on account of the amount due, and no endorsement of statement or any check or any letter accompanying any check or payment of rent shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice as to Landlord's right to recover the balance of such installment or payment or to pursue any other remedies available to Landlord.

SECTION 4. ENJOYMENT OF PREMISES, USE OF PREMISES, ALTERATIONS AND ADDITIONS

4.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the rent and upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

4.2 Tenant's Duty to Maintain Premises and Right of Access. Unless otherwise provided in this Lease, Tenant shall, at Tenant's expense, keep the Premises in a condition of thorough repair and good order, and in compliance with all applicable provisions of the Municipal Code of the City of Chicago, including but not limited to those provisions in Title 13 ("Building and Construction"), Title 14 ("Electrical Equipment and Installation"), Title 15 ("Fire Prevention") and all applicable landscape ordinances. If Tenant shall refuse or neglect to make needed repairs within ten (10) days after mailing of written notice thereof sent by Landlord, unless such repair cannot be remedied within ten (10) days, and Tenant shall have commenced and is diligently pursuing all necessary action to remedy such repair, Landlord is authorized to make such repairs and Tenant will within ten (10) business days of demand reimburse Landlord for the reasonable cost thereof or Landlord can immediately terminate this Lease by providing the Tenant with written notice of termination for cause. Landlord shall have the right of access to the Premises for the purpose of inspecting and making repairs to the Premises, provided that except in the case of emergencies, Landlord shall first give notice to Tenant of its desire to enter the Premises and will schedule its entry so as to minimize any interference with Tenant's use of the Premises to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors or as otherwise necessary in the operation or protection of the Premises.

4.3 Use of the Premises. Tenant shall not use the Premises in a manner that would violate any law. Tenant further covenants not to do or suffer any waste or damage, comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments (collectively – the “Laws”) which may be applicable to the Premises or to the use or manner of use of the Premises, disfigurement or injury to any building or improvement on the Premises, or to fixtures and equipment thereof. Any activities on the Premises must be limited to the Chicago Transit Authority use as a bus turn-around (the “Use”). Landlord grants permission to Tenant to pave and maintain Premises when necessary for operation of a bus turn-around. Tenant agrees that in utilizing said Premises that it shall not discriminate against any member of the public because of race, creed, color, sexual orientation, political perspective, or national origin.

4.4 Alterations and Additions. Tenant shall have the right to make such alterations, additions and improvements on the Premises as it shall deem necessary to the Use, provided that any such alterations, additions and improvements shall be in full compliance with the applicable Laws and provided that Tenant has obtained the prior written consent of Landlord.

SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS

5.1 Assignment and Sublease. Tenant shall not assign this Lease in whole or in part, or sublet the Premises or any part thereof without the written consent of Landlord in each instance.

5.2 Tenant's Covenant Against Liens. Tenant shall not cause or permit any lien or encumbrance, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Premises. All liens and encumbrances created by Tenant shall attach to Tenant's interest only.

SECTION 6. INDEMNIFICATION

6.1 Tenant agrees to indemnify and hold Landlord harmless against all liabilities, judgments, costs, damages and expenses which may accrue against, be charged to or recovered from Landlord by reason or on account of damage to the property of Landlord or injury to or death of any person, arising from Tenant's use of and occupation of and operations at the Premises including acts of its agents, contractors and subcontractors. Any final judgment rendered against Landlord for any cause for which Tenant is liable hereunder shall be conclusive against Tenant as to liability and amount.

SECTION 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction. If the Premises shall be damaged or destroyed by fire or other casualty to such extent that Tenant cannot continue, occupy or conduct its normal business therein, or if, in Tenant's opinion, the Premises are rendered untenable, either Landlord or Tenant shall have the option to declare this Lease terminated as of the date of such damage or destruction by giving Landlord written notice to such effect. If either Landlord or Tenant

exercises this option, the rent shall be apportioned as of the date of such damage or destruction and Landlord shall forthwith repay to Tenant all prepaid rent.

SECTION 8. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS

8.1 Conflict of Interest. No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as directed in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises; nor shall any such official, employee, or member participate in making or in any way attempt to use his position to influence any City governmental decision or action with respect to this Lease.

8.2 Duty to Comply with Governmental Ethics Ordinance. Landlord and Tenant shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics," including but not limited to section 2-156-120, which states that no payment, gratuity or offer of employment shall be made in connection with any City of Chicago contract, as an inducement for the award of a contract or order. Any contract or lease negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

SECTION 9. HOLDING OVER

9.1 Holding Over. Any holding over by Tenant shall be construed to be a tenancy from month to month beginning on January 1, 2026 and the rent shall be the same as listed in Section 3.1 of this Lease. During such holding over all other provisions of this Lease Agreement shall remain in full force and effect.

SECTION 10. MISCELLANEOUS

10.1 Notice. All notices, demands and requests which may be or are required to be given, demanded or requested by either party to the other shall be in writing. All notices, demands and requests by Tenant to Landlord shall be delivered by national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid addressed to Landlord as follows:

City of Chicago
Department of Fleet and Facility Management
Office of Real Estate Management
30 North LaSalle Street - Suite 300
Chicago, Illinois 60602

or at such other place as Landlord may from time to time designate by written notice to Tenant. All notices, demands, and requests by Landlord to Tenant shall be delivered by a national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant as follows:

Chicago Transit Authority

Attn: General Manager Real Estate And Asset Management
567 West Lake Street
Chicago, Illinois 60661-1498

or at such other place as Tenant may from time to time designate by written notice to Landlord. Any notice, demand or request which shall be served upon Tenant by Landlord, or upon Landlord by Tenant, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

10.2 Partial Invalidity. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law.

10.3 Governing Law. This Lease shall be construed and be enforceable in accordance with the laws of the State of Illinois.

10.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Lease. This Lease contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

10.5 Captions and Section Numbers. The captions and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Lease nor in any way affect this Lease.

10.6 Binding Effect of Lease. The covenants, agreements, and obligations contained in this Lease shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

10.7 Time is of the Essence. Time is of the essence of this Lease and of each and every provision hereof.

10.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

10.9 Authorization to Execute Lease. The parties executing this Lease hereby represent and warrant that they are the duly authorized and acting representatives of Landlord and Tenant respectively and that by their execution of this Lease, it became the binding obligation of Landlord and Tenant respectively, subject to no contingencies or conditions except as specifically provided herein.

10.10 Termination of Lease. Landlord and Tenant shall have the right to terminate this Lease for any reason without prepayment or penalty by providing ninety (90) days prior written notice at any time after execution of this Lease.

10.11 Force Majeure. When a period of time is provided in this Lease for either party to do or perform any act or thing, the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the party is so delayed.

10.12 Condemnation. If the whole or any substantial part of the Premises are taken or condemned by any competent authority for any public use or purpose, or if any adjacent property or street shall be so condemned or improved in such a manner as to require the use of any part of the Premises, the term of this Lease shall, at the option of Landlord or the condemning authority, be terminated upon, and not before, the date when possession of the part so taken shall be required for such use or purpose, and Landlord shall be entitled to receive the entire award without apportionment with Tenant.

