



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 4, 2015

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to accept amended annual rental bid for Contract 14-366-11 Amendment to Bid for Proposal to Lease for 39-years on approximately 11.66 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois; Main Channel Parcel 42.03 from Gardner-Gibson, Incorporated in the amount of \$841,000.00
(Deferred from the May 21, 2015 Board Meeting)

Dear Sir:

At its meeting of September 18, 2014, the Board of Commissioners ("Board") authorized the Director of Procurement and Materials Management to advertise for public tender of bids a lease of approximately 11.66 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois and known as Main Channel Parcel 42.03. The minimum acceptable annual rental bid was established at \$601,000.00.

The initial bid opening for the subject lease was held on November 18, 2014, and the bids received were as follows:

Bidder	Annual Rental Bid
Ameropan Oil Company (current tenant)	\$607,010.00
Gardner-Gibson, Incorporated	\$776,000.00

At its meeting of March 5, 2015, instead of accepting either bid, the Board authorized the Executive Director to solicit amended bids from the two responsible bidders as permitted under the District's leasing statute with the amended minimum acceptable initial annual rental bid being established at \$814,800.00 which was 5% higher than the highest bid of \$776,000.00.

The opening for the amended bids was held on April 14, 2015, and one bid was received from Gardner-Gibson, Incorporated in the amount of \$841,000.00. Ameropan Oil declined to submit an amended bid.

While the minimum annual rental bid was established at 10% of the established fair market value, the amended bid submitted by Gardner-Gibson, Incorporated is 13.978% of the established fair market value and 8.47% greater than its initial bid.

The Finance Department has reviewed Gardner-Gibson, Incorporated's financial information and has reported that it has demonstrated the ability to meet its financial obligations under the Contract 14-366-11 proposed lease.

Gardner-Gibson, Incorporated proposes to use the site for the operation of a liquid asphalt and petroleum terminal.

It is requested that the Executive Director recommend to the Board of Commissioners that it accept the amended initial annual rental bid for Contract 14-366-11 Amendment to Bid for Proposal to Lease for 39-years on approximately 11.66 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois; Main Channel Parcel 42.03 from Gardner-Gibson, Incorporated in the amount of \$841,000.00.

It is also requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of the Committee on Finance and the Clerk to execute the lease agreement after it has been approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:vp:bh

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 June 4, 2015

Attachment