

Village of La Grange



VILLAGE BOARD MEETING

MONDAY, FEBRUARY 25, 2013

7:30 p.m.

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger
Village President

Thomas Morsch
Village Clerk

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

AGENDA

Monday, February 25, 2013 – 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE
 - Trustee Holder*
 - Trustee Horvath*
 - Trustee Kuchler*
 - Trustee Langan*
 - Trustee Nowak*
 - Trustee Palermo*
 - President Asperger*

2. PRESIDENT'S REPORT
 - This is an opportunity for the Village President to report on matters of interest or concern to the Village.*

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS
 - This is the opportunity for members of the audience to speak about matters that are included on this Agenda.*

4. OMNIBUS AGENDA AND VOTE
 - Matters on the Omnibus Agenda will be considered by a single motion and vote because they already have been considered fully by the Board at a previous meeting, or have been determined to be of a routine nature. Any member of the Board of Trustees may request that an item be moved from the Omnibus Agenda to Current Business for separate consideration.*

 - A. Award of Contract – FY 2013-2014 & FY 2014-2015 Tree Removal Program

 - B. Contract – Village Fountain Installation

 - C. Purchase – Public Works Department / Replacement of General Utility Van

 - D. For-Profit Solicitation – Everdry Waterproofing

 - E. Minutes of the Village of La Grange Public Hearing Electric Aggregation and Board of Trustees Regular Meeting, Monday, February 11, 2013

 - F. Minutes of the Special Meeting of the Village Board of Trustees – Capital Projects Workshop, Monday, January 28, 2013

G. Consolidated Voucher 130225

5. CURRENT BUSINESS

This agenda item includes consideration of matters being presented to the Board of Trustees for action.

A. Resolution – Adopting a Plan of Operation and Governance for Electric Aggregation Program Pursuant to Public Act 96-0176:
Referred to Trustee Palermo

B. Request to Purchase – Police Department / Replacement of Squad Cars:
Referred to Trustee Langan

6. MANAGER’S REPORT

This is an opportunity for the Village Manager to report on behalf of the Village Staff about matters of interest to the Village.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

This is an opportunity for members of the audience to speak about Village related matters that are not listed on this Agenda.

8. EXECUTIVE SESSION

The Board of Trustees may decide, by a roll call vote, to convene in executive session if there are matters to discuss confidentially, in accordance with the Open Meetings Act.

9. TRUSTEE COMMENTS

The Board of Trustees may wish to comment on any matters.

10. ADJOURNMENT

The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village’s facilities, should contact the Village’s ADA Coordinator at (708) 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

OMNIBUS VOTE

VILLAGE OF LA GRANGE
Department of Public Works

BOARD REPORT

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manger
Ryan Gillingham, Director of Public Works

DATE: February 25, 2013

RE: **AWARD OF CONTRACT – FY2013-2014 & FY2014-2015 TREE
REMOVAL PROGRAM**

Each year, the Village removes public parkway trees that are diseased, dead or become a safety concern to pedestrians, motorists or property. For trees larger than 11” in diameter, the Village contracts with a tree removal company due to the special skills and equipment required for removal. The proposed FY2013-14 Public Works budget provides \$55,000 for the removal of trees and subsequent restoration of parkways. An additional \$78,719 is proposed within the Capital Projects Fund for the removal of trees infested with the Emerald Ash Borer (EAB). Therefore, the total proposed budget for the tree removal in FY2013-14 is \$133,719. In FY2014-15 the total budget for removal is proposed to increase to \$158,318 due to additional ash tree removals as a result of the spread of the Emerald Ash Borer.

On January 16, 2013, the Village advertised that bids would be received for the Village’s FY2013-2014 and FY2014-2015 Tree Removal Programs. Bids are based on the average number of trees removed in past years, as well as the size of trees being removed. Bids were requested on a unit price basis across five tree diameter categories. The bid opening was held on February 6, 2013 with the following results:

No.	Name of Company	FY2013-2014	FY2014-2015	Total
1	D. Ryan Tree & Landscaping, LLC	91,685.50	108,391.50	200,077.00
2	Homer Tree Care Inc.	106,602.23	130,096.63	236,698.86
3	Steve Piper and Sons	120,232.95	145,305.38	265,538.33
4	Trees “R” Us, Inc.	120,886.50	145,853.50	266,740.00
5	Lyons Tree Service	123,851.50	147,282.50	271,134.00
6	Groundskeeper Landscape Care, LLC	127,567.71	156,945.83	284,513.54
7	Dawsons Tree Service, Inc.	132,294.43	157,044.38	289,338.81
8	Sinnott Tree Service Inc.	138,810.13	169,115.00	307,925.13
9	Winkler’s Tree Service, Inc.	158,191.25	190,872.07	349,063.32
10	Abbott Tree Care Professionals, LLC	164,073.50	192,606.00	356,679.50
11	The Davey Tree Expert Company	291,170.00	344,985.00	636,155.00
Total Budget		133,719.00	158,318.00	

4-A

The bid tabulation, which is attached for your reference, was computed by multiplying the number of trees in each category by the price per inch by the average tree diameter and adding each of the totals. The low bid was submitted by D. Ryan Tree & Landscape LLC in the amount of \$200,077, which includes both FY2013-14 and FY2014-15 Tree Removal Programs. D. Ryan Tree & Landscape LLC has performed satisfactorily in the past for the Village in both tree trimming and tree removal activities. Please note that the bid amounts for both fiscal years are below budgeted amounts.

In summary, we recommend that the Village Board authorize staff to enter into a two year contract with D. Ryan Tree & Landscape LLC for tree removal in the estimated amount of \$200,077. The final amount of the contract will be based on the actual work performed by the tree removal contractor at the unit prices listed in the contract.

4-A.1

VILLAGE OF LA GRANGE
 FY2013-2014 and FY2014-2015 Tree Removal Program

Bid Opening February 6, 2013 @ 10:00 a.m.
 Tabulation of Bids

No	Name of Company	FY2013-2014 TREE REMOVAL SEASON																				CORRECTED TOTAL
		11" to 18"				19" to 24"				25" to 30"				31" to 36"				37" and Over				
		PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	
1	Dawnsons Tree Service, Inc.	13.75	119	14.5	23,725.63	18.90	138	21.5	56,076.30	31.50	42	27.5	36,382.50	36.00	11	33.5	13,266.00	36.00	2	39.5	2,844.00	132,294.43
2	Homer Tree Care Inc.	11.95	119	14.5	20,619.73	18.00	138	21.5	53,406.00	20.00	42	27.5	23,100.00	21.00	11	33.5	7,738.50	22.00	2	39.5	1,738.00	106,602.23
3	Sinnott Tree Service Inc.	17.25	119	14.5	29,764.88	23.25	138	21.5	68,982.75	25.00	42	27.5	28,875.00	25.00	11	33.5	9,212.50	25.00	2	39.5	1,975.00	138,810.13
4	Steve Piper and Sons	14.75	119	14.5	25,451.13	18.40	138	21.5	54,592.80	23.00	42	27.5	26,565.00	28.75	11	33.5	10,594.38	38.35	2	39.5	3,029.65	120,232.95
5	Lyons Tree Service	8.00	119	14.5	13,804.00	20.00	138	21.5	59,340.00	30.00	42	27.5	34,650.00	35.00	11	33.5	12,897.50	40.00	2	39.5	3,160.00	123,851.50
6	Groundskeeper Landscape Care, LLC	16.01	119	14.5	27,625.26	19.50	138	21.5	57,856.50	24.50	42	27.5	28,297.50	29.70	11	33.5	10,944.45	36.00	2	39.5	2,844.00	127,567.71
7	Abbott Tree Care Professionals, LLC	25.00	119	14.5	43,137.50	26.00	138	21.5	77,142.00	27.00	42	27.5	31,185.00	28.00	11	33.5	10,318.00	29.00	2	39.5	2,291.00	164,073.50
8	Trees "R" Us, Inc.	14.00	119	14.5	24,157.00	18.00	138	21.5	53,406.00	26.00	42	27.5	30,030.00	29.00	11	33.5	10,686.50	33.00	2	39.5	2,607.00	120,886.50
9	D. Ryan Tree & Landscaping LLC	10.00	119	14.5	17,255.00	14.00	138	21.5	41,538.00	20.00	42	27.5	23,100.00	21.00	11	33.5	7,738.50	26.00	2	39.5	2,054.00	91,685.50
10	The Davey Tree Expert Company	30.00	119	14.5	51,765.00	45.00	138	21.5	133,515.00	60.00	42	27.5	69,300.00	80.00	11	33.5	29,480.00	90.00	2	39.5	7,110.00	291,170.00
11	Winkler's Tree & Landscaping, Inc.	17.57	119	14.5	30,317.04	23.67	138	21.5	70,228.89	35.77	42	27.5	41,314.35	35.77	11	33.5	13,181.25	39.87	2	39.5	3,149.73	158,191.25

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VILLAGE OF LA GRANGE
 FY2013-14 and FY2014-2015 Tree Removal Program

Bid Opening February 6, 2013 @ 10:00 a.m.
 Tabulation of Bids

		FY2014-2015 TREE REMOVAL SEASON																				CORRECTED
		11" to 18"				19" to 24"				25" to 30"				31" to 36"				37" and Over				TOTAL
No.	Name of Company	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	PRICE PER INCH	TREE QTY.	AVG. DIA.	TOTAL	
1	Dawsons Tree Service, Inc.	13.75	135	14.5	26,915.63	18.90	160	21.5	65,016.00	31.50	51	27.5	44,178.75	36.00	15	33.5	18,090.00	36.00	2	39.5	2,844.00	157,044.38
2	Homer Tree Care Inc.	12.95	135	14.5	25,349.63	18.00	160	21.5	61,920.00	21.00	51	27.5	29,452.50	23.00	15	33.5	11,557.50	23.00	2	39.5	1,817.00	130,096.63
3	Sinnott Tree Service Inc.	18.00	135	14.5	35,235.00	24.50	160	21.5	84,280.00	25.00	51	27.5	35,062.50	25.00	15	33.5	12,582.50	25.00	2	39.5	1,975.00	169,115.00
4	Steve Piper and Sons	15.10	135	14.5	29,558.25	18.85	160	21.5	64,844.00	23.55	51	27.5	33,028.88	29.40	15	33.5	14,773.50	39.25	2	39.5	3,100.75	145,305.38
5	Lyons Tree Service	8.00	135	14.5	15,660.00	20.00	160	21.5	68,800.00	30.00	51	27.5	42,075.00	35.00	15	33.5	17,587.50	40.00	2	39.5	3,160.00	147,282.50
6	Groundskeeper Landscape Care, LLC	16.51	135	14.5	32,318.33	19.90	160	21.5	68,456.00	24.90	51	27.5	34,922.25	30.50	15	33.5	15,326.25	37.00	2	39.5	2,923.00	153,945.83
7	Abbott Tree Care Professionals, LLC	25.00	135	14.5	48,937.50	26.00	160	21.5	89,440.00	27.00	51	27.5	37,867.50	28.00	15	33.5	14,070.00	29.00	2	39.5	2,291.00	192,606.00
8	Trees "R" Us, Inc	14.00	135	14.5	27,405.00	18.00	160	21.5	61,920.00	28.00	51	27.5	39,270.00	29.00	15	33.5	14,572.50	34.00	2	39.5	2,686.00	145,853.50
9	D. Ryan Tree & Landscaping LLC	10.00	135	14.5	19,575.00	14.00	160	21.5	48,160.00	20.00	51	27.5	28,050.00	21.00	15	33.5	10,552.50	26.00	2	39.5	2,054.00	108,391.50
10	The Davey Tree Expert Company	30.00	135	14.5	58,725.00	45.00	160	21.5	154,800.00	60.00	51	27.5	84,150.00	80.00	15	33.5	40,200.00	90.00	2	39.5	7,110.00	344,985.00
11	Winkler's Tree & Landscaping, Inc.	17.90	135	14.5	35,039.25	24.23	160	21.5	83,351.20	36.33	51	27.5	50,952.83	36.33	15	33.5	18,255.83	41.43	2	39.5	3,272.97	190,872.07

4-1-13

**VILLAGE OF LA GRANGE
2013 & 2014 Tree Removal Program**

**Bid Opening February 6, 2013 @ 10:00 a.m.
Tabulation of Bids**

No.	Name of Company	FY2013-2014	FY2014-2015	Total
1	Dawsons Tree Service, Inc.	132,294.43	157,044.38	289,338.81
2	Homer Tree Care Inc.	106,602.23	130,096.63	236,698.86
3	Sinnott Tree Service Inc.	138,810.13	169,115.00	307,925.13
4	Steve Piper and Sons	120,232.95	145,305.38	265,538.33
5	Lyons Tree Service	123,851.50	147,282.50	271,134.00
6	Groundskeepr Landscape Care, LLC	127,567.71	153,945.83	281,513.53
7	Abbott Tree Care Professionals, LLC	164,073.50	192,606.00	356,679.50
8	Trees "R" Us, Inc.	120,886.50	145,853.50	266,740.00
9	D. Ryan Tree & Landscaping LLC	91,685.50	108,391.50	200,077.00
10	The Davey Tree Expert Company	291,170.00	344,985.00	636,155.00
11	Winkler's Tree Service, Inc.	158,191.25	190,872.07	349,063.32