10.13 Amendments. From time to time, the parties hereto may amend this Lease Agreement with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of this Lease Agreement. Provided, however, that such Amendment(s) shall not serve to extend the Lease term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such Amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both Landlord and Tenant. Such Amendment(s) shall only take effect upon execution by both parties. Upon execution, such Amendment(s) shall become a part of this Lease and all other provisions of this Lease shall otherwise remain in full force and effect.

10.14 Prior Lease. Landlord and Tenant acknowledge and agree that the Tenant has leased and occupied the Premises under a prior lease dated February 1, 2011. Landlord and Tenant each acknowledge and agree that the other party has performed all obligations under such prior lease and that neither party has any claims against the other with respect to such prior lease.

SECTION 11. ADDITIONAL RESPONSIBILITIES OF TENANT

11.1 Tenant Use. Tenant shall not use the Premises for any commercial profit making, fund raising, political activity, or religious activity.

11.2 Custodial Service. Tenant shall provide and pay for custodial services which shall be construed as keeping the Premises clean and free of debris. Tenant shall keep the Premises clean, presentable, free of litter and in good repair.

11.3 Condition upon Termination. Upon the termination of this Lease, Tenant shall surrender the Premises to the Landlord in a comparable condition to the condition of the Premises at the beginning of this Lease, with normal wear and tear taken into consideration.

11.4 Satisfaction with Condition. Tenant agrees that Tenant has inspected the Premises and all related areas and grounds and that Tenant is satisfied with the physical condition thereof.

11.5 Illegal Activity. Tenant, or any of its agents and employees, shall not perform or permit any practice that is injurious to the Premises or unreasonably disturbs other Tenants; is illegal; or increases the rate of insurance on the Premises.

11.6 Hazardous Materials. Tenant shall keep out of the Premises materials which cause a fire hazard or safety hazard. Tenant shall not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances thereto.

11.7 Snow Removal. Tenant shall provide and pay for snow removal as necessary. Tenant acknowledges that Landlord shall have no snow or ice removal responsibilities.

11.8 Scavenger Service. Tenant shall pay all scavenger costs associated with the demised Premises.

11.9 Alcohol and Drugs. Tenant agrees that no alcoholic beverages of any kind or illegal drugs be sold, given away or consumed on the Premises.

SECTION 12. ADDITIONAL CLAUSES

12.1 Encumbering Title. Tenant shall not do any act which shall in any way encumber the fee simple estate of Landlord in and to the Premises, nor shall the interest or estate of Landlord in the Premises be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or virtue of any express or implied contract by Tenant any claim to, or lien upon, the Premises arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject to and subordinate to the paramount title and rights of Landlord in and to the Premises.

12.2 Ownership of Improvements. All improvements that Tenant constructs or installs on the Premises at Landlord's option shall become the property of the Landlord upon the termination of this Lease or at Landlord's option removed at Tenant's expense.

12.3 No Other Rights. This Agreement does not give Tenant any other right with respect to the Premises. Any rights not specifically granted to Tenant by and through this document are reserved exclusively to Landlord. Execution of this agreement does not obligate Landlord in any manner and Landlord shall not undertake any additional duties or services.

12.4 No Substitute for Required Permitting. Tenant must secure all other permits and approvals that may be required to undertake the Use. Tenant understands that this Lease shall in no way act as a substitute for any other permitting or approvals that may be required to undertake the Use.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LANDLORD:

CITY OF CHICAGO, an Illinois Municipal Corporation

BY: THE DEPARTMENT OF FLEET AND FACILITY MANAGEMENT

By: _____
Commissioner

APPROVED AS TO FORM AND LEGALITY:
BY: THE DEPARTMENT OF LAW

By: _____
Deputy Corporation Counsel
Real Estate Division

TENANT:

CHICAGO TRANSIT AUTHORITY,
an Illinois Municipal Corporation

By: _____
Chairman, Chicago Transit Authority

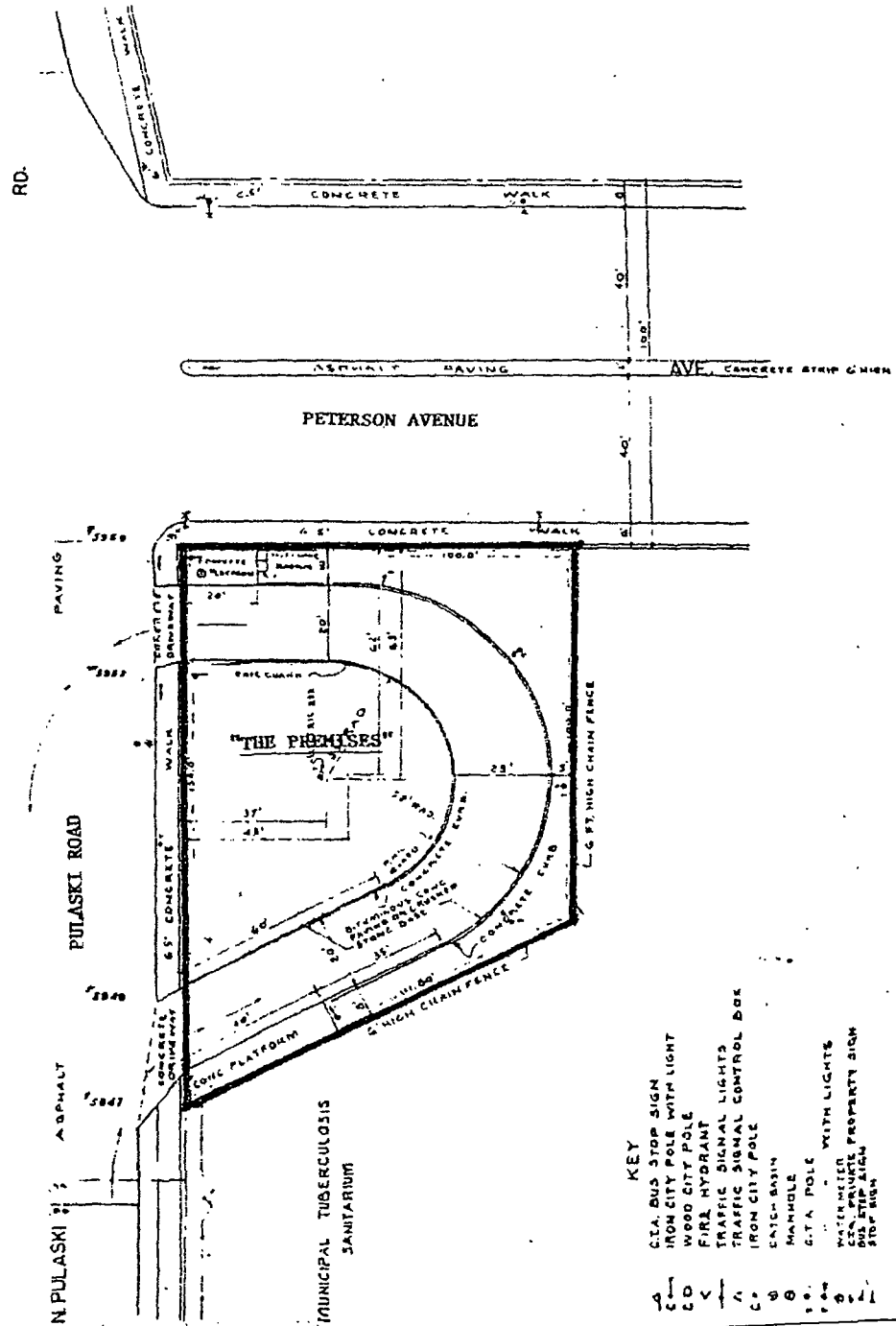
Attest: _____
Secretary

APPROVED AS TO FORM AND LEGALITY:
By: LAW DEPARTMENT

By: _____
General Attorney

EXHIBIT A

EXHIBIT "A"



