



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 DECEMBER 1, 2016

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to accept initial annual rental bid for Contract 16-363-11 Proposal to Lease for 35-years 1.18 acres of District real estate located at 12900 South Throop Street in Calumet Park, Illinois; Cal-Sag Channel Parcel 16.04 from Ozinga Ready Mix Concrete, Inc. in the amount of \$10,260.00 (*As Revised*)

Dear Sir:

At its meeting of June 16, 2016, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise Contract 16-363-11 Proposal to Lease for 35-years 1.18 acres of District real estate located at 12900 South Throop Street in Calumet Park, Illinois; Cal-Sag Channel Parcel 16.04. The minimum acceptable annual rental bid was established at \$10,000.00.

Two bids were received for the subject proposal and were opened on July 19, 2016. The bids received were from: Genesis Holding Company, Inc. ("Genesis") for a minimum initial annual rental bid of \$12,250.00 (12.250% of the appraised fair market value) and Ozinga Ready Mix Concrete, Inc. ("Ozinga") for a minimum initial annual rental bid of \$10,260.00 (10.260% of the appraised fair market value). Based on the financial information provided, Genesis did not demonstrate the financial ability to meet the proposed lease terms. In conformance with the District's leasing statute, a lease must be awarded to the highest responsible bidder, who is financially responsible. The next highest bidder, Ozinga, was requested to produce its financial statements and other company information. The Finance Department has reviewed Ozinga's financial and company background information and its past records of transactions with the District and has reported that it demonstrates the ability to meet its financial obligations under the new proposed lease.

Ozinga previously leased this site under a lease that commenced in 2011, and expired August 31, 2016. Ozinga used the site in conjunction with its adjacent ready mix concrete operations on Cal-Sag Channel Parcel 16.01 that it also leases from the District under a lease that commenced in 2011 and expires in 2051. Upon expiration of the lease on August 31, 2016, Ozinga vacated the site pending the outcome of the bidding process. Ozinga's proposed use of the site under this new lease is to again use it in conjunction with its adjacent ready mix plant on Cal-Sag Channel Parcel 16.01 and for the storage of bulk materials, construction and agricultural commodities.

It is requested that the Executive Director recommended to the Board of Commissioners that it accept the initial annual rental bid for Contract 16-363-11 Proposal to Lease for 35-years 1.18 acres of District real estate located at 12900 South Throop Street in Calumet Park, Illinois; Cal-Sag Channel Parcel 16.04 from Ozinga Ready Mix Concrete, Inc. in the amount of \$10,260.00.

It is 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:SM:vp

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

Recommended, David St. Pierre, Executive Director

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 December 1, 2016

Attachment