

**Item #4:
Resolution Waiving Bids & Selection Of Water System Operator**

VILLAGE OF LONG GROVE
RESOLUTION NO. 2010-R-__

A RESOLUTION WAIVING BIDS AND APPROVING
THE SELECTION OF _____ FOR THE
OPERATION OF THE ILLINOIS ROUTE 83 SPECIAL
SERVICE AREA WATER SUPPLY SYSTEM

WHEREAS, pursuant to Ordinance No. 2008-O-15, the Village of Long Grove has established a special service area for potable water service (the "**Water SSA**") to certain properties located along Illinois Route 83 between Aptakisic Road and Old McHenry Road (the "**SSA Service Area**"); and

WHEREAS, the Water SSA authorizes the Village to develop a deep well water supply system (the "**Water System**"), the construction of which is substantially under way; and

WHEREAS, the Village intends to commence operations of the Water System upon completion of its construction; and

WHEREAS, the operation and maintenance of the Water System requires specialized training and experience; and

WHEREAS, the Village, through its Village Engineer, has solicited proposals from persons with appropriate training and experience to operate and maintain the Water System; and

WHEREAS, the Village Engineer has reported that few persons with appropriate training and experience to operate and maintain the Water System have responded to the solicitations for proposals; and

WHEREAS, based on the review and assessment of the credentials of interested persons having the appropriate training and experience to operate and maintain the Water System who have responded to the Village's solicitations, the Village Engineer has recommended that the Village engage _____, Inc. to provide operation and maintenance services for the Water System; and

WHEREAS, _____ has presented a draft agreement for the provision of such operation and maintenance services for the Water System, a copy of which is attached hereto as **Exhibit A** (the " _____ **Proposal**"); and

WHEREAS, the President and Board of Trustees, being fully advised in the premises, have determined that it is in the best interests of the Village and its residents to waive any and all bidding requirements and approve the _____ Proposal in accordance with the terms herein;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Village Board of Trustees.

Section 2: Approval of Services.

The President and Board of Trustees hereby: (i) waive any applicable requirements for bidding, requests for qualifications, or requests for proposals in light of the prior efforts in this regard and the necessity and urgency of securing a qualified person to operate and maintain the Water System; (ii) approve the selection of _____, Inc. to operate and maintain the Water System based on the general terms of the _____ Service Proposal; (iii) direct the Village Manager in consultation with the Village Attorney to formalize the terms of such engagement in a contract or other appropriate documentation therefor; and (iv) authorize the Village Manager to execute such contract or other appropriate documentation with _____, Inc. following receipt of such signed documentation from _____, Inc.

Section 3: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS 23RD DAY OF NOVEMBER, 2010.

AYES:

NAYS:

ABSENT:

APPROVED THIS 23RD DAY OF NOVEMBER, 2010.

Village President

ATTEST:

Village Clerk

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT

FOR THE MANAGEMENT AND OPERATION OF WATER UTILITY

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made as of this _____ day of _____, 2010, by and between the Village of Long Grove, with offices at 3110 RFD, Long Grove, IL 60047 (“Village”), and _____, **Inc.**, an Illinois corporation, with offices at _____ (“Company”).

WITNESSETH:

WHEREAS, the Village has taken actions necessary to form its own municipal water utility (“Water System”); and

WHEREAS, the Village is desirous of having an experienced third party operate its Water System; and

WHEREAS, the Village has requested Company to provide certain management and operational services for the Water System; and

WHEREAS, Company is experienced in the business of providing water utility management and operational services, and desires to provide those services set forth in this Agreement, upon the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. BASIC SERVICES

Company shall, perform the professional services for the management and operation of the Water System as described on the attached Schedule 1 - Basic Services in a professional and competent manner.