5975 N. Pulaski Rd.
Chicago Transit Authority
Lease No. 20026

SECTION 2: This Ordinance shall be effective from and after the date of its passage and approval.



City of Chicago



A2015-168

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Sharon Fairley as Chief Administrator of Independent Police Review
Committee(s) Assignment:	Committee on Public Safety



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Sharon Fairley as Chief Administrator of Independent Police Review.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel". The signature is written in dark ink and is positioned above the printed name "Mayor".

Mayor





City of Chicago



A2015-169

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Jesse H. Ruiz as Commissioner of the Chicago Park District
Committee(s) Assignment:	Committee on Special Events, Cultural Affairs and Recreation



SP. EV.

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015


TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Jesse H. Ruiz as Commissioner of the Chicago Park District for a term effective immediately and expiring April 25, 2020, to succeed Bryan S. Traubert, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,


Mayor





City of Chicago



A2015-170

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Gregory C. Cameron, Paul Fitzpatrick, Dean E. Lane, and Anne B. Voshel as members of Special Service Area No. 1-2015, State Street Commission
Committee(s) Assignment:	Committee on Finance



FIN.

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Gregory C. Cameron, Paul Fitzpatrick, Dean E. Lane, and Anne B. Voshel as members of Special Service Area No. 1-2015, the State Street Commission, for a term effective immediately and expiring January 13, 2019.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

Mayor





City of Chicago



A2015-171

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Ben R. Munro as member of Special Service Area No. 21, Lincoln Square Commission
Committee(s) Assignment:	Committee on Finance

FIN.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Ben R. Munro as a member of Special Service Area No. 21, the Lincoln Square Commission, for a term effective immediately and expiring June 27, 2016, to succeed Leonard R. Jewell, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

Mayor





City of Chicago



A2015-172

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Zachary Maiorca as member of Special Service Area No. 21, Lincoln Square Commission
Committee(s) Assignment:	Committee on Finance

FIN.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Zachary Maiorca as a member of Special Service Area No. 21, the Lincoln Square Commission, for a term effective immediately and expiring June 27, 2016, to succeed Christine Luscher, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor





City of Chicago



A2015-174

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Edda B. Coscioni, Mark H. Davis, Kenneth Dotson, Benjamin E. Hamm, Brent P. Holten, and Oz Sozen as members of Special Service Area No. 35-2015, Lincoln Avenue Commission
Committee(s) Assignment:	Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Edda B. Coscioni, Mark H. Davis, Kenneth Dotson, Benjamin E. Hamm, Brent P. Holten, and Oz Sozen as members of Special Service Area No. 35-2015, the Lincoln Avenue Commission, for a term effective immediately and expiring January 13, 2018.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

Mayor





City of Chicago



A2015-175

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Maura Levit as member of Special Service Area No. 43, Devon Avenue Commission
Committee(s) Assignment:	Committee on Finance

FIN.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Maura Levit as a member of Special Service Area No. 43, the Devon Avenue Commission, for a term effective immediately and expiring February 7, 2018, to succeed Avrom B. Fox, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor





City of Chicago



A2015-178

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Christopher M. Michalek as member of Board of Local Improvements
Committee(s) Assignment:	Committee on Transportation and Public Way

TRANSP



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have appointed Christopher M. Michalek as a member of the Board of Local Improvements, to succeed Fred A. Moody, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor



City of Chicago



A2015-179

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Appointment of Edward T. McKinnie, Sr., as member of Board of Local Improvements
Committee(s) Assignment:	Committee on Transportation and Public Way



TRANS

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

--Ladies and Gentlemen:

I have appointed Edward T. McKinnie, Sr., as a member of the Board of Local Improvements, to succeed George W. Migala, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,


Mayor



City of Chicago



O2015-8826

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Issuance of special assessment bonds for municipal improvements with Franklin Point at 650-658 S Wells St, 700-758 S Wells St and 223-313 W Harrison St and River South at 600-1000 S Wells St
Committee(s) Assignment:	Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

On behalf of the Chief Financial Officer, I transmit herewith an ordinance authorizing inducement language for an issuance of special assessment bonds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



DECLARATION OF INTENT FOR ISSUANCE OF SPECIAL
ASSESSMENT BONDS FOR MUNICIPAL IMPROVEMENTS
WITHIN FRANKLIN POINT AND RIVER SOUTH AREAS

WHEREAS, the City of Chicago (the "City") is a municipal corporation and a home rule unit of government, pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the City wishes to design, acquire, construct and install certain municipal improvements within portions of the City commonly known as the Franklin Point Area (located generally at 650-658 South Wells Street, 700-758 South Wells Street and 223-313 West Harrison Street) and the River South Area (located generally at 600-1000 South Wells Street) and the City wishes to issue its special assessment bonds to finance said improvements; and

WHEREAS, the City hereby finds and determines that the financing of the improvements described below by the City will serve the public purposes of the City; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The City intends to issue obligations (the "Bonds") for the purpose of financing the design, acquisition, construction and installation of improvements consisting of streets, parks, utilities, stormwater management facilities, sanitary sewer, riverfront amenities, engineering and consulting services, and other eligible costs within the Franklin Point and River South Areas and the acquisition of land on which such improvements are to be built (the "Project") and including without limitation, related expenses for making and levying the special assessments, costs of issuance, capitalized interest and a debt service reserve. The total amount which the City intends to borrow through the issuance of the Bonds for the Project will not exceed \$98,400,000.00.

SECTION 3. Certain costs will be incurred by the City in connection with the Project prior to the issuance of the Bonds. The City reasonably expects to reimburse such costs with proceeds of the Bonds.

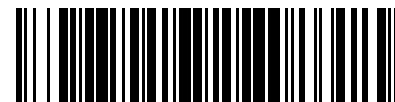
SECTION 4. This ordinance constitutes a declaration of official intent under Treasury Regulation Section 1.150-2 and the Internal Revenue Code of 1986, as amended.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of other provisions of this ordinance.

SECTION 6. This ordinance shall be effective as of the date of its passage.



