

The sole bidder, Garza Maintenance & Construction, LLC, did not provide a complete Utilization Plan. The bidder offered themselves to meet the MBE and SBE goals. The bidder did not list a firm for WBE participation and they did not fill out the required Exhibit B (waiver request). The goals for this contract were MBE (15%), WBE (8%) and SBE (10%). Therefore, their bid is considered non-responsive and rejected.

The Contract Document will be reviewed and revised prior to re-advertisement.

Respectfully submitted,  
DARLENE A. LoCASCIO  
*Purchasing Agent*

Ms. Young moved and Ms. Meany seconded that the report be received, published and filed. On roll call the motion was carried unanimously by voice vote.

The Purchasing Agent presented the following report.

CHICAGO, November 17, 2006

Mr. Richard Lanyon  
General Superintendent  
Office

Subject: Report on Rejection of Bids for Contract 06-831-11, Service to Furnish, Deliver and Install Station Battery Systems at the 95th Street and 125th Street Pumping Stations, Estimated Cost: \$130,400.00.

DEAR SIR:

On July 13, 2006, the Board of Commissioners passed an order directing the Purchasing Agent to advertise for bids for services to Furnish, Deliver and Install Station Battery Systems at the 95th Street and 125th Street Pumping Stations.

In response to a public advertisement of August 16, 2006, a bid opening was held on September 26, 2006. The bid tabulation for this contract is:

ELECTRICAL SYSTEMS, INC. ....	\$242,156.00
STORAGE BATTERY SYSTEMS, INC. ....	311,917.74

Six hundred and twenty (620) companies were notified of this contract being advertised and sixteen (16) companies requested specifications.

A review of the two bids revealed that the bids were over the cost estimate for this contract and are considered too high. The Maintenance and Operations Department has indicated to the Purchasing Agent that the cost of these types of batteries have increased between the time of preparing the estimate and advertising this contract. Therefore, the Maintenance and Operations Department has recommended that all bids be rejected. The Purchasing Agent concurs with this finding. Therefore, the Purchasing Agent has notified these firms that their bids have been rejected in the public's best interest.

The Contract Document will be reviewed and revised prior to re-advertisement.

Respectfully submitted,  
DARLENE A. LoCASCIO  
*Purchasing Agent*

Ms. Young moved and Ms. Meany seconded that the report be received, published and filed. On roll call the motion was carried unanimously by voice vote.

The Purchasing Agent presented the following report.

CHICAGO, November 21, 2006

Mr. Richard Lanyon  
General Superintendent  
Office

Subject: Report of the Rejection of the Sole Proposal for Information Technology SAP Disaster Recovery Consultant (06-RFP-16), Estimated Cost: \$45,000.00.

DEAR SIR:

On June 14, 2006, the request for proposals for Information Technology SAP Disaster Recovery Consultant (06-RFP-16) was advertised and proposals were received on July 7, 2006. The following Proposer submitted a response for consideration:

IK-JEONG "I.J." JHUN, SAP BASIS CONSULTANT

Four hundred and thirty-one (431) companies were notified of this request for proposal (RFP) and twenty-three (23) companies requested proposal documents.

After a review of the sole proposal submitted for the Request for Proposal, it was determined to reject the proposal in the public's best interest. The Information Technology Department will review and revise the scope of work and a new Request for Proposal will be advertised in 2007.

The Purchasing Agent concurs with the above and has informed the Proposer that their proposal is rejected.

Respectfully submitted,  
DARLENE A. LoCASCIO  
*Purchasing Agent*

Ms. Young moved and Ms. Meany seconded that the report be received, published and filed. On roll call the motion was carried unanimously by voice vote.

The Purchasing Agent presented the following report.

CHICAGO, November 28, 2006

Mr. Richard Lanyon  
General Superintendent  
Office

Subject: Report Regarding the District's Doing Business with Corporations or Limited Liability Companies Not Authorized to Transact Business in Illinois.

DEAR SIR:

In recent years, the District has experienced with increasing frequency, corporate or limited liability company (LLC) bidders on purchase orders, contracts, and

requests for proposal which are not authorized to do business in Illinois. The Law Department and the Purchasing Department, have been working to resolve the problem of the District dealing with such contractors or vendors that are either a corporation or limited liability company and organized in another state or a foreign country. This report and the statutes and laws referenced below do not apply to individuals, sole proprietors, partnerships or joint ventures.