Average 314,623.95

No.	Name of Company	FY2013-2014	FY2014-2015	Total
1	D. Ryan Tree & Landscaping LLC	91,685.50	108,391.50	200,077.00
2	Homer Tree Care Inc.	106,602.23	130,096.63	236,698.86
3	Steve Piper and Sons	120,232.95	145,305.38	265,538.33
4	Trees "R" Us, Inc.	120,886.50	145,853.50	266,740.00
5	Lyons Tree Service	123,851.50	147,282.50	271,134.00
6	Groundskeeper Landscape Care, LLC	127,567.71	153,945.83	281,513.54
7	Dawsons Tree Service, Inc.	132,294.43	157,044.38	289,338.81
8	Sinnott Tree Service Inc.	138,810.13	169,115.00	307,925.13
9	Winkler's Tree Service, Inc	158,191.25	190,872.07	349,063.32
10	Abbott Tree Care Professionals, LLC	164,073.50	192,606.00	356,679.50
11	The Davey Tree Expert Company	291,170.00	344,985.00	636,155.00

4-A.4

VILLAGE OF LA GRANGE
Public Works Department

BOARD REPORT

TO: Village President, Village Clerk
Board of Trustees, and Village Attorney

FROM: Robert Pilipiszyn, Village Manager
Ryan Gillingham, Director of Public Works

DATE: February 25, 2013

RE: **CONTRACT – VILLAGE FOUNTAIN INSTALLATION**

In the summer of 2012, the water fountain located in the plaza area to the south of the Village Hall was severely damaged and subsequently removed from the plaza area. A claim for damage to Village property was filed with the Village's insurance carrier after the incident. The Village was reimbursed in the approximate amount of \$30,000, which represents the estimated value for replacing the fountain as it was.

In the fall of 2012, the Village contracted with Hitchcock Design Group, the designers of the public space, to identify alternative fountain designs and associated cost estimates in an effort to improve pedestrian interaction with the fountain and to re-create a more unique fountain feature. The design options were evaluated and provided to the Village Board for consideration. The estimated cost for the alternate fountain designs varied from \$50,000 to \$180,000.

Staff also considered upgrading the replacement fountain with a cast iron option similar in design (three-tiered bowl) and size to the previous concrete fountain. Estimated costs for the cast iron options, which were between \$43,000 and \$91,000, also exceeded the amount the Village was reimbursed. Therefore, in deference to the cost-containment plan, staff recommends re-installing the same concrete fountain feature that was destroyed.

Based on this recommendation, staff received quotes from two companies known to supply and install fountains. Please note that the number of companies that perform this type of specialty fountain work is limited. The following table provides a summary of the proposals:

Company	Quote Amount
Kane Brothers, Inc. / Homer Glen, IL	\$28,530.00
Fountain Technologies Ltd. / Wheeling, IL	\$29,489.52
Total IRMA Reimbursement	\$28,289.52

4-B

Staff also requested a proposed schedule from each of the fountain installation contractors. Kane Brothers, Inc. stated that they would not be able to start the work until June, 2013 due to other existing contract commitments. Fountain Technologies Ltd. indicated that they would install the fountain shortly after delivery of the fountain from the supplier, which is estimated to be approximately four weeks from the order date. The estimated installation of the fountain would then occur during the month of April. For reference, the fountain startup date is usually around the second to third week of May so that the fountain is operational for the beginning of summer activities in the Central Business District including the Pet Parade.

Given the notable difference in installation dates between the contractors and relatively small difference between the value of the quotes (\$960,) staff recommends executing a contract with Fountain Technologies Ltd. for the installation of the fountain. The proposed schedule by Fountain Technologies supports the operational objective of having the fountain working before the start of summer activities. Additionally Fountain Technologies has performed satisfactorily for the Village on past fountain maintenance work.

In summary, we recommend the Village Board waive the competitive bidding process and authorize staff to enter into a contract with Fountain Technologies Ltd. for the purchase and installation of a three tiered Haddenstone Lotus fountain in the amount of \$29,489.52.

4-B.1

VILLAGE OF LA GRANGE
Department of Public Works

BOARD REPORT

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manger
Ryan Gillingham, Director of Public Works

DATE: February 25, 2013

RE: **PURCHASE – PUBLIC WORKS DEPARTMENT /
REPLACEMENT OF GENERAL UTILITY VAN**

The FY 2012-13 Village budget provides for the replacement of a general utility panel van. The Public Works Department operates with two general utility vans. Vehicle No. 29 is a utility van mainly utilized for street lighting repairs, utility locates, and carries the equipment and parts to complete these tasks. Vehicle No. 66 is a utility van mainly utilized for customer service requests such as water meter replacements, construction inspections, water consumption investigations, and carries the equipment and material to complete these tasks. The equipment replacement fund has been set up so that when a new van is purchased, the customer service van (No. 66) is reused and rotated down to the electrical and locating service van (No. 29). The purpose in rotating vans is to extend the overall life of the vans thus reducing costs to the Village.

The Village's mechanic has determined the overall expected useful life of a van is approximately 16 years. The existing Vehicle No. 29 is a 1998 E150 van and has reached the end of its useful life confirming the anticipated useful life assumed for budgeting purposes. The van currently has 111,000 miles and is in need of replacement. Specifically, the van did not pass Illinois Vehicle Emission Testing and requires significant repairs to pass the emission testing regulations. Additionally, there are holes in the floor board and body of the vehicle due to rust and deterioration. The engine head gasket leaks and the van needs a new exhaust system. The body and mechanical repairs required for the vehicle are estimated to cost over \$5,000. Therefore staff recommends replacing this van as scheduled.

Purchasing documents and specifications were developed that detail the technical requirements for the van. The Ford E-250 Cargo Van was selected as the manufacturer and vehicle model as this van is the current model in use within the department and existing equipment and parts that are to be reused are interchangeable with this vehicle. Each bidder for the van was asked to comply with forty-three different criteria including engine type, body style, equipment racks, warranties, etc. On January 16, 2013 the Village advertised in the Suburban Life Newspaper that the sealed bids would be

4-C

received for the purchase of a van. On February 7, 2013 at 10:00 am the bid opening was held with the following results:

No.	Manufacturer / Dealer	General Utility Van	Trade-In Value	Total
1	Freeway Ford / Lyons, IL	19,199.00	1,550	17,649
2	Westfield Ford / Countryside, IL	19,713.30	2,000	17,713
3	Terry's Ford / Peotone, IL	19,275.00	250	19,025
4	Al Piemonte Ford / Melrose Park, IL	21,170.00	500	20,670
FY2012-13 Budget				\$30,000

Freeway Ford was the lowest, responsible bidder with the low bid in the amount of \$17,649. We considered recommending this item as a budget deferral to contain costs; however given the condition of the current van and the importance of the van to several key Village services we recommend replacing the van as budgeted.

If approved, we anticipate that the delivery date of the van will be in April of 2013. We recommend that the Village Board accept the low bid submitted by Freeway Ford for the replacement van for a total contract amount of \$17,649.

4-c.1

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager

DATE: February 25, 2013

RE: **FOR-PROFIT SOLICITATION – EVERDRY WATERPROOFING**

The Village Code provides that whenever a for-profit organization desires to solicit in the Village of La Grange, their application for a license must be reviewed by the Village Board.

The following for-profit solicitor license application has been submitted by Everdry Waterproofing of Downers Grove, Illinois to solicit for foundation repairs, mold testing and waterproofing services in the Village of La Grange and is presented for your consideration:

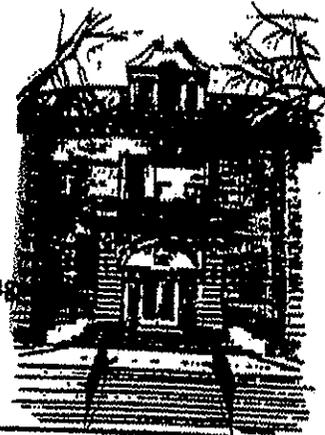
Everdry Waterproofing
2439 Curtiss Street
Downers Grove, IL 60515

Business Owner: Paul Riddle
Business Phone: (630) 769-9300
Use: Waterproofing Services

Everdry Waterproofing has provided the Village with references from municipalities where they have previously solicited. These references have been contacted and did not produce any adverse comments. Solicitation will be door-to-door, for a 15 day period yet to be determined. Additional regulations governing for-profit solicitation, which include a background clearance process, are attached for your reference.

As this applicant has met all of our solicitation permit requirements, we recommend that the above listed for-profit organization be approved to solicit in the Village of La Grange.

Village of La Grange



FOR-PROFIT SOLICITOR LICENSE APPLICATION

Please complete the following information in detail and return to the Village Clerk's Office at the address below. **PLEASE PRINT OR TYPE.**

Name of Business everyday waterproofing

Current Business Address 2439 Curtis St Downers Grove IL 60555

Business Owner Paul Riddle

Business Phone 630-769-9300

Home Phone 630-889-7063

Description of product or services to be solicited Free foundation inspections/mold test

Will solicitors be paid? yes If so, how? copy salary plus incentives

Do you have a permit to solicit in another community? Yes, in past

If yes, where? lombard/downers Grove

Please provide two references from the municipality where you have previously solicited. Include names and addresses of persons listed.

1. Daniel Grady - 400 N. McClurg Ct. Chicago IL 60611

2. Paul Northrup - 170 Queenswood Road Bolingbrook IL 60440

If no, please provide three references, including names and addresses, from persons who are not related to the applicant or who are not otherwise in any way connected with the business operation of the organization seeking a solicitation permit.

1. _____
2. _____
3. _____

List the complete names and addresses of those individuals who will be soliciting.

1. pasquale DiVittorio - 7805 Sprucewood Ave Woodridge IL 60517

2. Candida Grano - 7800 Sprucewood Ave Woodridge IL 60517

3. _____

I/we, the undersigned, further state that I/we am/are familiar with the ordinances of the Village of La Grange relating to the business or businesses covered by this application.

Signed [Signature]

Signed Candida Grano

53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

RECEIVED

FEB 08 2013

4-P.1

RECEIVED

FEB 08 2013

EVERDRY
WATERPROOFING

FOR ADMINISTRATIVE USE ONLY

Date Application Received 02-08-13

Fee _____ Receipt No. _____

Approval _____
Village Manager

License granted by the President and Board of Trustees of the Village of La Grange on

_____, 20____.

Village President

solicit form rev. 2/95

4-D.2

Village of La Grange

SOLICITOR/PEDDLER REGULATIONS FOR-PROFIT ORGANIZATIONS



Anyone wishing to solicit/peddle goods or services for profit in residential and/or commercial areas of the Village of La Grange must:

1. Complete an application for a solicitor/peddler license, available at the Village Clerk's Office at the address below.
2. Submit solicitor/peddler fee of \$25; the fee of \$15 per employee or volunteer may be submitted after Village Board approval.
3. Submit a list of the name, address and phone number of each solicitor/peddler.
4. Have the solicitor/peddler license approved by the Village President and Board of Trustees.

Once the solicitor/peddler license has been granted by the Village, the solicitor/peddler must:

1. Submit photographs of the individuals who will be soliciting/peddling in the Village. (Photos can also be taken at the La Grange Police Department, 304 West Burlington Avenue.) Identification cards will be prepared by the Village.
2. Have fingerprints taken at the La Grange Police Department.
3. Register in the registration book provided in the La Grange Police Department.
4. Receive from the La Grange Police Department a list of homes where no soliciting is permitted.

Solicitors/peddlers may only operate in the Village of La Grange as specified below:

1. No solicitation/peddling shall take place on Sundays, nor shall any solicitation/peddling exceed a maximum of 15 days in a 12-month period.
2. Solicitation/peddling shall be permitted only between the hours of 10:00 a.m. to 5:00 p.m. and from 7:00 p.m. to 9:00 p.m. on weekdays and Saturdays.

(over)

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Solicitor/Peddler Regulations

Those businesses or persons exempt from this procedure include:

- (1) Any person soliciting for, or selling tickets for, any approved religious, charitable, school, educational, veteran's or governmental organization.
- (2) Fraternal organizations having established local chapters.

However, all organizations are requested to register at the La Grange Police Department prior to soliciting/peddling.

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MINUTES

VILLAGE OF LA GRANGE

PUBLIC HEARING AND BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, February 11, 2013 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange public hearing and regular meeting was called to order at 7:31 p.m. by President Asperger. On roll call, as read by Village Clerk Thomas Morsch, the following were:

PRESENT: Trustees Holder, Horvath, Langan, Nowak, and Palermo with President Asperger presiding.