City of Chicago



O2015-8740

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Amendment of Municipal Code Sections 4-6-060 and 8-16-024 regarding tattooing, body piercing and tanning facilities
Committee(s) Assignment:	Committee on Health and Environmental Protection



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Public Health, I transmit herewith an ordinance amending Chapter 4-6 of the Municipal Code regarding body piercing.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 4-6-060 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows,

4-6-060 Tattooing, body piercing and tanning facilities.

(Omitted text is not affected by this ordinance)

(d) *Prohibited acts.* It shall be unlawful for any licensee engaged in the business of tattooing, body piercing or tanning facility to:

(1) tattoo or to offer to tattoo any person under the age of 24 18;

(2) pierce any area of the body of a person under 18 years of age without written consent, or, in case of any piercing of the oral cavity, without written consent in a form prescribed by the commissioner of health that complies with 720 ILCS 5/12C-40(a) and 77 Illinois Administrative Code 797.400(l), of a parent or legal guardian of that person;

(3) allow any person under 18 years of age to tan themselves in a tanning facility, regardless of whether the person has the permission of a parent or guardian.

(e) *Penalty.* (1) Any person who violates ~~any requirement of subsection (c)(1), (c)(2), (c)(3) or (c)(4)~~ of this section or any rule or regulation promulgated thereunder shall be subject to a fine of not less than \$500.00 nor more than \$1,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(2) Any person who violates subsection (c)(2), (c)(3) or (c)(4) of this section or any rule promulgated thereunder shall be subject to a fine of \$250.00 for each serious offense; and a fine of \$500.00 for each critical offense. Each day that a violation continues shall constitute a separate and distinct offense. The board of health shall promulgate rules classifying violations of subsections (c)(2), (c)(3) and (c)(4) of this section as serious or critical.

(3) Except as otherwise provided in subsections (e)(1) and (e)(2), any Any person who violates ~~any other requirement of this section or any rule or regulation promulgated thereunder~~ shall be subject to a fine of not less than \$2,000.00 nor more than \$10,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(Omitted text is not affected by this ordinance)

SECTION 2. Section 8-16-024 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows,

8-16-024 Tanning facilities.

(d) Fines. Except as otherwise provided in Section 4-6-060, any Any person who violates any provision of this section shall be fined ~~not less than \$100 and not more than \$250~~ for each offense. Each instance of violation of this section shall be deemed a separate offense.

SECTION 3. This ordinance shall take effect 10 days after passage and publication.



City of Chicago



O2015-8511

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Expenditure of Open Space Impact Fee funds for North Branch Trail expansion project
Committee(s) Assignment:	Committee on Special Events, Cultural Affairs and Recreation

SP. EV.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing an expenditure of Open Space Impact Fee Funds regarding the North Branch Trail.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "**City**"), is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Forest Preserve District of Cook County (the "**FPDCC**") is a body politic and corporate of the State of Illinois organized pursuant to the Cook County Forest Preserve Act, 70 ILCS 810/0.01, et seq.; and

WHEREAS, the City is authorized under its home rule powers to regulate the use and development of land; and

WHEREAS, it is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City; and

WHEREAS, on April 1, 1998, the City Council of the City (the "**City Council**") adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "**Open Space Ordinance**") of the Municipal Code of Chicago (the "**Code**") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, the Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "**Fee-Paying Developments**"); and

WHEREAS, pursuant to the Open Space Ordinance, the Department of Finance ("**DOF**") has collected fees derived from the Fee-Paying Developments (the "**Open Space Fees**") and has deposited those fees in separate funds, each fund corresponding to the "**Community Area**" (as defined in the Open Space Ordinance), in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, the Department of Planning and Development ("**DPD**") has determined that the Norwood Park Community Area, Jefferson Park Community Area, and Forest Glen Community Area (together, the "**Communities**") have all suffered from significant deficits of open space as documented in the comprehensive plan entitled "**The CitySpace Plan**," adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 pursuant to an ordinance published at pages 69309-69311 of the Journal of the Proceedings of the City Council of the same date; and

WHEREAS, the FPDCC is responsible for the care and maintenance of the North Branch Trail (the "**Trail**"), an eighteen (18) mile long hiking and bicycling trail which has a northernmost terminus at the Chicago Botanical Gardens, and southernmost at the forest preserve in Edgebrook, and which, for a significant length, generally follows the common borders shared by and between the Communities; and

WHEREAS, the City and the FPDCC desire the construction of a four (4) mile long extension beginning from the southern terminus of the Trail (the "**Project**") as described on Exhibit A, which will pass along and through parts of the Communities; and

WHEREAS, the City desires to grant to the FPDCC impact fee funds to pay for or reimburse construction and development costs associated with the Project; and

WHEREAS, DPD desires to provide to the FPDCC Open Space Fees in an amount not to exceed \$191,636 for the Project; and .

WHEREAS, the Open Space Ordinance requires that the Open Space Fees be used for open space acquisition and capital improvements, which provide a direct and material benefit to the new development from which the fees are collected; and

WHEREAS, the Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected; and

WHEREAS, DPD has determined that the use of the Open Space Fees to fund the Project will provide a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected; and

WHEREAS, DPD has determined that Open Space Fees to be used for the purposes set forth herein have come from the specific funds set up by DOF for the Communities, in which the Fee-Paying Developments are located and from which the Open Space Fees were collected; and

WHEREAS, DPD has recommended that the City Council approve the use of the Open Space Fees for the purposes set forth herein through this ordinance; and

WHEREAS, DPD has recommended that the City Council make a finding that the expenditure of the Open Space Fees as described herein will directly and materially benefit the Fee-Paying Developments from which the Open Space Fees were collected; and

WHEREAS, the City Council finds that the planned extension of the Trail for public use will help to alleviate the shortage of public space and recreational facilities in the Communities and is in the best interests of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made part of this ordinance as though fully set forth herein.

SECTION 2. The City Council hereby finds that the expenditure of the Open Space Fees will directly and materially benefit the residents of those Fee-Paying Developments from which the Open Space Fees were collected and approves the use of the Open Space Fees for the purposes described herein.

SECTION 3. The Commissioner of DPD (the "**Commissioner**") or a designee of the Commissioner are each hereby authorized, subject to the approval of the Corporation Counsel, to enter into an intergovernmental agreement with the FPDCC in connection with the Project, in substantially the form attached hereto as Exhibit B, and to provide Open Space Fees proceeds to the FPDCC in an amount not to exceed \$191,636 from the corresponding funds to pay for or reimburse expenses permitted under the Open Space Ordinance.

SECTION 4. Open Space Fees in the amount of \$191,636 from the Communities' Open Space Fees Funds, as described by Exhibit A, are hereby appropriated for the purposes described herein.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after the date of its passage.