A corporation is an entity created by statute, and in Illinois, derives its powers from the Illinois Business Corporation Act of 1983, 805 Illinois Compiled Statutes (ILCS) 5/1 et. seq. Similarly, a LLC is created by statute, and derives its powers from the Illinois Limited Liability Company Act, 805 ILCS 180/1 et. seq.

The Illinois Compiled Statutes (ILCS) provides that, before transacting business in this State, a foreign corporation or LLC must register with the Illinois Secretary of State. Each corporation and LLC, domestic or foreign, must continuously maintain a registered agent and registered office in this State. Failure to perform any act under the Business Corporation Act is a Class C misdemeanor. The failure of a foreign corporation or LLC to register to transact business in Illinois impairs the ability of the District to enforce a contract or collect money in the event of a lawsuit and deprives the State of Illinois of tax revenues, thereby increasing the burden on Illinois taxpayers. However, failure to be authorized to do business in Illinois does not impair the validity of any contract executed by the corporation or LLC.

A question always exists with a foreign corporation or LLC not authorized to do business in Illinois as to whether or not it actually exists. At a minimum, the contract documents for goods or services will require proof of authorization to operate in the home state of the company, as proof of its status to do business as an entity.

Henceforth, the RFP or bid documents will require the LLC or corporation to submit proof of good standing in Illinois as a part of their bid or proposal. The corporation or LLC will also be required to submit proof of good standing in their home state if other than Illinois prior to award of contract or purchase order over \$10,000.00 by the Board of Commissioners.

In those cases where the bidder is a duly organized foreign entity whose existence is properly documented, where dealing with it is necessary/desirable, the Department Head seeking the contract will state in writing that it is in the best interest of the District to enter into an agreement with a corporation or LLC not registered with the State of Illinois, notwithstanding the possible difficulties in enforcing the contract, subject to the General Superintendent's written approval when the contract is \$10,000.00 or less, and subject to Board approval if the contract is over \$10,000.00.

Language recently has been drafted by staff and included in standard District contracts in both the proposal and agreement sections which address these

issues and stand as the District's efforts to compel compliance with the law.

Notwithstanding these efforts, there exist foreign U.S. or international vendors that find no purpose to comply with Illinois law in the conduct of their international business. Where a compelling need for the goods or services or such a provider exists, the provider has a good performance record with the using department, the vendor is in good standing in its home jurisdiction, and the contract is of nominal value, accommodation may be made in consideration of the District's procurement needs. Some examples of transactions which proceeded under such exigent circumstances include contracts or purchase orders with Fairfield Service Company and KM Energy Consulting, LLC., and Wingo Service Company, Inc.

This report deals solely with foreign corporations and LLCs. Bidders which purport to be domestic Illinois corporations or LLCs are held to strict compliance with all Illinois laws, including business organization statutes. The Law Department will continue to provide assistance to all Departments in the contract administration process to maintain compliance with the law with due consideration to the procurement needs of the District.

Respectfully submitted,

DARLENE A. LoCASCIO  
*Purchasing Agent*

Approved by:

FREDERICK M. FELDMAN  
*Attorney*

Ms. Young moved and Ms. Meany seconded that the report be received, published and filed. On roll call the motion was carried unanimously by voice vote.

The Attorney presented the following report.

CHICAGO, November 29, 2006

Mr. Richard Lanyon  
General Superintendent  
Office

Subject: Report on the Settlement of:

- 1 Workers' Compensation Claim of Susanne Sugrue, Claim No 0200002446, \$2,839.35;
- 2 Workers' Compensation Claim of Thomas Longini v. MWRDGC, 03WC 34777, \$4,807.44;
- 3 Workers' Compensation Claim of Chuck Conrick v. MWRDGC, 06WC 01572, \$1,775.31.

DEAR SIR:

The above matters were settled upon the recommendation of the Attorney and the approval of the General Superintendent.

Respectfully submitted,

FREDERICK M. FELDMAN  
*Attorney*

Attachments filed in Clerk's Office.

Mrs. Majewski moved and Ms. Meany seconded that the report be received, published and filed. On roll call the motion was carried unanimously by voice vote.