ABSENT: Trustee Kuchler (Present at 8:51 p.m.)

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Mark Burkland
Community Development Director Patrick Benjamin
Assistant Community Development Director / Planner Angela Mesaros
Finance Director Lou Cipparrone
Public Works Director Ryan Gillingham
Police Chief Mike Holub
Fire Chief Bill Bryzgalski

2. PUBLIC HEARING – Draft Plan of Operation and Governance for Electric Aggregation Program Pursuant to Public Act 96-0176: Referred to President Asperger

President Asperger explained that this was the second Public Hearing to accept comment in order to finalize the draft Plan of Operation and Governance for Electric Aggregation. President Asperger provided detailed background information which included voter approval of a referendum question asking whether the Village should seek to create an electricity aggregation program; Village Board adopting an ordinance authorizing an opt-out electricity aggregation program; and entering into a contract with the Illinois Community Choice Aggregation Network for electric aggregation consulting services.

President Asperger indicated that notice of both Public Hearings have been posted and published according to State Statute. Adding that the draft Plan of Operation and Governance describes how the program will operate; qualifications for potential electricity suppliers; pricing methodology; enrollment; options to withdraw; options related to energy supply mix; contract terms; and possible fees, President Asperger noted that staff has proceeded in the most cost effective manner as understood by the Board's direction.

4-E

President Asperger introduced the Village's consultant Mr. Mark Pruitt of the Illinois Community Choice Aggregation Network who will provide a PowerPoint presentation and opportunity for public input.

Mr. Pruitt began by referencing that detailed information as well as all items being discussed this evening has been posted and will continue to be updated and available on the Village website. Mr. Pruitt noted that a Plan of Operation and Governance must be approved by an ordinance adopted by the Village Board. As there are several items for discussion this evening prior to finalizing the Plan of Operation and Governance, Mr. Pruitt invited both the audience and Trustees to interrupt him with questions or comments at any time during his presentation.

Joseph Fitzer, who resides at 80 Malden asked how electricity suppliers can offer cheaper rates than ComEd. Mr. Pruitt responded that Com Ed is a wires company and State government deregulated the electricity market thus allowing consumers to seek competitive prices. Mr. Pruitt added that one of the terms in the Plan of Operation and Governance is a requirement that any supplier must either meet or beat Com Ed's price for electricity supply services, thus providing protection for consumers.

Cynthia Schilsky, who resides at 420 S. Edgewood noted her concerns that cheaper is not always better. Mr. Pruitt explained that when determining an electricity supply company it is not just a price driven determination, but numerous qualifications are required including no interruption in service; maintaining a sufficient level of communication; as well as taking into consideration what is important to the community as a whole.

President Asperger stated that two additional comments had been received by electronic mail and proceeded to provide the information to be included as part of the public record.

Gail Pyndus who resides in a condominium building which currently receives discounted electricity from Com Ed, would like to be considered eligible for the electric aggregation program if the Village's supplier offers a lower rate.

Ed Auer expressed his interest in supporting a one-year term for an electric supplier; waiver of enrollment fees; however is in favor of a small termination fee.

Trustee Horvath inquired if the Electric Aggregation Program would cause a change in the Village's franchise with ComEd. Mr. Pruitt indicated municipal aggregation agreements do not change the franchise in any way.

Trustee Palermo inquired if residents are currently in a program would they be informed of the pricing and possible savings through the Village. Mr. Pruitt responded yes that there is universal access, however noted that residents should check on their current agreement as some suppliers carry cancellation fees.

President Asperger noted that after the Board provides direction to staff and the consultant on the discussion issues for the final Plan of Operation and Governance there would again be an opportunity for public input and or comments this evening.

4-E.1

Consultant Fees – It was necessary to determine how consulting fees associated with creating the program be paid. The Board previously discussed and concurred that the consultant be paid by the selected supplier.

Supplier Selection – It was necessary to determine what process the Village should utilize in the selection of a supplier for the program. The Board previously determined and concurred that a Request for Qualifications should be utilized in order to obtain a pool of qualified bidders, thereafter making a selection based on pricing submittals.

Trustees expressed concerns in being notified about the auction pricing process. Mr. Pruitt suggested a representative of the Board could be chosen to be present. President Asperger noted the recommendation to utilize the consultant's expertise.

Agreement Term – The Board needed to determine how long the initial supplier agreement should be. Discussion ensued regarding the value of a shorter term for competitive pricing and what market issues may be forthcoming. Mr. Pruitt provided information on his experience with the length of supplier agreements noting it being a judgment policy decision of value or stability. After much discussion, it was the consensus of the Board to solicit pricing for various terms and thereafter enter into an agreement for an equal term. The Board also agreed not to solicit for any term that would exceed three years.

Power Supply Mix – Discussing what renewable energy options should be offered to the members in the program it was the Board's preference to meet State of Illinois minimum requirements yet giving members options of purchasing additional renewal energy credits if those individual members desired to do so.

Administrative Costs – A determination needed to be made if the Village should seek reimbursement for internal expenses associated with creating and managing the program. It was the Board's preference for the Village to account for staff time and internal costs. The selected supplier would be responsible for the cost of the consultant and managing the program.

Pricing Methodology – A determination was needed on how program pricing should be structured. It was the Board's preference to negotiate a fixed price for all program participants which includes all of the years of the agreement.

Entry / Exit / Switching Fees – The Board determined that no fees to enter or exit the program should be assessed.

Education Plan – The Board concurred that the supplier be responsible for ongoing member education which provides the lowest cost while maintaining access to necessary information.

As the discussion portion concluded, President Asperger indicated that the final Plan of Operation and Governance would be presented to the Village Board at their next regularly scheduled meeting on February 25, 2013. President Asperger asked if there were any additional questions or comments.

4-E.2

Trustee Horvath asked who would be the designated person in the choice of an electricity supplier and how is the decision making process being handled when auction bids are presented. President Asperger responded that she welcomes any thoughts on the process.

At 8:48 p.m. with no additional oral or written comments President Asperger closed the public hearing.

At 8:49 p.m. the regular Village Board meeting was convened.

3. PRESIDENT'S REPORT

4. PUBLIC COMMENTS REGARDING AGENDA ITEMS

Mr. Dan Bolin, Attorney for the Park District noted his attendance for any questions in reference to the agenda item regarding the subdivision of lots.

Mr. Tom Ryan, Architect for the property at 233 S. Ashland Avenue noted his attendance for any questions in reference to the agenda item regarding the variation for maximum building coverage.

At 8:51 p.m. Trustee Kuchler arrived.

5. OMNIBUS AGENDA AND VOTE

A. Award of Contract – FY 2012-13 Sewer Televising Program

B. Material Purchase – Spring Flower Planting Program

C. Consolidated Voucher 130211 (\$787,345.30)

D. Minutes of the Village of La Grange Public Hearing Electric Aggregation and Board of Trustees Regular Meeting Monday, January 28, 2013

It was moved by Trustee Langan to approve items A, B, C and D of the Omnibus Agenda, seconded by Trustee Holder.

Approved by roll call vote.

Ayes: Trustees Nowak, Kuchler, Langan, Horvath, Palermo, and Holder
Nays: None
Absent: None

4-E-3

6. CURRENT BUSINESS

- A. Resolution (#R-13-03) –Direction to Staff and Plan Commission Regarding Study of Zoning Standards for Medical Marijuana Distribution Facilities: Referred to President Asperger

President Asperger explained that the Village has become aware that the Illinois General Assembly is considering House Bill 30 which references the need for distribution facilities to grow, harvest, and distribute cannabis to patients for medical purposes diagnosed by a physician. Although the bill preempts municipal authority to wholly prohibit medical marijuana distribution facilities within municipal borders, it does allow municipalities to regulate the location of such facilities in terms of zoning.

As the Village's Zoning Code does not address uses of this sort, President Asperger noted the importance for the Village to be prepared if this legislation is passed. President Asperger indicated that staff has also advised the importance of informing the public and property owners of the possible changes to the code in order to comply with any upcoming legislation.

President Asperger moved to approve a Resolution that would direct staff and the Plan Commission to evaluate the zoning classification for Medical Marijuana Distribution Facilities; determine whether Medical Marijuana Distribution Facilities should be considered as a special use under the Zoning Code; and consider whether other related regulations are necessary and appropriate for such facilities, seconded by Trustee Langan.

Trustee Holder noted this is a mandated program and if legislation is passed the requirement would be to have one facility distribution center for each Senate District. President Asperger noted the importance of being proactive as the Village is located within three Senate Districts.

Attorney Burkland commented that if House Bill 30 as proposed is approved the Village's current Zoning Code is silent and it would be detrimental if the Village had not addressed the possible issues related to zoning for a Medical Marijuana Distribution Facility.

Trustee Horvath inquired whether these distribution facilities would be allowed in the residential area. Attorney Burkland responded they are not allowed in the Village's residential area. Due to the fact that HB 30 is in the preliminary stages, Trustee Horvath feels it may be futile to move forward as changes are possible.

Trustee Langan noted his favor in having the Plan Commission review the matter thereby the Village would be in a better position should the legislation pass.

Approved by roll call vote.

Ayes: Trustees Nowak, Kuchler, Langan, Horvath, Palermo, and Holder
Nays: None
Absent: None

4-E.4

B. Ordinance (#O-13-03) – Variation – Maximum Building Coverage / Deirdre Brown, 233 S. Ashland Avenue: Referred to Trustee Nowak

Trustee Nowak explained that the property owner has applied for a variation for maximum building coverage in order to renovate and expand the front porch and construct an addition to accommodate a home office. Trustee Nowak provided detailed information on the unique characteristics of the home and the owner's desire to maintain the historic character. Explaining the circumstances under the previous owner's renovations, Trustee Nowak indicated the proposed expansion of this request would exceed the building coverage requirements.

After a public hearing conducted by the Zoning Board of Appeals was held in January, four out of seven commissioners recommended that the variation be granted as requested. Trustee Nowak identified the reasoning given by the Commissioners in favor and opposed.

Trustee Nowak moved to approve an ordinance granting a zoning variation for construction of a front porch and related improvements at 233 South Ashland Avenue, seconded by Trustee Horvath.

Trustee Horvath noted his favor of this item and concurs with the Zoning Board of Appeals.

Trustee Palermo noted his attendance at the Zoning Board of Appeals meeting and will also be voting in favor of this request for a variation.

Trustee Holder inquired whether or not the code is up-to-date on home offices. Community Development Director Patrick Benjamin responded that the Zoning Code does not reference rooms for private homes.

Trustee Langan noted he will not be voting in favor of this variation based on the building coverage.

Trustee Nowak indicated he would be voting in favor as he believes a home office is the norm. Upon studying the variation, Trustee Nowak found it to be unique in nature as the property in question sits on a smaller lot.

Trustee Kuchler stated he would also vote in favor and concurs with Trustee Nowak.

As a former commissioner on the Zoning Board of Appeals, Trustee Holder understands the thought process on making decisions which set precedence and understands the need to up-date within the maximum allowable building coverage.

Approved by 5 to 1 roll call vote.

Ayes: Trustees Nowak, Kuchler, Horvath, Palermo, and Holder
Nays: Trustee Langan
Absent: None

4-E.5

C. Ordinance (#O-13-04) – Subdivision of Lots – Gordon Park, Park District of La Grange and Village of La Grange: Referred to Trustee Nowak

Trustee Nowak explained that the Park District of La Grange has filed an application for subdivision of three parcels of property which includes portions of Gordon Park and vacated Shawmut Avenue. Providing detailed historical data on the three lots in reference to the redevelopment of the property and the expiration of the land exchange agreement, Trustee Nowak noted the Park District has filed for this subdivision so that the recorded plat would define the boundaries of the parcels.

Trustee Nowak added that a public hearing was conducted in January, 2013, whereby the Plan Commission found the proposed subdivision meets the requirements of all applicable codes and unanimously recommended that the Village Board approve the subdivision.

Trustee Nowak moved to adopt an ordinance approving a plat of subdivision relating to property owned by the Village of La Grange and the Park District of La Grange, seconded by Trustee Langan.

Approved by roll call vote.

Ayes: Trustees Nowak, Kuchler, Langan, Horvath, Palermo, and Holder
Nays: None
Absent: None

7. MANAGER'S REPORT

None

8. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None

9. EXECUTIVE SESSION

10. TRUSTEE COMMENTS

Trustee Holder referenced the replacement of water meters throughout the Village in order to accurately account for usage and update the billing system. Sharing his own experience in the water meter replacement process, Trustee Holder expressed congratulations to Public Works Director Ryan Gillingham on the efficiency by which water meters are replaced.

President Asperger expressed thanks to all of those who participated in the successful Restaurant Week and encouraged residents to continue to dine in La Grange.

4-E.6

11. ADJOURNMENT

At 9:18 p.m. it moved by Trustee Langan to adjourn, seconded by Trustee Horvath. Approved by voice vote.