EXHIBIT A

DESCRIPTION OF PROJECT
(Trail Expansion Project)

North Branch Trail Expansion Project

Community Areas Affected:	Norwood Park (Area 10) Jefferson Park (Area 11) Forest Glen (Area 12)	
Description of Project:	4 mile expansion from southern terminus of existing 18 mile hiking and cycling trail already serving many Community Areas.	
Approved Use of Funds:	Open Space Fees will be used to help defray the cost of construction of two bridges along the trail – the first over the North Branch of the Chicago River, and the second over the Metra Tracks at Lehigh Avenue.	
Bridge Construction Budget:	Excavation, Concrete Structure, Railings	\$898,214
	Pedestrian Truss Superstructure	1,848,000
	Total:	\$2,746,214

Sources and Amount of Open Space Fees

Norwood Park – Community Area 10

Available Open Space Fees: \$103,164
Source of Funds/CAPS code: PS10 131 54 5011 2604

Jefferson Park – Community Area 11

Available Open Space Fees: \$12,691
Source of Funds/CAPS code: PS11 131 54 5011 2604

Forest Glen – Community Area 12

Available Open Space Fees: \$75,781
Source of Funds/CAPS code: PS12 131 54 5012 2604

Total Open Space Fees for Project Use: \$191,636

EXHIBIT B

INTERGOVERNMENTAL AGREEMENT
(Forest Preserve District of Cook County)

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (this "**Agreement**") is entered into as of _____, 201_ (the "**Closing Date**"), by and between the City of Chicago (the "**City**"), an Illinois municipal corporation, acting through its Department of Planning and Development (the "**DPD**"), and the Forest Preserve District of Cook County (the "**FPDCC**"), a body politic and corporate of the State of Illinois. The FPDCC and the City are sometimes referred to herein as the "**Parties**" and individually as a "**Party**".

RECITALS

WHEREAS, on April 1, 1998, the City Council of the City (the "**City Council**") adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "**Open Space Ordinance**") of the Municipal Code of Chicago (the "**Code**") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, the Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "**Fee-Paying Developments**"); and

WHEREAS, pursuant to the Open Space Ordinance, the Department of Finance ("**DOF**") has collected fees derived from the Fee-Paying Developments (the "**Open Space Fees**") and has deposited those fees in separate funds, each fund corresponding to the "**Community Area**" (as defined in the Open Space Ordinance), in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, the DPD has determined that the Norwood Park Community Area, Jefferson Park Community Area, and Forest Glen Community Area (together, the "**Communities**") have all suffered from significant deficits of open space as documented in the comprehensive plan entitled "**The CitySpace Plan**," adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 pursuant to an ordinance published at pages 69309-69311 of the Journal of the Proceedings of the City Council of the same date; and

WHEREAS, the FPDCC is responsible for the care and maintenance of the North Branch Trail (the "**Trail**"), an eighteen (18) mile long hiking and bicycling trail which has a northernmost terminus at the Chicago Botanical Gardens, and southernmost at the forest preserve in Edgebrook, and which, for a significant length, generally follows the common borders shared by and between the Communities; and

WHEREAS, the City and the FPDCC desire the construction of a four (4) mile long extension beginning from the southern terminus of the Trail (the "**Project**") as described on Exhibit A, which will pass along and through parts of the Communities; and

WHEREAS, the City desires to grant to the FPDCC impact fee funds to pay for or reimburse construction and development costs associated with the Project; and

WHEREAS, DPD desires to provide to the FPDCC Open Space Fees in an amount not to exceed \$191,636 for the Project (the "**Grant**"); and

WHEREAS, on _____, 2016 the City Council of the City adopted an ordinance published in the Journal of the Proceedings of the City Council for said date at pages _____ to _____, finding, among other things, that the Project would provide a direct and material benefit to the residents of the new developments originating the Open Space Fees and authorizing the Grant and this Agreement is subject to certain terms and conditions (the "**Authorizing Ordinance**"); and

WHEREAS, on _____, 20____, the FPDCC's Board of Directors passed [a/an **resolution/ordinance**] expressing its desire to accept Project assistance from the City for the development of the Project and authorizing the execution of this Agreement (the "**FPDCC Authorization**"); and

WHEREAS, under the terms and conditions hereof, the City agrees to make the Grant available to the FPDCC; and

WHEREAS, the City and the FPDCC have among their powers the authority to contract with each other to perform the undertakings described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the above recitals which are made a contractual part of this Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the City and the FPDCC agree as follows:

SECTION 1. THE GRANT

1.1. **Budget.** Subject to the provisions set forth in this Agreement, the City will disburse the Grant to reimburse the FPDCC for part of the cost of completing the Project in accordance with the budget attached to this Agreement as Exhibit B (the "**Budget**"), which Budget is hereby approved by the DPD, and only after the FPDCC has submitted the Certificate of Expenditure to the DPD (as defined below), once the Project is complete, along with such supporting documentation as the City may reasonably require.

1.2 **Reimbursement.** The FPDCC may request that a certificate of expenditure substantially in the form attached hereto (the "**Certificate of Expenditure**") as Exhibit C be processed and executed upon Project completion. The City will not execute the Certificate of Expenditure in excess of the actual cost of the Project or in excess of the agreed upon Grant amount, whichever is the lower. Prior to the execution of the Certificate of Expenditure by the City, the FPDCC must submit documentation regarding the applicable expenditures and the completion of the Project to the DPD. Delivery by the FPDCC to the DPD of a request for execution by the City of the Certificate of Expenditure hereunder will, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that,

(A) the total amount of the request for the Certificate of Expenditure represents an amount not in excess of the actual amount payable to (or paid to) the general contractor, subcontractors, and other parties who have performed work on or otherwise provided goods, property or services in connection with the Project, and/or their payees;

(B) the Project has been completed in its entirety and is ready to be opened to the public; and

(C) the FPDCC has complied and is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the FPDCC as related thereto.

1.3. **Limits of Reimbursement.** The FPDCC hereby acknowledges and agrees that the Grant must be used exclusively to pay for or reimburse costs associated with Project. If the Grant amount should exceed the costs of the Project, the total amount payable to the FPDCC shall be the actual costs incurred by the FPDCC in completion of the Project.

1.4. **Cost Overruns.** The FPDCC is solely responsible for any fees, costs and expenses of the Project in excess of the amount of the Grant and the Budget and will hold the City harmless from all such excess fees, costs and expenses. In the event that either party believes that the Budget may not provide sufficient funds for the construction of the Project, such party must notify the other party and the parties must cooperate to modify the Project so that it can be completed in accordance with the Budget.

1.5. **Source of Funds.** The sources of funds for the City's obligations under this Agreement are funds identified by CAPS Codes: PS10 131 54 5010 2604; PS 11 131 54 5011 2604; PS12 131 54 5012 2604. The FPDCC hereby acknowledges and agrees that the City's obligations hereunder are subject in every respect to the availability of funds as described in and limited by this Section 1.5. If no funds or insufficient funds are appropriated and budgeted for disbursement of the Grant, then the City will notify the FPDCC in writing of that occurrence, and the FPDCC will have the right, but not the obligation to terminate this Agreement by written notice to the City.

