



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 14-1332, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 20, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to increase purchase order and amend the agreement with Arnstein & Lehr, LLP for legal services related to the impending bankruptcy of FutureMark Paper Company D/B/A Alsip Acquisition, LLC, and other miscellaneous bankruptcy matters, in an amount of \$40,500.00, from an amount of \$9,500.00, to an amount not to exceed \$50,000.00, Account 101-30000-601170, Purchase Order 3080949

Dear Sir:

On April 18, 2014, the Executive Director authorized the Director of Procurement and Materials Management to issue a purchase order and enter into an agreement with Arnstein & Lehr, LLP for legal services, in an amount not to exceed of \$9,500.00. The contract has no expiration date.

This purchase order has no prior change orders.

The reason for the requested change order is that the District has been informed that FutureMark Paper Company intends to file bankruptcy in the State of Delaware. The company owes User Charges to the District in the approximate amount of \$3.6 million. This will be a complex bankruptcy matter with many creditors and a myriad of issues relating to the value of the debtor's estate for eventual distribution to the various classes of creditors, including the District. The District has been working with Arnstein & Lehr, LLP to protect the District's interests as a creditor and regulator in this matter.

Arnstein & Lehr, LLP will continue to provide legal services in this matter, and other bankruptcy matters that arise in the future, at the significantly discounted hourly rate of \$175.00 per hour.

This change order is in compliance with the Illinois Criminal Code because the change is germane to the original agreement as signed and due to circumstances not reasonably foreseeable at the time the contract was signed, and is in the best interest of the District.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to increase the purchase order and amend the agreement in an amount of \$40,500.00 (approximately 426% of the current contract value) from an amount of \$9,500.00 to an amount not to exceed \$50,000.00.

Funds are available in Account 101-30000-601170.

Requested, Ronald M. Hill, General Counsel, RMH:LLD:JJZ:YAT:TN:crb

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 20, 2014