Elizabeth M. Asperger, Village President

ATTEST:

Thomas Morsch, Village Clerk

Approved Date:

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MINUTES
VILLAGE OF LA GRANGE
SPECIAL MEETING OF THE
VILLAGE BOARD OF TRUSTEES

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, January 28, 2013
(immediately following the Regular Village Board Meeting)

I. CALL TO ORDER AND ROLL CALL

The Board of Trustees of the Village of La Grange special meeting was called to order at 8:53 p.m. by President Asperger. On roll call, as read by Clerk Morsch, the following were:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, Nowak and Palermo with President Asperger presiding.

ABSENT: None

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Finance Director Lou Cipparrone
Public Works Director Ryan Gillingham

President Asperger noted that this Capital Projects Workshop is the beginning of the budget process and requested Village Manager Robert Pilipiszyn to give an overview. Mr. Pilipiszyn stated that the proposed Capital Projects Fund reflects a small surplus fund balance at the end of the five-year budget period ending in FY 2017-18, which demonstrates the Village's ability to fund identified capital projects over this five-year period. Conversely, it also reflects the impact of fiscal retrenchment over time. Looking out towards that fifth year, the Village Board will need to balance the competing interests of sensitivity to taxpayers on the one hand, and, on the other hand, sufficiently funding capital projects, a strategic priority for the Village Board.

Mr. Pilipiszyn also indicated that due to changing federal spending policies, it is anticipated that there will be fewer grant funding opportunities in the future and that local match requirements will likely increase. As a result of these anticipated changes, there will be an even greater emphasis placed on making funding decisions at the local level for infrastructure improvements.

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II. CAPITAL PROJECTS FUND

Public Works Director Ryan Gillingham proceeded to present each item under this topic which included a status report of Capital Projects for Fiscal Year 2012-13 and Capital Project recommendations for Fiscal Year 2013-14.

Throughout Mr. Gillingham's report, general questions were asked by individual members of the Village Board to ascertain a better understanding of project status.

There was general interest in the MARS and OARS relief sewer projects including grant funding and coordinating OARS with planned renovations to Gordon Park by the Park District.

Several members of the Village Board inquired and commented on the status of various traffic and safety improvements contained within the Capital Projects Budget.

Trustee Kuchler expressed his disagreement that signaling the intersection of 47th Street and East Avenue will improve pedestrian safety. Trustee Palermo concurred. President Asperger noted that a process to investigate improvements has been initiated by IDOT and that the Village Board will have an opportunity to discuss this matter further at a later date.

In reviewing staff recommendations, Trustee Kuchler noted that the Village has over the past several years reduced the General Fund transfer to the Capital Projects Fund from \$1.0M per year to \$700,000 per year as a result of the cost-containment plan, and that the Village needs to work to get back to that original funding level. President Asperger remarked about the importance of that comment and asked staff to footnote that thought for future Village Boards.

Trustee Palermo commented on the need to adequately fund pension liabilities. President Asperger responded that this topic was discussed at length at a pre-budget development workshop in November and that the budget is being developed based on consensus direction provided by the Village Board at that time. She added that the budget is a living document and the Village Board will examine such opportunity as it arises whether it be now or in the next five years.

Discussion ensued regarding the replacement of the Village fountain. While the consensus expressed was supportive of improving the fountain design, limited funding sources suggest replacing the fountain feature as it generally was prior to being damaged. President Asperger noted that staff would report back to the Village Board with firmer cost estimates for a cast-iron fountain. In response to a Trustee comment, she noted that soliciting corporate donations would be premature as the Village has not discussed a naming rights policy of Village assets.

Discussion ensued regarding the reconstruction of Village Parking Lot #13 (at the intersection of Burlington Avenue and Brainard Avenues), including plans to relocate commuters during construction (to still be determined) and compliments to staff for acquiring a significant award of grant funds for this project and as a "green infrastructure" improvement.

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At the conclusion of its review of capital projects, it was the consensus of the Village Board to concur with staff's budget recommendations, unless modified or directed otherwise as noted above.

III. WATER FUND

Public Works Director Ryan Gillingham presented this item which included a status report of water system improvements for Fiscal Year 2012-13 and recommendations for Fiscal Year 2013-14.

It was the consensus of the Village Board to concur with staff's budget recommendations.

IV. SEWER FUND

Public Works Director Ryan Gillingham presented this item which included a status report of sewer system improvements for Fiscal Year 2012-13 as well recommendations for Fiscal Year 2013-14.

Trustee Kuchler voiced his concern with a proposed series of sewer rate increases. Finance Director Lou Cipparrone reminded the Village Board that a rate increase of 10% for three consecutive years is scheduled to begin with FY 2013-14. This series of increases proposed last year is needed to rebuild sewer reserves largely depleted by the Poplar Place Sewer Improvement Project. Staff estimates that these increases will result in an increase of \$15 per year for each sewer customer.

Trustee Kuchler said he would consider them in the context of other tax or fee increases which may be included in the proposed budget. Trustee Horvath concurred.

Trustee Langan noted for the Village Board that it has been over ten years since the sewer rate was last increased and that by policy, the Village has implemented rate increases on an incremental basis which is easier for tax payers to become accustomed to rather than less frequent, but larger rate increases.

It was the consensus of the Village Board to concur with staff's budget recommendations.

V. ADJOURNMENT

The Village Board Capital Projects Workshop was adjourned at 10:10 p.m.

Respectfully submitted,

Robert J. Pilipiszyn
Village Manager

Approved:

4-F.2

VILLAGE OF LA GRANGE

Disbursement Approval by Fund

February 25, 2013

Consolidated Voucher 130225

<u>Fund No.</u>	<u>Fund Name</u>	<u>02/25/13 Voucher</u>	<u>02/15/13 Payroll</u>	<u>Total</u>
01	General	57,911.11	296,988.30	354,899.41
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax	106.62		106.62
24	ETSB	2,921.74		2,921.74
40	Capital Projects	5,720.17		5,720.17
50	Water	14,127.14	44,279.30	58,406.44
51	Parking	7,354.12	23,266.96	30,621.08
60	Equipment Replacement			0.00
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	4,730.82	11,326.01	16,056.83
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		<u>92,871.72</u>	<u>375,860.57</u>	<u>468,732.29</u>

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

Village Manager

Village Clerk

President

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

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CURRENT BUSINESS

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager
Andrianna Peterson, Assistant Village Manager

DATE: February 25, 2013

RE: **RESOLUTION – ADOPTING A PLAN OF OPERATION AND
GOVERNANCE FOR ELECTRIC AGGREGATION PROGRAM
PURSUANT TO PUBLIC ACT 96-0176**

In 2009, the State of Illinois amended the Illinois Power Agency Act (with Public Act 96-0176) which deregulated the electricity market for residential and small business customers (large industrial and commercial customers already had the authority to seek competitive bids), and provides for the municipal aggregation of electricity.

In accordance with State law, the Village initiated a referendum question for the November 6, 2012, ballot asking voters whether the Village should seek to create an electricity aggregation program. The referendum was approved, thus authorizing the Village to develop a program. The Village Board subsequently approved an ordinance in November, 2012 authorizing an opt-out electricity aggregation program. At its regular meeting on January 14, 2013, the Village Board entered into a contract with the Illinois Community Choice Aggregation Network for consulting services.

State law requires two public hearings for the purpose of allowing the public to comment on a Plan of Operation and Governance for a municipal Electric Aggregation program. The Village held two public hearings on Monday, January 28, 2013 and Monday, February 11, 2013. Notices of the public hearings were published in the Suburban Life Newspaper on January 16 and January 23, 2013 and were advertised on the Village's website and in the Village's newsletter.

After hearing from residents, the Village Board provided direction to staff regarding certain variables impacting the term of agreement, power supply mix, administrative fees, pricing methodology, enrollment / switching / termination fees and a member education plan.

Pursuant to the Village Board's direction, staff has prepared a final version of a Plan of Operation and Governance which is attached. Notable changes to the working draft of the Plan include the following:

5-A

1. Term of Agreement – The Village will solicit bids from suppliers for 12, 24, and 36 month terms.
2. Power Supply Mix – The Village will provide two options for residents under a contract with an alternative retail electricity supplier: 1) an option that meets all of the State minimums for renewable energy credits and 2) an option that provides for 100% “green” energy.
3. Administrative Costs – No costs other than the costs related to the consultant’s engagement (not to exceed \$10,500) will be included in the contract with the supplier.
4. Pricing Methodology – The Village will negotiate a fixed price (non-variable) for all program participants and years of the contract.
5. Enrollment / Termination/ Switching Fees – The supplier will not charge any fees to residents for enrollment, early termination, or switching service.
6. Member Education Plan – The supplier will maintain certain customer education, performance, and service levels throughout the contract term.

The Village Board asked the consultant and staff to provide a recommendation regarding the bidding process, including the acceptance of an electricity supply bid from the most favorable supplier and execution of a contract with that chosen supplier. As recommended by the consultant, the first phase of a two-phased process has commenced. The first phase consists of a request for qualifications (RFQ) to create a pool of qualified bidders. The RFQ will be sent to all of the licensed alternative retail electricity suppliers as determined by the Illinois Commerce Commission, and qualifications will be determined based on criteria established by the Village and the consultant. The criteria will include previous experience with aggregation, financial stability, customer service ratings, and other measures. The criteria also will include the supplier’s willingness to enter into a contract in the form acceptable to the Village.

The second phase of the process will occur after the Village adopts the Plan of Operation and Governance. The suppliers in the qualified bidder pool will have the opportunity to submit fixed price bids for electricity supply the three contract periods noted above. The supplier whose bid provides the best value to the Village will be selected and offered the opportunity to enter into a contract with the Village.

As for the bid evaluation and selection process, the Village will be required to decide very quickly whether to lock in an advantageous market price for electricity supply because the marketplace will only hold bids until the end of each day. To create the ability for the Village to quickly chose and enter into a contract with the most favorable bidder, the staff, Village Attorney, and consultant recommend that the Village Board authorize the Village President (or designee) and Village Manager (or designee) to accept the power supply bid most favorable to the Village in their joint determination and then execute a contract for the

5-A.1

provision of electricity with that supplier. The consultant will be advising the Village President and Village Manager as they make their selection of a supplier. The Village representatives would have the ability to reject all of the bids if it is determined that the bids are not favorable.

Staff recommends that the attached Resolution adopting the Plan of Operation and Governance, and authorizing Village representatives to accept a electricity supply bid and to execute an electricity supply contract be approved.

5-A.2

VILLAGE OF LA GRANGE

RESOLUTION NO. _____

A RESOLUTION APPROVING A PLAN OF OPERATION AND GOVERNANCE
FOR THE VILLAGE'S ELECTRICITY AGGREGATION PROGRAM
AND AUTHORIZING VILLAGE REPRESENTATIVES
TO ACCEPT AN ELECTRICITY SUPPLY BID AND
EXECUTE AN ELECTRICITY SUPPLY CONTRACT

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, (the "Act") authorizes the President and Board of Trustees of the Village of La Grange to establish a program to aggregate electrical loads of residential and small commercial retail customers and to solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those electrical loads (collectively an "*Electricity Aggregation Program*"); and

WHEREAS, under the Act, the Village, if authorized by referendum, may operate an Electricity Aggregation Program as an "opt-out" program that applies to all residential and small commercial retail electricity customers unless they affirmatively choose not to participate; and

WHEREAS, on November 6, 2012, the voters of the Village approved a referendum to authorize the operation of a Electricity Aggregation Program as an "opt-out" program; and

WHEREAS, the President and Board of Trustees adopted Ordinance No. 0-12-33 on November 26, 2012, authorizing the establishment of an Electricity Aggregation Program as an "opt-out" program; and

WHEREAS, under to the Act, the President and Board of Trustees must adopt a plan of operation and governance for the Electricity Aggregation Program ("*Plan of Governance*") after completing two duly-noticed public hearings conducted for the purpose of considering that Plan of Governance; and

WHEREAS, after public notice as required by the Act, the President and Board of Trustees held public hearings on January 28, 2013, and February 11, 2013, to consider the Plan of Governance and now desire to approve the Plan of Governance; and

WHEREAS, the Village is preparing to conduct the bidding and contracting process to obtain a supply of electric power for its Electricity Aggregation Program (a "*Power Supply Bid*"); and

WHEREAS, the Village anticipates that, when bids received in connection with the Power Supply Bid process are opened, the Village will be required to decide very quickly whether to lock in an advantageous market price for electricity supply and that decision likely will have to be made prior to the next scheduled meeting of the Board of Trustees; and

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WHEREAS, if the most favorable bidder in the Power Supply Bid process offers a pricing schedule lower than that submitted by ComEd, then residential and small commercial retail customers within the Village will realize cost savings when the Village enters into a contract for an electricity supply with that most favorable bidder; and

WHEREAS, to preserve the ability of the Village to enter into a contract with that most favorable bidder, the President and Board of Trustees have determined that it will serve and be in the best interests of the Village and its residents (a) to authorize the President (or designee) and Village Manager (or designee) to accept the Power Supply Bid most favorable to the Village in their joint determination and (b) to authorize and direct the President and Village Manager as necessary to execute a contract for the provision of electricity to residential and small commercial retail customers within the Village with the electricity supplier that submits the bid accepted by them as most favorable to the Village;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of La Grange, Cook County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are incorporated into this Resolution as findings of the President and Board of Trustees.