SECTION 2. DEVELOPMENT AND CONSTRUCTION OF THE PROJECT

2.1. **Title Commitment and Insurance; Survey.** The FPDCC must be responsible for obtaining, at its own expense, any title commitment or title policy and survey with respect to the property upon which the Project improvements will be constructed (the "Property") that it deems necessary.

2.2. **Construction Documents and Landscape Plan.** The FPDCC has developed the construction documents and a plan for the Project (the "Drawings") as shown on Exhibit D. No material deviation from the Drawings will be made without the prior written approval of the DPD, which approval will not be unreasonably withheld, conditioned or delayed. The approval of the Drawings by the DPD are for the purposes of this Agreement only and other than as set forth in the Drawings, no structures or improvements are to be constructed on the Property by

the FPDCC without the prior written approval of the DPD, which approval will not be unreasonably withheld, conditioned or delayed and will not constitute any approval required by the City's Department of Buildings, or any other Department of the City.

2.3. **Schedule**. The FPDCC has prepared a preliminary schedule for the development and construction of the Project as set forth on Exhibit E (the "**Schedule**"). No material deviation from the Schedule will be made without the prior written approval of the DPD, which approval will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, in no event will the approval of the DPD be required for any changes to the Schedule required in connection with any force majeure event.

2.4. **Use**. The Project must be utilized as open space for use by the public for and on behalf of the City. This Agreement does not confer any special rights upon the FPDCC or any other person or entity to use the Project for private parties or events.

2.5. **Certification**. The FPDCC must submit the Certificate of Expenditure form as attached in Exhibit C prior to any Grant funds being released.

SECTION 3. TERM OF AGREEMENT

Term of Agreement. The term of this Agreement will commence as of the Closing Date and, unless otherwise terminated as provided in this Agreement, will expire on the fifth anniversary of the Closing Date. Notwithstanding the foregoing, if the FPDCC modifies the Schedule pursuant to Section 2.3 of this Agreement and such modification extends beyond the term, the term will be adjusted accordingly.

SECTION 4. COVENANTS AND REPRESENTATIONS

The FPDCC hereby warrants, represents and/or covenants to the City that:

4.1. The FPDCC will use the Grant solely for the Project and to pay for or reimburse eligible costs as determined in the sole discretion of the City and outlined on Exhibit B.

4.2. The FPDCC will comply with all applicable federal, state, and local statutes, laws, ordinances, rules, regulations and executive orders that are in effect from time to time that pertain to or affect the Project, the FPDCC, or the Grant. Upon the City's request, the FPDCC will provide evidence of such compliance satisfactory to the City.

4.3. The FPDCC agrees that provisions required to be inserted in this Agreement by laws, ordinances, rules, regulations or executive orders are deemed inserted whether or not they appear in this Agreement and that in no event will the failure to insert such provisions prevent the enforcement of this Agreement.

4.4. The FPDCC has full power and authority to enter into and perform its obligations under this Agreement, and the signing and delivery of this Agreement and the performance of its obligations under this Agreement have been duly authorized by all requisite corporate action.

4.5. Signing, delivery and performance by the FPDCC of this Agreement does not violate its bylaws, articles of incorporation, resolutions or any applicable provision of law, or constitute a material breach of, default under or require any consent under, any agreement, instrument or document, including any related to borrowing monies, to which the FPDCC is party or by which it is bound.

4.6. There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the FPDCC that would materially impair its ability to perform under this Agreement.

4.7. The FPDCC is not in default on any loan or borrowing that may materially affect its ability to perform under this Agreement.

4.8. If the Grant, or a portion thereof, is used to pay for or reimburse construction costs, the FPDCC and all its contractors and subcontractors must meet labor standards and prevailing wage standards required by federal, state and City laws, regulations and ordinances.

4.9. The FPDCC must maintain and keep in force, at its sole cost and expense, at all times during the term of this Agreement, insurance in such amounts and of such type as set forth in Section 6 below.

4.10. The FPDCC must at all times perform its work in fulfilling its corporate mission with the utmost care, skill and diligence in accordance with the applicable standards currently recognized in the community.

4.11. The Parties agree that the FPDCC will maintain the Project improvements on the Property in a condition and manner acceptable to the City.

4.12. It is the duty of the FPDCC and any bidder, proposer, subcontractor and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of the FPDCC and any such bidder, proposer, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The FPDCC represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform all contractors and subcontractors hired by the FPDCC in connection with this Agreement of this provision in writing and require their compliance.

It is the duty of the FPDCC and any bidder, proposer, subcontractor and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of the FPDCC and any such bidder, proposer, subcontractor or such applicant to cooperate with the Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-55 of the Municipal Code. The FPDCC represents that it understands and will abide by all provisions of Chapter 2-55 of the Municipal Code and that it will inform all contractors and subcontractors hired by the FPDCC in connection with this Agreement of this provision in writing and require their compliance.

4.13 Failure by the FPDCC or any controlling person (as defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code will be grounds for termination of this Agreement and the transactions contemplated hereby.

4.14 **Independent Contractor**

A. The FPDCC shall perform under this Agreement as an independent contractor to the City and not as a representative, employee, agent or partner of the City.

B. The City is subject to the June 24, 2011 "City of Chicago Hiring Plan" (the "**City Hiring Plan**") entered into in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the 2011 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

C. The FPDCC is aware that City policy prohibits City employees from directing any individual to apply for a position with the FPDCC, either as an employee or as a subcontractor, and from directing the FPDCC to hire an individual as an employee or as a subcontractor. Accordingly, the FPDCC must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by the FPDCC under this Agreement are employees or subcontractors of the FPDCC, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the FPDCC.

D. The FPDCC will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

E. In the event of any communication to the FPDCC by a City employee or City official in violation of Section (C) above, or advocating a violation of Section (D) above, the FPDCC will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("**IGO Hiring Oversight**") and also to the head of the DPD. The FPDCC will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

4.15 FOIA and Local Records Act Compliance

A. FOIA. The FPDCC acknowledges that the City is subject to the Illinois Freedom of Information Act, 5ILCS 140/1 et seq., as amended (“**FOIA**”). FOIA requires the City to produce “**Records**” (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the Records requested are exempt under FOIA. If the FPDCC receives a request from the City to produce Records within the scope of FOIA, the FPDCC covenants to comply with such request within 48 hours of the date of such request. Failure by the FPDCC to timely comply with such request will be a breach of this Agreement.

B. Exempt Information. Documents that the FPDCC submits to the City during the term of the Agreement containing trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the FPDCC to be treated as trade secrets or information that would cause competitive harm, FOIA requires that the FPDCC mark any such documents as “proprietary, privileged or confidential.” If the FPDCC marks a document as “proprietary, privileged and confidential”, then the DPD will evaluate whether such document may be withheld under FOIA. The DPD, in its discretion, will determine whether a document will be exempted from disclosure, such determination being subject to review by the Illinois Attorney General’s Office and/or the courts.

C. Local Records Act. The FPDCC acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et seq., as amended (the “**Local Records Act**”). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the FPDCC covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the transactions contemplated in this Agreement.

SECTION 5. ENVIRONMENTAL MATTERS

5.1. It will be the responsibility of the FPDCC to investigate and determine the soil and environmental condition of the Property, if deemed necessary, including obtaining phase I and, if applicable, phase II environmental audits for the Property. The City makes no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any use whatsoever.

5.2. The FPDCC agrees to carefully inspect the Property and all easements or other agreements recorded against the Property prior to commencement of any activity on the Property to ensure that such activity will not damage surrounding property, structures, utility lines or any subsurface lines or cables. The FPDCC is solely responsible for the safety and protection of the public on the portions of the Property affected by the Project, until the portion of the Project on each portion of the Property is completed. The City reserves the right to inspect the work being done on the Property. The FPDCC agrees to keep the Property free from all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the FPDCC.

5.3. Prior to inspecting the Property, the FPDCC or its subcontractors, if any, must obtain insurance in accordance with Section 6 below, all necessary permits and, if applicable, a right of entry.

SECTION 6. INSURANCE

6.1. **Insurance to be Provided.** The FPDCC must provide and maintain, at the FPDCC's own expense, or cause to be provided and maintained, during the term of this Agreement, the insurance coverages and requirements specified below, as applicable, insuring all operations related to this Agreement.

A. **Workers Compensation and Employers Liability.** Workers Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement, and Employers Liability coverage with limits of not less than \$100,000 per each accident or illness.

B. **Commercial General Liability** (Primary and Umbrella). Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: all premises and operations, products/completed operations, explosion, collapse, underground, separation of insureds, defense, and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or services. Subcontractors performing work or services for the FPDCC must maintain limits of not less than \$1,000,000 with the same terms in this subsection.

C. **Automobile Liability** (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with the services to be performed, the FPDCC must provide or cause to be provided Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.

D. **Professional Liability.** When any architects, engineers, or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained or caused to be maintained, with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work on the Project. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

E. **Self-Insurance.** To the extent permitted by applicable law, the FPDCC may self-insure for the insurance requirements specified above, it being expressly understood and agreed that, if the FPDCC does self-insure for any such insurance requirements, the FPDCC must bear all risk of loss for any loss which would otherwise be covered by insurance policies, and the self insurance program must comply with at least such insurance requirements as stipulated above.

6.2. **Additional Requirements.** The FPDCC must furnish the City of Chicago, Department of Planning and Development, 121 N. LaSalle Street, Room 905, Chicago, Illinois 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The FPDCC must submit evidence of insurance acceptable to the City prior to execution of the Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the FPDCC is not a waiver by the City of any requirements for the FPDCC to obtain and maintain the specified coverages. The FPDCC must advise all insurers of the provisions of this Agreement regarding insurance. Non-conforming insurance does not relieve the FPDCC of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by the FPDCC.

The FPDCC agrees that insurers waive their rights of subrogation against the City, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by the FPDCC in no way limit the FPDCC's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City do not contribute with insurance provided by the FPDCC under this Agreement.

The required insurance to be carried out is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

The FPDCC must require all subcontractors to provide insurance required in this Agreement, or the FPDCC may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of the FPDCC unless otherwise specified in this Agreement.

If the FPDCC or its subcontractors desire additional coverages, the party desiring additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City's Risk Management Division of the Department of Finance maintains the right to modify, delete, alter or change these requirements.

SECTION 7. INDEMNIFICATION

The FPDCC will indemnify and defend the City, its officials, agents and employees (the "**City Indemnitees**") against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, attorneys' and expert witnesses' fees and court costs) the City Indemnitees suffer or incur arising from or in connection with the actions or omissions of the FPDCC and/or any contractors or subcontractors in implementing the Project, if any, or the FPDCC's breach of this Agreement. This defense and indemnification obligation survives any termination or expiration of this Agreement.

SECTION 8. NO LIABILITY OF OFFICIALS

No elected or appointed official or member or employee or agent of the City will be charged personally by the FPDCC or by an assignee or subcontractor, with any liability or expenses of defense or be held personally liable under any term or provision of this Agreement because of their execution or attempted execution or because of any breach hereof.

SECTION 9. DEFAULT AND REMEDIES

9.1. **Default.** If the FPDCC, without the City's written consent (which consent will not be unreasonably withheld, conditioned or delayed) defaults by failing to perform any of its obligations under this Agreement then the City may terminate this Agreement if such default is not cured as provided in Section 9.2 below.

9.2. **Cure.** Prior to termination, the City will give the FPDCC 30 days' advance written notice of the City's intent to terminate stating the nature of the default. If the FPDCC does not cure the default within the 30-day period, the termination will become effective at the end of the period. With respect to those defaults that are not capable of being cured within the 30-day period, the FPDCC will not be deemed to be in default if it has begun to cure the default within the 30-day period and thereafter diligently and continuously prosecutes the cure of the default until cured.

9.3. **Remedies.** Either Party may, in any court of competent jurisdiction, by any proceeding at law or in equity, seek the specific performance of this Agreement, or damages for failure of performance, or both.

SECTION 10. BUSINESS RELATIONSHIPS

Pursuant to Section 2-156-030(b) of the Chicago Municipal Code, it is illegal for (i) any elected official of the City, or any person acting at the direction of such official, to contact either orally or in writing any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has any business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code) on the part of the official, or the "Domestic Partner" (as defined in Section 2-156-010 of the Municipal Code) or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably

expects to derive any income or compensation in the following twelve months, and (ii) for any elected official to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has any business relationship that creates a Financial Interest on the part of the official, or the Domestic Partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. Any violation of Section 2-156-030(b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The FPDCC hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 11. GENERAL CONDITIONS

11.1. **Assignment.** This Agreement, or any portion thereof, will not be assigned by either Party without the express prior written consent of the other Party which consent will not be unreasonably withheld, conditioned or delayed.

11.2. **Construction of Words.** As used in this Agreement, the singular of any word will include the plural, and vice versa. Masculine, feminine and neuter pronouns will be fully interchangeable, where the context so requires.

11.3. **Counterparts.** This Agreement may be executed in counterparts and by different Parties in separate counterparts, with the same effect as if all Parties had signed the same document. All such counterparts will be deemed an original, will be construed together and will constitute one and the same instrument.

11.4. **Entire Agreement.** This Agreement contains the entire agreement between the Parties and supersedes all prior agreements, negotiations and discussions between the Parties with respect to the Project.

11.5. **Exhibits.** Any exhibits to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

11.6. **Governing Law, Venue and Consent to Jurisdiction.** This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its principles of conflicts of law. If there is a lawsuit under this Agreement, each Party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

11.7. **Inspection and Records.** The FPDCC must provide the City with reasonable access to its books and records relating to the Project and the Grant as will be required by the City and necessary to reflect and disclose fully the amount and disposition of the Grant. Any duly authorized representative of the City will, at all reasonable times, have access to all such

books and records, which right of access will continue for five years after the expiration or termination of this Agreement .

11.8. **Modification.** This Agreement may not be modified or amended except by an agreement in writing signed by both Parties.