Section 2. Approval of Plan of Governance. The Plan of Governance is hereby approved in substantially the form attached to this Resolution as Exhibit A.

The Village Clerk is authorized and directed to disseminate the Plan of Governance in the manner or manners that the Clerk determines are most likely to effectively advance the goal of providing residential and small commercial retail customers within the Village with information concerning the Plan of Governance and the Electricity Aggregation Program.

Section 3. Authorization and Direction to Accept Bid and Execute Contract. The President and Board of Trustees hereby authorize the President (or designee) and the Village Manager (or designee) to accept the Power Supply Bid that they jointly determine to be most favorable to the Village and to execute a contract and all other necessary documents for the provision of electricity to residential and small commercial retail customers within the Village with the electricity supplier that submits the bid accepted by them as most favorable to the Village for a term determined by the Village.

Section 4. No Obligation to Accept any Bid. This Resolution does not, and may not be interpreted or applied to obligate the Village to accept any Power Supply Bid or to execute any contract with any entity. If the Village representatives determine, in their discretion, that the bids submitted in connection with the Power Supply Bid process are not favorable to the Village or to the residential and small commercial retail customers within the Village, then the Village representatives are authorized to reject all of the bids.

Section 5. Filing. The Village Clerk is hereby authorized and directed to file this authorizing Resolution and other related matters with the appropriate election officials in accordance with applicable law.

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Section 6. Effective Date. This Resolution will be effective immediately on its passage and approval.

PASSED this ____ day of _____ 2013.

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of _____ 2013.

Elizabeth Asperger, Village President

ATTEST:

Thomas Morsch, Village Clerk

Exhibit A

Plan of Operation and Governance

**VILLAGE OF LA GRANGE
ELECTRICITY AGGREGATION
PLAN OF OPERATION
AND GOVERNANCE**

ADOPTED - FEBRUARY 25, 2013

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I. HISTORY AND PURPOSE OF MUNICIPAL AGGREGATION

Pursuant to Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, the Village of La Grange is authorized to aggregate the electric loads of small commercial and residential customers located within its municipal boundaries (herein referred to as “municipal aggregation”). As part of the municipal aggregation, the Village of La Grange may select a retail electric supplier and enter into a service agreement to facilitate the purchase of electricity and related services and equipment on behalf of its residents and small businesses.

In accordance with the Act, on July 9, 2012, the Village approved Resolution No.12-09, authorizing the placement of a referendum on the November 6, 2012 ballot, seeking authority to create an opt-out municipal aggregation program for its residents and small business customers. Voters approved the municipal aggregation referendum at the November 6, 2012 primary election. Record of the authorizing votes for the referendum is included in Attachment A to this Plan of Operation and Governance.

On January 14, 2013, the Village retained the services of a Consultant to assist with planning and implementing the Program, bidding and selecting the electricity supplier, and advising the Village on public outreach and education related to municipal aggregation. A copy of the contract with the Consultant is available on the Village’s website.

Residential and small commercial retail customers often lack the resources to conduct due diligence and negotiate favorable terms with alternate retail electric suppliers on their own. Under the authority granted through the referendum, the Village will develop and implement a municipal aggregation program (herein referred to as the “Program”) to negotiate an electricity supply agreement with a certified alternative retail electric supplier (ARES) on behalf of the Village’s residential and small commercial ratepayers. The Program not only provides these services, but provides the bargaining power achieved through municipal aggregation. Also, the program is designed to reduce the amount that residents and small businesses pay for electric energy power supply and gain other favorable terms of service.

The Village will not buy or resell power. Rather, the Village will competitively bid and negotiate a contract with a competent and licensed ARES on behalf of the Program participants to provide electric supply at contracted rates to eligible residents and small businesses located within the Village. The selected ARES (Supplier) shall provide accurate and understandable pricing and facilitate opt-out notifications. The Supplier will also perform ancillary services for the Program participants as described in this Plan.

Because the Village adopted an opt-out aggregation program, all eligible customers located within the Village will participate in the Program unless they affirmatively elect to opt out of the Program. By identifying the procedures by which customers may opt-out of the Program, the Village ensures that participation is voluntary and individuals have the ability to decline to participate.

As required by law, this Plan of Operation and Governance describes the Village plan for:

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- 1) Providing universal access to all applicable residential customers and equitable treatment of applicable residential customers;
- 2) Providing demand management and energy efficiency services to each class of customers; and
- 3) Meeting any other legal requirements concerning aggregated electric service.

The Village conducted a public outreach campaign to educate residents and small businesses about the Program, and to gather input regarding their preferences for the development of this Aggregation Plan of Operation and Governance. Outreach efforts included public meetings, two statutorily-required public hearings, news releases, direct mailings and discussions with organizations and residents.

The Village, the Consultant, and the Supplier will follow the Plan of Operation and Governance set forth in this document. Amendments to this Plan of Operation and Governance may be adopted in accordance with the Act at the option of the Village.

II. DEFINITIONS

In order to clarify certain terminology, the following terms shall have the meanings set forth below:

“Act” shall refer to the Illinois Power Agency Act, 20 ILCS 3855/1-1 et seq.

“Aggregation” or “Municipal Aggregation” shall mean the pooling of residential and small commercial retail electrical loads located within the municipality for the purpose of soliciting bids and entering into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment, all in accordance with Section 1-92 of the Act.

“Aggregation Consultant” or “Consultant” shall refer to any independent consultant with demonstrated expertise in electric supply contracting that is retained by the Village to assist with the implementation of the Program.

“Aggregation Member” or “Member” shall mean a residential or small commercial retail electric account enrolled in the Village Municipal Aggregation Program.

“Aggregation Program” or “Program” shall mean the program established by the Village to provide residential and small commercial members in the Village with retail electric supply as described in this Plan.

“Alternative Retail Electric Supplier” or “ARES” shall mean an entity certified by the ICC to offer electric power or energy for sale, lease or in exchange for other value received to one or more retail customers, or that engages in the delivery or furnishing of electric power or energy to such retail customers, and shall include, without limitation, resellers, aggregators and power

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marketers, but shall not include Commonwealth Edison, the Village, or the Aggregation Members. For purposes of this Plan, the definition of Alternative Retail Electric Supplier is more completely set forth in 220 ILCS 5/16-102.

“Ancillary Services” shall mean the necessary services that shall be provided in the generation and delivery of electricity, and shall include, without limitation: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves).

“Commonwealth Edison” or “ComEd” shall mean the Commonwealth Edison Utility Company as the entity that has a franchise, license, permit or right to distribute, furnish or sell electricity to retail customers within the Consortium municipalities.

“Default Tariff Service” shall mean the electricity supply services available to eligible retail customers of Commonwealth Edison.

“Eligible Retail Customer” shall mean a residential and small commercial retail customer of the Utility.

“Fixed Price” shall mean a non-variable and guaranteed Full Commodity Price for a specified period. This price includes all costs associated with delivering electricity to the Delivery Point and ComEd’s Utility Consolidated Billing and Purchase of Receivables services.

“Full Commodity Price” shall mean the all-inclusive costs associated with delivering electricity to the Delivery Point plus costs associated with ComEd’s Utility Consolidated Billing and Purchase of Receivables services. Such costs include, but are not limited to: tariff charges, rates and rate adjustments, transportation costs, capacity charges, ancillary service costs and credits, hedging and risk management fees, losses, and all other surcharges, taxes, custom duties/charges and balancing costs.

“Full Electricity Requirements” shall mean a sale of electricity supplies and services by the supplier in which the seller pledges to meet all of the each Member’s requirements, and the Members pledge to buy all of their electricity requirements from the supplier, for the delivery period identified in the RFP.

“ICC” shall mean the Illinois Commerce Commission as described in 220 ILCS 5/2-101.

“IPA” shall mean the Illinois Power Agency.

“Load” shall mean the total demand for electric energy required to serve the Village residential and small commercial customers in the Aggregation Program.

“Opt-Out” shall mean the process by which a Member who would be included in the Program chooses not to participate in the Program.

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“Opt-Out Notice” shall mean the notice delivered to each Member by the Village, identifying the procedures and protocols for the Member to opt out of, and choose not to participate in, the Program.

“PIPP” shall mean a Percentage of Income Payment Plan created by the Emergency Assistance Act, 305 ILCS 20-18, to provide a bill payment assistance program for low-income residential customers.

“PJM” shall mean the PJM Interconnection, a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia including the Commonwealth Edison service territory.

“Plan” shall mean this Aggregation Plan of Operation and Governance.

“Power Supply Agreement” shall mean the contract between the Village and the Alternative Retail Electric Supplier.

“Power Supply Bid” shall mean the procurement process utilized by the Village on behalf of Eligible Retail Customers to solicit prices for services from certified Alternative Retail Electric Suppliers.

“Price to Compare” shall mean the unit price for ComEd electricity supply services which is the sum of the electricity supply charge plus the transmission services charge plus the purchased electricity adjustment for non-electric space heating customers as established by ComEd Rider PE (Purchased Electricity) and Rate BES (Basic Electricity Service) or their successor Rates and Riders.

“REC” shall mean Renewable Energy Credits certified in a manner consistent with the requirements of the Illinois Renewable Portfolio Standard.

“Retail Customer Identification Information” shall mean the retail customer information supplied by Commonwealth Edison to the Supplier in connection with the implementation of the Aggregation Program.

“Small Commercial Retail Customer” shall mean a retail customer with an annual electricity consumption of less than 15,000 kilowatt-hours; provided, however, that the definition of Small Commercial Retail Customer shall include such other definition or description as may become required by law or tariff.

“Supplier” shall mean the Alternative Retail Electric Supplier selected by the Village to provide electricity supplies and services to Aggregation Members.

“Village” shall mean the Village of La Grange, Illinois.

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III. ROLE OF THE VILLAGE

A. The Village, with the assistance of the Consultant, will prepare and submit to ComEd a warrant, demonstrating the passage of the referendum and requesting the identification of retail and small commercial electric customer account information and generic load profiles.

B. The Village, with the assistance of the Consultant, shall prepare a data request to submit to ComEd seeking the generic account data of residential and small commercial retail customers.

C. The Village and Consultant will review the customer list to remove ineligible customers; provided however, that the Village and Consultant shall have no responsibility to potential aggregation Members or the Supplier for the accuracy of the customer account information provided.

D. The Village, with the assistance of the Consultant, will conduct a Power Supply Bid, utilizing the agreed-to technical specifications, bidder requirements, bidding processes, and contract documents, to select a single ARES. The Village will evaluate the bids received and select a single ARES to serve as the electricity supplier.

E. The Village shall adopt: (1) an ordinance authorizing an opt-out electric aggregation program; and (2) this Plan of Operation and Governance.

F. After the adoption of this Plan, the corporate authorities of the Village will consider approval of the Power Supply Agreement with the Supplier for the provision of electrical power to the Village's Program pursuant to the Power Supply Bid.

G. The Village is under no obligation to enter into any Power Supply Agreement with any ARES and may, at its discretion, choose to have its aggregation members remain on ComEd's default tariff service, or to re-bid the electric service under the same or amended terms of this Plan.

H. The Village shall be responsible for issuing all required public notices and conducting all required public hearings concerning this Plan, and any amendments thereto, in accordance with Section 1-92 of the Act.

I. The Village shall be responsible for forwarding to ComEd periodic requests for consumer account data.

J. The Village shall be responsible for providing the Consultant and Supplier with resources and publicly available material to screen out customers who are not located within the municipal boundaries. Those resources may include any or all of the following: property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings, and maps.

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K. The Village will maintain the customer information it receives in a confidential manner as required by law, and will use that information only for purposes of its Municipal Aggregation. The Village may assign access to the customer information to the Consultant for the purposes of soliciting supply and service bids on behalf of the Village. The Consultant is bound by confidentiality requirements in this regard, and shall only access and utilize consumer data at the direction of the Village. Customer account information will be considered confidential and will not be disclosed under the Freedom of Information Act, except as required by law.

L. The Village is not responsible for providing electricity to the members of the Aggregation, or for billing or collecting for electricity provided under any ARES power supply agreement, and has no responsibility beyond the duties described herein. ComEd will continue to provide a single bill to Aggregation Members for all electrical charges.

IV. ROLE OF THE AGGREGATION CONSULTANT

A. **Duties.** The Aggregation Consultant shall advise the Village and shall assist the Village with the development and implementation of its Municipal Aggregation Program, including advising staff and elected officials on all aspects of the program; developing all necessary documents, soliciting and reviewing bids received, making recommendations as appropriate, and monitoring the Supplier's compliance with the requirements of the Power Supply Agreement.