11.9. **Notice.** Any notice, demand or communication required or permitted to be given hereunder will be given in writing at the address set forth below by any of the following means: (a) personal service; (b) electronic communication, whether by electronic mail or fax; (c) overnight courier; or (d) registered or certified first class mail postage prepaid, return receipt requested.

To the City: City of Chicago
 Department of Planning and Development
 Attention: Commissioner
 121 N. LaSalle Street, Room 905
 Chicago, Illinois 60602
 (312) 744-4190
 (312) 744-2271 (Fax)

With copies to: Department of Law
 City of Chicago
 Attention: Finance and Economic Development Division
 121 N. LaSalle Street, Room 600
 Chicago, Illinois 60602
 (312) 744-0200
 (312) 744-8538 (Fax)

To the FPDCC: Forest Preserve District of Cook County
 Attention: _____

 Chicago, Illinois 606__
 (____) ____-____
 (312) 742-5276 (Fax)

[With a copy to:]

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof will be deemed received upon such personal service or upon dispatch by electronic means, respectively. Any notice, demand or communication given pursuant to clause (c) hereof will be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication given pursuant to clause (d) hereof will be deemed received three business days after mailing. The Parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications will be given.

11.10. **Parties' Interest / No Third Party Beneficiaries.** The terms and provisions of this Agreement will be binding upon and inure to the benefit of, and be enforceable by, the respective successors and permitted assigns of the Parties. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a Party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the FPDCC, will be deemed or construed by any of the Parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or the FPDCC.

11.11. **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, will be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

11.12. **Titles and Headings.** Titles and headings in this Agreement are inserted for convenience and are not intended to be part of or affect the meaning or interpretation of this Agreement.

11.13. **Waiver.** Waiver by either party with respect to the breach of this Agreement will not be considered or treated as a waiver of the rights of such party with respect to any other default or with respect to any particular default except to the extent specifically waived by such party in writing.

11.14. **Foreign Assets Control Lists.** Neither the FPDCC, nor any affiliate thereof, is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For the purposes of this paragraph "Affiliate", when used to indicate a relationship with a specified person or entity, will mean a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity will be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

11.15. **Further Actions.** The FPDCC and the City agree to do, execute, acknowledge and deliver all agreements and other documents and to take all actions reasonably necessary or desirable to comply with the provisions of this Agreement and the intent thereof.

*[The remainder of this page is intentionally blank.
Signatures appear on the following page.]*

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered as of the Closing Date.

CITY OF CHICAGO, an Illinois municipal corporation, acting by and through its Department of Planning and Development

By: _____
David L. Reifman
Commissioner

CHICAGO FPDCC, a body politic and Corporate of the State of Illinois

By: _____

Attest:

Secretary

EXHIBIT A

DESCRIPTION OF PROJECT
(OpenSpace Project)

North Branch Trail Expansion Project

Community Areas Affected:	Norwood Park (Area 10) Jefferson Park (Area 11) Forest Glen (Area 12)
Description of Project:	4 mile expansion from southern terminus of existing 18 mile hiking and cycling trail already serving many Community Areas.
Approved Use of Funds:	Open Space Fees will be used to help defray the cost of construction of two bridges along the trail – the first over the North Branch of the Chicago River, and the second over the Metra Tracks at Lehigh Avenue.

Sources and Amount of Open Space Fees

Norwood Park – Community Area 10

Available Open Space Fees:	\$103,164
Source of Funds/CAPS code:	PS10 131 54 5011 2604

Jefferson Park – Community Area 11

Available Open Space Fees:	\$12,691
Source of Funds/CAPS code:	PS11 131 54 5011 2604

Forest Glen – Community Area 12

Available Open Space Fees:	\$75,781
Source of Funds/CAPS code:	PS12 131 54 5012 2604

Total Open Space Fees for Project Use:	\$191,636
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EXHIBIT B

BUDGET
(OpenSpace Project)

North Branch Trail Expansion Project: \$191,636

Item

Excavation, Concrete Structure, Railings	\$898,214
Pedestrian Truss Superstructure	\$1,848,000

Total:	\$2,746,214
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EXHIBIT C

CERTIFICATE OF EXPENDITURE
(OpenSpace Project)

North Branch Trail Expansion Project

[Certificate on Next Page]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, Chicago FPDCC, a body politic and Corporate of the State of Illinois, hereby certifies that with respect to that certain Intergovernmental Agreement between the FPDCC and the City of Chicago dated _____, ____ (the "Agreement"):

- A. Expenditures for the Project, in the total amount of \$_____, have been made:
- B. This paragraph B sets forth and is a true and complete statement of all costs of Open Space Impact Fee-Funded Improvements for the Project reimbursed by the City to date: \$_____
- C. The FPDCC requests reimbursement for the following cost of Open Space Impact Fee-Funded Improvements: \$_____
- D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.
- E. The FPDCC hereby certifies to the City that, as of the date hereof:
 - 1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and the FPDCC is in compliance with all applicable covenants contained herein.
 - 2. No event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute a Default, exists or has occurred.
 - 3. The FPDCC has approved all work and materials for the current request for a Certificate of Expenditure, and such work and materials conform to the Plans and Specifications.
 - 4. The FPDCC is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the FPDCC as related thereto.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

By: _____
Name

Title: _____

Subscribed and sworn before me this ____ day of _____, _____

My commission expires: _____

Agreed and accepted:

Name

Title: _____
City of Chicago
Department of Planning and Development

Meg Gustafson
Department of Planning and Development
City Hall, Room 905
312.744.0524

EXHIBIT D

DRAWINGS
(OpenSpace Project)

North Branch Trail Expansion Project

[To be attached at Closing]

EXHIBIT E

PROJECT SCHEDULE
(OpenSpace Project)

North Branch Trail Expansion Project

[To be attached at Closing]



City of Chicago



A2015-173

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Reappointment of Joseph M. Hall and Brent A. Norsman as members of Special Service Area No. 33, Wicker Park & Bucktown Commission
Committee(s) Assignment:	Committee on Finance

FIN-



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have reappointed Joseph M. Hall and Brent A. Norsman as members of Special Service Area No. 33, the Wicker Park & Bucktown Commission, for terms effective immediately and expiring September 13, 2017.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

Mayor





City of Chicago



A2015-176

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Reappointment of Saima Causevic and Frank J. Kern as members of Special Service Area No. 60, Albany Park Commission
Committee(s) Assignment:	Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have reappointed Saima Causevic and Frank J. Kern as members of Special Service Area No. 60, the Albany Park Commission, for a term effective immediately and expiring January 15, 2018.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

Mayor





City of Chicago



A2015-177

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Appointment
Title:	Reappointment of Gregory B. Guttman, Allison C. Hartman, James M. Hennessy, George W. Rumsey as members of Special Service Area No. 61, Hyde Park Commission
Committee(s) Assignment:	Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

I have reappointed Gregory B. Guttman, Allison C. Hartman, James M. Hennessy, George W. Rumsey as members of Special Service Area No. 61, the Hyde Park Commission, for a term effective immediately and expiring January 1, 2018.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

Mayor