B. **Required Independence and Disclosures.** As required by the Electric Service Customer Choice Act, 220 ILCS 5/16-101 et seq., the Consultant will be in a fiduciary relationship with the Village and owes the Village the duty of loyalty and independent judgment. The Consultant will be disqualified if it acts as the agent for any ARES. It is the duty of the Consultant to disclose any such relationships to the Village and to terminate its agency for the ARES in the event of such a relationship. Breach of these terms may result in the termination of the agreement between the Village and the Consultant.

C. **Fee.** The Consultant shall be paid directly by the Supplier as authorized by the Village for the services provided to the Village. The amount of the compensation to the Consultant must be approved by the Village prior to issuance of any payment.

D. **Confidentiality.** The Consultant shall not have access to any confidential customer account information unless so allowed by the Village and bound by a confidentiality agreement. In the event the Consultant becomes privy to any confidential customer account information, it agrees not to use that information for any purposes outside the scope of the services provided by its agreement with the Village, and specifically agrees not to use for itself, or to sell, trade, disseminate or otherwise transfer, that information to any other party for any purpose other than in furtherance of the Aggregation Program.

E. **Ownership of Work Product.** The Consultant shall not: (1) use any Village work product for any other client; or (2) represent any Village work product as its own.

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V. SELECTION PROCESS

A. Competitive Selections. The Village, in cooperation with the Consultant, shall utilize a selection process to select a single ARES. The competitive selection process will allow the Village to issue written specifications for the energy supplies and services required by Program Members, distribute those specifications to potential suppliers, and to review proposals in a manner to secure the best value for Members. The Village will not be required to enter into agreements with any ARES pursuant to any solicitation.

B. Selection Process. The Village may conduct a two-phase supplier selection process. The first phase may be the issuance of a Request for Qualifications (RFQ). The RFQ will be used to identify qualified bidders that can participate in the second phase. The second phase of the supplier selection process will be the submission of a bid document to qualified bidders.

C. Request for Qualifications. For the initial Power Supply Agreement, the Village, in cooperation with the Consultant, shall develop an RFQ that will be issued by the Village. Through the RFQ process, the Village will determine qualified bidders that meet the criteria specified in the RFQ. If an RFQ respondent meets all requirements of the RFQ, the RFQ respondent will be qualified to participate in a future bid process for supply of electricity to program participants.

1. Disclosures. In determining whether RFQ respondents are responsible and should be qualified, the Village will consider factors that include, but are not limited to, certifications, conflict of interest disclosures, taxpayer identification number, past performance, references, and compliance with applicable laws, financial stability, and the perceived ability to perform as specified. RFQ respondents must have financial resources sufficient, in the opinion of the Village, to ensure performance of the Power Supply Agreement and must provide proof of the sufficiency of their financial resources to the Village upon request.
2. Enrollments. RFQ respondents shall describe the manner and time in which the Opt-Out Process will be handled, and the manner in which the RFQ respondent communicates with ComEd to enhance Eligible Retail Customer participation in the Program. RFQ respondents must describe the process for adding new customer accounts to the Program during the term of the Power Supply Agreement.
3. PIPP participation. RFQ respondents shall certify that they can provide energy supply service to PIPP participants in a manner that does not cause PIPP participant to lose the benefits of the PIPP assistance program.
4. Member Services. RFQ respondents must describe how they will provide membership education, supply Opt-Out Notices, respond to customer inquiries, communicate with the public regarding the Program, and any other ongoing consumer education efforts.

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5. Confidentiality. RFQ respondents must describe the controls they have in place to guarantee the confidentiality of customer account information.
6. Technical Qualifications of Proposers. RFQ respondents must demonstrate that they satisfy each of the following requirements:
 - a. Certifications. RFQ respondents must document that they possess all current and valid certifications and agreements necessary to the delivery of Electricity Supply to the Program, including, but not limited to:
 - i. ICC Certification. RFQ respondents must have a current certificate of serviced authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the ICC. Bidders must provide proof of their bond posting with the ICC.
 - ii. ComEd Registration. RFQ respondents must demonstrate their current registration as a retail electric supplier with ComEd.
 - iii. Existing Transmission Agreements. RFQ respondents must demonstrate their current supply agreement(s) for network integration transmission service under open access transmission tariffs.
 - b. Resources. RFQ respondents must demonstrate that they possess all of the resources and systems necessary to serve the Program, including, but not limited to:
 - i. Corporate Support and Resources. RFQ respondents must document the necessary corporate structure and local staff to provide energy power supplies to the Program.
 - ii. Financial Stability. RFQ respondents must provide documentation of investment-grade corporate debt rating as evidenced by one of the major investment rating agencies. RFQ respondents that operate as subsidiaries to larger corporate organizations must provide a letter of acknowledgement from the parent firm citing that the parent company supports the financial liabilities and obligations of the Respondent.
 - iii. EDI Systems. RFQ respondents must demonstrate that they possess an existing electronic data interchange computer network that is fully functional at all times and includes back-up file saving systems, and is capable of handling anticipated Program volumes.

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- iv. **Communications Platforms.** RFQ respondents must demonstrate the ability to receive and respond to inquiries from Program participants, including the following, at minimum:
- v. **Marketing Support.** RFQ respondents must demonstrate that they possess the existing ability to reach Program participants to provide education on the terms of the Program and the Act. Bidders must demonstrate how marketing materials and messages can be provided to Members through, but not limited to, the following communication portals: regular mail; email distribution lists; websites; social media; and phone contact.
- vi. **Toll Free Call Center.** RFQ respondents must demonstrate that they maintain, or will maintain, a toll-free telephone access line which shall be available to Program Members and Associate Members 24 hours a day, seven days a week. Trained company representatives shall be available to respond to customer telephone inquiries during normal business hours. Outside of these hours, the access line may be answered by a service or an automated response system, including an answering machine. Additional requirements may be determined by the Village Board.
- vii. **Program Website.** RFQ respondents must demonstrate that they maintain, or will maintain, a dedicated website for the Members. The website shall provide basic information concerning the Program and shall facilitate customer inquiries by providing a platform for the submission of questions. The website shall allow for opt outs during the Opt-Out Period and for enrollments after the Opt-Out Period. Responses to inquiries submitted through the website platform shall be made within 24 hours.
- viii. **Multiple Languages.** RFQ respondents must demonstrate the ability to provide customer service for Members requiring non-English verbal and written assistance.
- ix. **Hearing Impaired Services.** RFQ Respondents must demonstrate the ability to provide customer service for hearing-impaired Members.
- x. **Data Services.** The Supplier will provide Members with access to their account's historical electricity consumption and costs; information concerning the opportunities and advantages for energy efficiency and distributed generation; and analytical tools to aid in establishing more efficient use of electricity.

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7. RFQ Response Evaluation. The Village, in cooperation with the Consultant, will evaluate RFQ responses using the following criteria:
- a. Technical qualifications.
 - b. Quality of the response to the solicitation.
 - c. Quality of the communications plan and timeline.
 - d. Experience in the ComEd service region
 - e. Ability to enroll customers into the Program pursuant to an established schedule.
 - f. Any other factors deemed to be in the Village's best interest.
- D. Electricity Supply Bids. The Village, in cooperation with the Consultant, shall develop bid documents that will be distributed to qualified bidders. The solicitation documents will request bids for the Full Electricity Requirements for Members. The Village shall receive and evaluate bids and may enter into a Power Supply Agreement with an ARES. The Village shall be under no obligation to enter into any Agreement with any ARES and may, at its discretion, choose to reject all bids or to conduct a new solicitation to provide electricity supply under the same or amended terms of this Plan.
- E. Contents of the Bids. The solicitations issued by the Village on behalf of Members shall include at least the following contents:
1. Term of Agreement. Bidders may propose the term period for their proposal. However, the Village shall have the discretion to establish the term and period of any agreement based on a determination of the best interests of Members.
 2. Power Mix. The Supplier shall meet the statutory requirements under the Illinois Renewable Portfolio Standards. The Village may seek to supplement the Program's power mix with the purchase of additional volumes of RECs. The Village may require bidders to provide options and pricing to accommodate such additional REC purchases.
 3. Rates. One of the Village's objectives in soliciting bids is to provide Members with delivered electricity prices that are less than the Price to Compare. As such, bidders must commit to a rate that is below the Price to Compare during the entire term of the Agreement. In the event the Price to Compare is less than the Supplier's rate, the Supplier will have the options, at the Village's discretion, as outlined in Section VI C.

Additionally, any pass-through costs above the costs associated with delivering Full Requirements Electricity supply to Members (such as administrative reimbursements to the Village, program costs, purchases of RECs above the volume required by the Illinois Renewable Portfolio Standard, etc.) shall be disregarded for purposes of comparing the Fixed Price and the Price to Compare.

VI. POWER SUPPLY AGREEMENT

The Village, at its option, will execute a Power Supply Agreement with the Supplier, in accordance with the following:

- A. **Term.** The term of the Village's first Power Supply Agreement shall be determined by the Village Board. The Village Board will request bids for a 12 month, 24 month and 36 month term for the initial Agreement. If the Agreement is extended or renewed, the Consultant will notify the Village of changes in the rules of the ICC and IPA that require changes in rates or service conditions. The Village will have the discretion to set the length of any subsequent contract term.
- B. **Rate.** The Agreement shall specify the approved rates and the power mix for the Program, and shall specify additional fees (if any).
- C. **Supply of Power.** The Supplier shall supply electricity for the program that includes: (1) the minimum renewable energy resources required by the State of Illinois Renewable Portfolio Standard; and (2) at the option of the Village, exceed the requirements of the Illinois Renewable Portfolio Standard by securing Renewable Energy Credits sourced through registered hydroelectric, wind, solar, photovoltaic or captured methane-landfill gas at one hundred percent. The Village has determined that it intends to provide customers an option to select the minimum option or the one hundred percent option.
- D. **Compliance with Requirements in the Bid.** The agreement shall require the Supplier to maintain all required qualifications, and to provide all services required pursuant to the Joint Power Supply Bid.
- E. **Compliance with Plan.** The Agreement shall require the Supplier to provide all services in compliance with this Plan, as may be amended. Specifically, and without limitation of the foregoing, the Supplier shall provide the Village with such reports and information as required in this Plan.
- F. **Non-Competition.** The Supplier must agree not to solicit or contract directly with eligible Aggregation Program members for service or rates outside the Aggregation Program, and agrees not to use the member information for any other marketing purposes.
- G. **Hold Harmless.** The Supplier must agree to hold the Village harmless from any and all financial obligations arising from the Program.
- H. **Insurance.** The Supplier shall obtain and maintain, for the duration of the Power Supply Agreement, such proof of insurance and performance security as the Village deems necessary.
- I. **Additional Services.** The Agreement may provide that the Supplier will assist the Village in developing a Member Education Plan. The Agreement may provide that the Supplier will assist the Village in developing Energy Efficiency and/or Demand Response programs. The

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Agreement will not preclude the Village from developing its own Member Education, Energy Efficiency, and Demand Response programs.

J. Fees and Charges:

1. Additional Fees Prohibited. Neither the Village nor the Supplier will impose any terms, conditions, fees, or charges on any Member served by the Program unless the particular term, condition, fee, or charge is: (a) identified in this Plan; and (b) clearly disclosed to the Member at the time the Member enrolls in, or chooses not to opt out of, the Program.
2. ComEd will continue to bill for late payments, delivery charges, and monthly service fees. These charges apply whether or not a Member switches to the ARES.
3. Termination, Enrollment, and Switching Fees shall not be charged except as permitted by this Plan.

K. Costs. The Village does not plan to allocate the costs of the aggregation program development and administration to the Supplier above and beyond the consultant and related fees included in Section IV C. If the Village determines that the Supplier should pay those costs in the future, the Village shall direct the amount and means for facilitating payment of those costs.

L. Termination of Service.

1. End of Term. The Power Supply Agreement with the Supplier will terminate upon its expiration.
2. Early Termination. The Village will have the right to terminate the Power Supply Agreement prior to the expiration of the term in the event the Supplier commits any act of default. Acts of default include but are not limited to the following:
 - a. Breach of confidentiality regarding Member information;
 - b. The disqualification of the Supplier to perform the services due to the lapse or revocation of any required license or certification identified as a qualification in the Joint Power Supply Bid;
 - c. ComEd's termination of its relationship with the Supplier;
 - d. Any act or omission which constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice;
 - e. Billing in excess of the approved rates and charges;
 - f. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges; or
 - g. Failure to perform at a minimum level of customer service required by the Village

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Upon termination for any reason, the Village will notify ComEd to return the Aggregation Members to the Default Tariff Service. Upon termination, each individual Member will receive written notification from the Village of the termination of the Program.

VII. PRICING

A. Pricing Methodology. The Village intends to establish a Fixed Price (non-variable) for the purchase of the Full Electricity Requirements for Members. That fixed price will be honored for all years of the contract as determined by the Village Board. The Village reserves the right to establish a price through a methodology as may be developed by the Village and the Consultant.

B. Recording. The Full Commodity Price established will be added to the pricing appendix in the Power Supply Agreement. Costs associated with additional Renewable Energy Credits may be added to the commodity price settlement at the discretion of the Village.

C. Pricing Guarantee. The Village's intent in soliciting the proposals is to provide residents with delivered electricity prices that are always less than ComEd's applicable rates. As such, the Supplier must commit to a rate that is below the Price to Compare in all periods of the Agreement. In the event the Price to Compare is less than the Supplier's rate, then the Supplier will, at the Village's discretion, have the option of:

1. Reduction. Reducing the Agreement Fixed Price to a rate at least equal to the Price to Compare; or
2. Transfer accounts to ComEd. Transferring Program accounts to Default Tariff Service at the discretion of the Village; or,
3. Transfer accounts to another Supplier. Transferring Program accounts to another ARES at the discretion of the Village.

VIII. IMPLEMENTATION PROCEDURES

A. Development of Member Database. Pursuant to ICC regulations, the Village Manager or his or her designee will submit a Direct Access Request and Government Authority Aggregation Form to ComEd, requesting that it provide the Village with Retail Customer Identification Information. ComEd will provide the Village with the requested information within 10 business days after receiving the request in accordance with those adopted protocols.

After selecting and contracting with the Supplier, the Village, with the assistance of the Consultant, under confidential agreement with the Supplier, will work with the Supplier to remove any customers determined to be ineligible due to circumstances including but not limited to, one or more of the following:

1. The customer is not located within the Village;

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2. The customer has a pre-existing agreement with another ARES and has not delivered to the Village a written request to switch to the Aggregation Program;
3. The customer has free ComEd service;
4. The customer is an hourly rate ComEd customer (real time pricing);
5. The customer is on a ComEd bundled hold (i.e. the customer recently terminated service from a different ARES and re-established service through ComEd).

The Retail Customer Identification Information will remain the property of the Village, and the Supplier will comply with the confidentiality and non-compete provisions in the Power Supply Agreement.

After the Retail Customer Identification Information is reviewed, the Supplier will mail the Opt-Out Notices described below to all eligible account holders within the boundaries of the Village.

The Supplier shall treat all customers equally and shall not deny service to any customer in the Aggregation, or alter rates for different classes of customers other than by offering the rates set forth in the Power Supply Agreement.

B. Maintenance of Accurate and Secure Customer Records. The Supplier will maintain a secure database of Customer Account Information. The database will include the ComEd account number, and Supplier's account number of each active Member, and other pertinent information such as rate code, rider code (if applicable), and usage and demand history. The database will be updated on an ongoing basis.

The Supplier shall preserve the confidentiality of all Aggregation Members' account information and of the database, and shall agree to adopt and follow protocols to preserve that confidentiality. The Supplier, as a material condition of any contract, shall not disclose, use, sell or provide customer account information to any person, firm or entity for any purpose outside the operation of this Municipal Aggregation Program. This provision will survive the termination of the agreement. The Village, upon receiving customer information from ComEd, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act, 815 ILCS 505/2HH. The Supplier will keep Customer Account Information for a minimum of two years following the termination of the Power Supply Agreement.

C. Initial Opt-Out Process. The Village's Aggregation is an opt-out program pursuant to 20 ILCS 3855/1-92. Any eligible electric account that opts out of the Program pursuant to the procedures stated below will automatically be placed on the ComEd default tariff service unless and until the accountholder chooses another ARES.

1. Manner of Providing Notices and Information. The Supplier will be required to pay for printing and mailing of all Aggregation and Opt-Out Notices as approved by the Village on Village envelope and letterhead. The Supplier will mail Aggregation and Opt-Out Notices to the eligible account holders within the boundaries of the Village at the address provided with the Retail Customer Identification Information provided by ComEd. The Supplier must manage the Opt-Out Notice process under the

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supervision of the Village and the Consultant. A single database must be used to track account enrollment and billing data.

2. Content of Notice. The Village and the Supplier will agree to the format and contents of the Aggregation and Opt-Out Notice prior to distribution or mailing. The Notice will inform the electric account owner of the existence of the Aggregation Program, the identity of the Supplier, and the rates to be charged. The Notice will also inform PIPP customers of the consequences of participating in the Aggregation, if any.

The Notice will provide a method for customers to opt out of the Aggregation Program. The Notice shall indicate that it is from the Village, and include the Village name and logo on the envelope. The Notice shall be signed by a duly-authorized representative of the Village.

Aggregation Members shall have 21 calendar days from the postmark date on the notice to mail the Opt-Out card back to the Supplier stating their intention to opt out of the Village Aggregation Program ("Opt-Out Period"). The Supplier may offer additional means of opting out, such as a toll-free number, website, smart device quick response code, email address or fax number, each of which must be received within the Opt-Out Period. Upon receipt of an opt-out reply, the Supplier will remove the account from the Aggregation Program. The time to respond shall be calculated based on the postmark date of the notice to the customer and the postmark date of the customer's response.

After the expiration of the Opt-Out Period, the Member list shall become final. All customers who have not opted out will be automatically enrolled as Members in the Program.

In the event that an eligible Aggregation Member is inadvertently not sent an Opt-Out Notice, or is inadvertently omitted from the Program, the Supplier will work with the Village and the Member to ensure that the Member's decision to remain in, or opt out of, the Program is properly recorded and implemented by the Supplier.

3. Notification to ComEd. After the Opt-Out Notice period has expired, the Supplier shall submit the account numbers of participating Aggregation Members to ComEd and the rate to be charged to those members pursuant to the Power Supply Agreement. The Supplier will provide that information to ComEd in the format ComEd requires.
4. ComEd will then notify members that they have been switched to the Supplier and provide the member with the name and contact information of the Supplier. Members will have the option to rescind their participation in the program according to procedures established by ComEd and the Supplier.

D. Activation of Service. Upon notification to ComEd, the Supplier will begin to provide electric power supply to the members of the Aggregation Program without affirmative action

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from the members. The service will begin on the member's normal meter read date within a month when power deliveries begin under the Aggregation Program.

E. Enrollments:

1. New Accounts. The Supplier must facilitate the addition of new member accounts to the Aggregation Program during the term of the Power Supply Agreement. Residents and businesses that move into the community after the initial Opt-Out Period will not be automatically included in the Aggregation Program. Members wishing to opt-in to the Aggregation Program may contact the Supplier to obtain enrollment information. All new accounts shall be entitled to the rates set forth in the Power Supply Agreement.
2. Re-Joining the Aggregation Group. After opting out, Members may rejoin the Program at a later date in the same manner as new residents moving into the Village. These members may contact the Supplier at any time to obtain enrollment information. All Members who re-join the Program shall be entitled to the rates set forth in the Power Supply Agreement.
3. Change of Address. Members who move from one location to another within the corporate limits of the Village shall retain their participant status, pursuant to Section VII.G.4 of this Plan.
4. The Supplier will establish procedures and protocols to work with ComEd on an ongoing basis to add, delete or change any member participation or rate information.

F. Member Services:

1. Program Management and Documentation: The Supplier must have standard operating procedures in place that govern Member education, Opt-out notification, Member inquiries, and public outreach regarding the Aggregation Program.
2. Member Inquiries.
 - a. Procedures for Handling Customer Complaints and Dispute Resolution. Concerns regarding service reliability should be directed to ComEd, billing questions should be directed to ComEd or the Supplier, and any unresolved disputes should be directed to the ICC.
 - b. Telephone Inquiries. The Supplier must maintain a local or toll-free telephone access line which will be available to Aggregation Members 24 hours a day, seven days a week. Trained company representatives will be available to respond to customer telephone inquiries during normal business hours. After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained

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company representative on the next business day. Under normal operating conditions, telephone answer times by a customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds. The Supplier shall submit reports to the municipality at least once per quarter, indicating that it has met these standards at least 90 percent of the time under normal operating conditions during the preceding quarter.

- c. Internet and Email. The Supplier must establish and maintain a website for the Aggregation Members. The website will provide basic information concerning the Aggregation Program and will facilitate member inquiries by providing a platform for the submission of questions by email or text. Responses to inquiries submitted through the website platform must be generated within 24 hours.
 - d. Multilingual Services. The Supplier must provide customer service for Members requiring non-English verbal and written assistance.
 - e. Hearing Impaired. The Supplier must provide customer service for hearing impaired Members.
3. The Supplier will provide the Aggregation Members with updates and disclosures mandated by ICC and IPA rules.

G. Billing and Fees.

1. Collection and credit procedures remain the responsibility of ComEd and the individual Aggregation Member. Members are required to remit and comply with the payment terms of ComEd. The Village will not be responsible for late payment or non-payment of any Member accounts. Neither the Village nor the Supplier shall have separate credit or deposit policies for Members.
2. Early Termination. Members may terminate service from the Supplier without penalty if they relocate outside of the Village. Members who did not opt out of the Program during the Opt-Out Period and who later leave the Program for other reasons will not be assessed an early termination fee by the Supplier.
3. Enrollment Fee. No enrollment fees shall be charged by the Supplier.
4. Switching Fee. Members changing residency within the Village will not be assessed early termination or enrollment fees. If authorized, the Supplier shall continue service at the same rate and under the same terms and conditions for any Member who relocates within the Village prior to the expiration of the contract term, providing that the Member notifies the Supplier of his or her desire to do so with 30 days' notice. Moving within the Village may cause the Member to be served for a brief period of time by ComEd.

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H. Reliability of Power Supply: The Program will only affect the generation source of power. ComEd will continue to deliver power through their transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with ComEd. If Members have service reliability problems, they should contact ComEd for repairs. The ICC has established “Minimum Reliability Standards” for all utilities operating distribution systems in Illinois. Member outages, duration of outages, interruptions, etc., are monitored to ensure reliability remains at satisfactory levels. In addition to maintaining the “wires” system, ComEd is required to be the “Provider of Last Resort,” meaning that should the Supplier fail for any reason to deliver any or all of the electricity needed to serve the Members’ needs, ComEd will immediately provide any supplemental electricity to the Members as may be required. ComEd would then bill the ARES for the power provided on their behalf, and the Members would incur no additional cost therefor.

IX. ADDITIONAL SERVICE TERMS AND CONDITIONS

A. Member Education. The Supplier will maintain the minimum requirements outlined in Section V.6.

B. Reporting. The Supplier will provide to the Village and to the Consultant the following reports:

1. Power Mix Reporting. The Supplier will deliver quarterly reports to the Village and the Consultant which substantiate that: (a) it generated or purchased electricity with the claimed attributes in amounts sufficient to match actual consumption by the Village; (b) the electricity was supplied to the interconnected grid serving the Village.

The report will show the source of the power and demonstrate that the power was provided in accordance with Renewable Portfolio Standards and the federal Clean Air Act regulations and permits.

2. REC Reporting. The Supplier will deliver reports that provide competent and reliable evidence to support the fact that it purchased properly certified REC’s in accordance with Renewable Portfolio Standards in a sufficient quantity to offset the non-renewable energy provided in the mix. If determined by the Village Board, a report providing reliable evidence of the purchase of supplemental certified REC’s will also be required.
3. Aggregation Reports. The Supplier will provide the Village with quarterly reports showing the number of Members participating in the Aggregation Program and the total cost for energy provided to the Aggregation as compared to the ComEd’s default tariff service rates. In addition, the ARES will report its efforts at member education.

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C. Limitation of Liability. The Village shall not be liable to Aggregation Members for any claims, however styled, arising out of the aggregation program or out of any Village act or omission in facilitating the Municipal Aggregation Program.

X. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan will be available from the Village free of charge at www.villageoflagrange.com/electricaggregation or call (708) 579-2315 for more information.

Any electric customer, including any participant in the Village's aggregation program, may contact the Illinois Commerce Commission for information, or to make a complaint against the Program, the ARES or ComEd, the ICC may be reached at 217-782-5793.

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ATTACHMENT A
RECORD OF AUTHORIZING VOTES FOR THE REFERENDUM

5-A-27

Cook County Clerk's Office

**Suburban Cook County Election Results
Official Certificate of Results**
[Back to Election Summary Results](#)[Print Results](#)
November 06, 2012 Presidential General Election

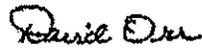
The Cook County Clerk, having completed a canvass of all votes cast for Village of La Grange, Electrical Aggregation, hereby certifies the following vote totals:

Candidates	Percentage	Votes
YES	65.3%	4,733
NO	34.7%	2,515
Total:	100%	7,248

There being more YES votes than NO votes, the referendum succeeds.

Below is the abstract of votes by precinct.

Dated this November 27, 2012.



David Orr, Cook County Clerk

Township - Village of La Grange, Electrical Aggregation

Township	Registered Voters	Ballots Cast			Total Votes
			YES	NO	
Lyons	10,216	8,109	4,733	2,515	7,248
Suburban Cook County Total	10,216	8,109	4,733	2,515	7,248

Precinct - Village of La Grange, Electrical Aggregation

Precinct	Registered Voters	Ballots Cast			Total Votes
			YES	NO	
Lyons 7	825	572	292	212	504
Lyons 9	886	707	434	200	634
Lyons 10	732	542	290	207	497
Lyons 11	596	476	292	137	429
Lyons 14	1,018	833	508	244	752
Lyons 15	937	750	446	238	684
Lyons 16	1,233	1,005	608	302	910

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Lyons 18	663	552	323	180	503
Lyons 43	655	555	361	151	512
Lyons 47	763	606	325	134	459
Lyons 50	930	695	377	243	620
Lyons 72	980	816	477	267	744
Suburban Cook County Total	10,216	8,109	4,733	2,515	7,248

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VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees and Village Attorney

FROM: Robert Pilipiszyn, Village Manager
Michael Holub, Police Chief
Lou Cipparrone, Finance Director

DATE: February 25, 2013

RE: **REQUEST TO PURCHASE – POLICE DEPARTMENT / REPLACEMENT
OF SQUAD CARS**

The FY 2012-13 Village budget provides for the replacement of squad cars within the Police Department's Patrol Division fleet.

Background

This matter was previously before the Village Board on four separate occasions. The first time this item was brought to the Village Board was as an agenda item in May 2012. Coming on the heels of adopting a provisional Village budget for FY 2012-13 three weeks prior, the matter was debated and defeated in a formal vote by the Village Board. The Village Board voted to not approve the request in order to consider all options, such as cutting or delaying capital asset purchases including this one, in adopting a final and balanced Village budget for FY 2012-13.

The second time the Village Board discussed this item was during the continued budget discussion in June 2012. Additional information was provided concerning the cost of ownership and the most economical replacement cycle. At the conclusion of the discussion, it was the consensus of the Village Board to affirm the three-year replacement cycle which was decided at the budget workshop in March 2012, and thus support the request to purchase as a budgeted item within FY 2012-13. Because of the original deferment, the opportunity to procure replacement squad cars through the State purchasing contract had passed. This consequence was identified and understood at the first meeting. The Village Board subsequently directed staff to research other purchase options and return to the Village Board with a recommendation at the next available opportunity. The Village Board also allocated an additional \$15,000 in the Police Department's vehicle maintenance budget to keep the squad cars operational.

The third time that this item was brought to the Village Board was as an agenda item in September 2012. The recommendation involved a negotiated purchase using fleet pricing through a local dealership. The Village Board tabled the request and directed staff to conduct a solicitation of local dealerships to ensure that the Village was receiving the most competitive pricing.

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The fourth time that this item was before the Village Board was as an agenda item in October 2012. The solicitation process confirmed that the Village was receiving the most competitive pricing as three local dealerships submitted pricing within a range of less than \$300. However, due to other factual errors in the report, Village staff withdrew the request.

We now come before you for the fifth and hopefully final time with a request and recommendation.

State Contract

The State of Illinois purchasing contract was announced in January. The police package vehicle being offered is the Chevrolet Caprice. Chief Holub advises that the Chevrolet Caprice 4-door sedan will meet our operational needs as a marked patrol vehicle. The vendor for the State contract is Miles Chevrolet of Decatur, IL.

As has been our practice for the last two patrol car replacement purchases, Chief Holub contacted our local Chevrolet service provider, Advantage Chevrolet in Hodgkins, IL to see if they would honor the State bid price; they indicated that they would. There are two reasons why we attempt to make a local purchase. First and foremost, it saves the Village the cost of delivery (the State vendor is typically a downstate dealership). The alternative, which would be costly and cumbersome, would be to send a team of drivers down and back on overtime to pick-up the cars. Second, we have found from experience that when we couple the purchase and service to a single dealership, that dealership tends to provide a higher level of service because there is a sense of ownership with those vehicles.

The cost of delivery quoted by Miles Chevrolet was \$275 for the first vehicle and \$225 for each additional vehicle, for a total delivery charge of about \$1,500. In the process of collecting information for the Board Report, we also learned that the deadline to place an order was Thursday, February 21, 2013. We were advised by the downstate dealership that the ordering deadline was firm.

We subsequently contacted Advantage Chevrolet of Hodgkins, IL, who indicated that they would be able to acquire the vehicles after the deadline, at the State contract price.

We do not recommend conducting (another) bid solicitation of local dealerships to see if we can obtain a price lower than the State bid for two reasons. First, based on our most recent experience, we received three quotes within three hundred dollars of one another. Therefore, we believe that the Village will not gain any appreciable cost savings from such an exercise. Second, it is not worth the expenditure of staff resources to do so, including legal expenses, if we were to conduct a formal bidding process.

Purchase Cost / Budget Impact

The cost of the entire purchase is estimated in the table below. For purposes of comparison, we have included the cost of squads had they been purchased last year so that you can see the changes in line-item pricing.

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Village of La Grange Cost Comparison — Squad Car Replacement FY 2012-13			
	Chevy Caprice State-bid / May '12	Ford Taurus Fleet Pricing / Sep '12	Chevy Caprice State-bid / Feb '13
Unit Price	26,310	29,334	27,986
Squad Cars (6)	157,860	176,006	167,916
Est. On-line Auction Value	(5,500 ea.) (33,000)	(6,500 ea.) (39,000)	(4,150 ea.) (24,900)
Equipment Removal/Installation	26,100	9,000	29,025
Striping, Lettering, Graphics	4,000	3,900	3,990
Total Purchase Cost	154,960	149,906	176,031
ERF Budget Allocation	155,000	155,000	155,000

As you can see, the delay in purchasing replacement squad cars has resulted in an increased cost to the Village by approximately \$1,700 per vehicle.

Compounding this differential is the anticipated reduction in value from the on-line auction sale of the squads in the amount of \$1,350 each by retaining them one additional year. Finally, it appears that labor costs to changeover equipment has increased by \$3,000.

The budget impact from these pricing changes is two-fold. First, the impact of purchasing replacement squad cars at this time rather than as originally recommended in May and again in September has resulted in an additional cost to the Village of approximately \$21,000. The increased cost to the Village is due to (i) increased base price of the vehicles (\$10,056); (ii) lower resale value of the existing squads (\$8,100); and (iii) increased labor costs to change over the equipment (\$3,000). However, there are sufficient reserves in the Equipment Replacement Fund (ERF) to cover the added expenditure, which we will explain in a moment.

Because we are replacing 6 of our 7 squad cars in the Police Department's patrol fleet at/after four years, we note at this time, that the seventh squad will have reached its budgeted three-year replacement interval. To keep the entire fleet current, and avoid additional financial and administrative costs associated with replacing a single squad car in the future, we recommend that we replace all seven squads at this time. The budget impact with this proposal is presented in the table below.

Caprice Police Vehicle — State Bid Price	\$27,986
Cost of Seven Vehicles	\$195,902
Est. On-line Auction Value (\$4,150/car)	(29,050)
Equipment Removal & Installation	\$33,862

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Striping, Lettering & Graphics	\$4,655
Total Purchase Cost	\$205,369
Revised ERF Budget Allocation	\$213,000

Due to the unanticipated delay in purchasing the police squad cars to include a full fourth year of usage, additional funds are available in ERF from the next replacement cycle in the amount of \$58,000 as squads are budgeted to be replaced every three years. In total, reserve funds in the amount of \$213,000 are currently available in ERF for the purchase, striping and changeover costs for the police vehicles.

The second budget impact associated with this purchase is that the base price for squad cars has increased at a cost higher than what we have reserved. Therefore, we need to adjust the reserve amount to replace squad cars in the future by approximately \$4,000 per vehicle, resulting in increased annual reserves of approximately \$8,500, beginning in FY 2013-14. This adjustment will be performed administratively as part of the development of the proposed Village budget for FY 2013-14.

Repair Costs & Replacement Cycle

As mentioned earlier in this report, we increased the repair budget for squad cars by \$15,000 as the estimated amount needed to keep the fleet of six squads operational for a fourth year, increasing the overall Police Department vehicle repair budget from \$10,000 to \$ 25,000.

Through January 31, 2013, we have spent a total of \$30,204 on squad car repairs alone or \$5,204 more than with the \$15,000 expense adjustment. We still have three more months in the current fiscal year during which the total cost of this liability could increase.

As we projected for the Village Board late last Spring, the replacement of squad cars on a 4-year cycle resulted in an additional savings of approximately \$5,000. Based on current experience, this projected annual savings still holds true. However, while the cost of ownership may be favorable using a four-year replacement schedule for squad cars, it may not be as advantageous to the Village with downtime, staff time driving to and from the dealership and officer confidence in their vehicle.

We have attempted to reasonably quantify these soft costs. First, as it relates to vehicle downtime, we projected the number of repair occurrences for this fiscal year (year 4) – 96 (estimated) – and compared it to the number of repair occurrences in FY 2009-10 (year 1) – 25. The difference is 71 occurrences. This data point is intended to establish the difference in repair experience between a three-year cycle and a four-year cycle. Stated alternatively, it attempts to quantify the operational impacts which Chief Holub has attempted to explain involving his frustration with vehicle downtime in the fourth year of a four-year replacement cycle (i.e. – not having a sufficient number of squad cars and / or people at any particular time due to a vehicle being out of service).

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We assumed that each repair occurrence took the vehicle out of service for one 8-hour day. Consequently, we have conservatively estimated that vehicle downtime in year 4 of a four-year replacement cycle is equal to an opportunity cost of 568 hours (71 occurrences x 8 hours).

Second, as it relates to officer time spent transporting vehicles to and from a local dealership, we assumed 30-minutes per trip for a total of 1 hour per occurrence. At 71 occurrences that means 71 hours or almost two weeks of lost officer productivity in year 4 of a four-year replacement cycle.

Attached for your reference is a spreadsheet which further illustrates these estimated soft costs.

For these reasons, we continue to believe that the cost of ownership is optimized on a three-year replacement schedule, as is currently budgeted in ERF.

Recommendation

It is our recommendation that the Village Board waive the formal bidding process and approve the purchase of seven replacement squad cars for the Police Department's Patrol Division from Advantage Chevrolet of Hodgkins, Illinois using the state bid unit price, in an amount not to exceed \$206,000.

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5-13.4

Village of La Grange
 Police Squad Analysis
 4 Year Replacement Cycle vs. 3 Year

4 Year Cycle - Cost Estimate	ACTUAL				ESTIMATED			
	FY 20110-11	FY 2011-12	FY 2012-13	FY 2013-14	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18
	4 year cycle, revised replacement cost of \$205,000 in FY 2013-14; \$220,000 in FY 2017-18	77,500	77,500	0	50,000	55,000	55,000	55,000
Maint Expense for Squad cars - based on most recent 3 yr actual costs with est. cost in year 4	5,570	16,503	22,224	40,000	6,000	16,000	23,000	40,000
Trade In Value - \$4,150 FY 2013-14- increase annually by inflation @ 2.5%				(29,050)				(31,500)
Changeover Cost - Increase by \$500 annually				29,000				31,000
	83,070	94,003	22,224	89,950	61,000	71,000	78,000	94,500
							4 Year Ave Cost	76,125

3 Year Cycle - Cost Estimate	ESTIMATED			
	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18
	3 year cycle, revised replacement cost of \$205,000 in FY 2013-14; \$215,000 in FY 2016-17	71,667	71,667	71,667
Maint budget for Squad cars - based on most recent 3 year actual costs with est lower cost in Year 3 due to less repair & maint as squads to be replaced	6,000	16,000	18,000	6,000
Trade In Value - Est. \$5,500 FY 2012-13 - increase annually by inflation @ 2.5%			(42,000)	
Changeover Cost - Increase by \$500 annually			30,500	
	77,667	87,667	78,167	83,000
			4 Year Ave Cost	81,625
	Difference ave cost 4 year vs 3 year :			(5,500)

Cost of seven squads - increase annually by inflation @ 2.5% 205,000 210,000 215,000 220,000

Year 4	FY 2012-13 YTD	\$30,240	1/31/2013
Year 3	FY 2011-12	\$22,224	
Year 2	FY 2010-11	\$16,503	
Year 1	FY 2009-10	\$5,570	
Year 2	FY 2008-09	\$8,498	
Year 1	FY 2007-08	\$6,599	

Year 4	
70 Occurrences thru 9 month ytd =	8 per month
8 occurrences per month x 12 months =	96 per year
Year 1	
Occurrences in 12 months - actual	25
Difference Year 4 to Year 1	71
Ave repair - lose squad for 1 day	8 hours
Opportunity Cost- loss of squad(s) in 1 :	568 hours

Police Officer Hours Lost
 1/2 hour pick up & drop off x 71 occurrences = 71 hours, which is almost two weeks of police officers time or approximately \$2,000

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