2. COMPENSATION

For the period beginning December 1, 2010 and ending May 31, 2012, the Company shall received compensation for the performance of services by the Company as follows:

- a. a monthly fixed fee for the Basic Services (“Base Fee”) in the amount of Five Thousand Eight Hundred Dollars (\$5,800.00);
- b. reimbursement of costs incurred in the performance of any Additional Services shall be paid to the Company in accordance with Schedule 2.
- c. Any costs incurred by the company for services or expenses not listed in Basic Services or Additional Services. Except for emergency situations, prior approval from the Village

shall be required. For costs incurred on an emergency basis, the Company will notify the Village within two (2) days.

The Company shall invoice the Village monthly for the above items. Village shall pay the invoiced amount within thirty (30) days of receipt.

For the contract year beginning on December 1, 2010, and for each contract year thereafter, annual adjustments to the Base Fee shall, if necessary, increase by the change in the Consumer Price Index for the twelve month prior ending two months prior to the expiration date of this current Agreement or 3% whichever is greater. The Company shall give the Village written notice of the amount of the adjusted Base Fee on or before the expiration of the current Agreement of each year that this Agreement is in effect. Town agrees to pay all such adjusted monthly Base Fee or Customer Service Fee during the term of this Agreement.

The Village and Company agree to negotiate an increase in the Base Fee if additional facilities or customers are added to the Water System or other substantial changes or costs are incurred by the Company to operate and maintain the Water System which are beyond the control of the Company. This initial Agreement is based on a customer count not exceeding 25.

3. ADDITIONAL SERVICES

Company shall, at the specific written request of the Village, or as required in emergency situations, perform the additional services as described on Schedule 2 – Additional Services. Fees for additional services will be invoiced to the Village on a monthly invoice and will be based on the schedule of charges included.

4. EXCLUDED SERVICES

The Company shall not be responsible for the cost of any capital improvements, capital repairs, equipment repair or replacement or other capital expenditures relating to the Water System except as described in Schedule 1 – Basic Service. Company is also not responsible for operation and maintenance of customer owned service lines and appurtances.

The Company shall not be responsible for providing any of the services or other items described in Section 5 of this Agreement and Schedule 3 - Village Retained Responsibilities unless Village and Company agree in writing to an alternative approach.

5. COOPERATION

During the term of this Agreement, the parties shall cooperate in good faith to share relevant information as reasonably required to ensure efficient and complete operations of the Water System. The parties agree that the Exhibit A of this Agreement adequately describes the Water System. Further, Village and Company desire to create an ongoing partnership that will provide Water System customers with consistently high-quality service.

To aid in the efficient administration of this contract, the Village will empower a representative who will be able to authorize work and make timely decisions

related to the Water System. The services to be provided by Company shall be done so in a professional and competent manner.

Village agrees that the Company shall have the right to use the equipment and facilities that are part of the Water System as may be necessary to carry out its professional responsibilities for the management and operation of the Water System.

As part of its overall management and operational services, Company shall provide the services of professional staff appropriately licensed to operate and maintain the Water System. Company shall also appoint an individual as its primary contact for this Agreement, and that person shall be responsible for coordinating the services provided hereunder.

6. TERM

This contract shall have an initial term commencing December 1, 2010 and ending May 31, 2012. Company shall commence performance of this Agreement on a date to be specified by the Village and agreed to by Company.

7. CANCELLATION PROVISION

The Village shall have the right to cancel this Agreement with cause if Company is in substantial breach of the Agreement and does not cure, or does not diligently proceed to cure, such breach within thirty (30) days after receiving written notice of such breach from the Village.

Company shall have the right to cancel this Agreement for cause if the Village is in substantial breach of the Agreement and does not cure, or does not diligently proceed to cure, such breach within thirty (30) days after receiving written notice of such breach from Company.

8. LIABILITY

Each party hereto shall indemnify, defend and hold harmless the other against any loss, cost or liability resulting from the indemnifying party's negligence or intentional wrongs regarding the Water System. The Village's foregoing indemnification shall include, without limitation, design failures in, and inadequate inspection of, projects and installations under the control of the Village's engineers, and work or repairs done by employees or contractors of the Village.

The Village is responsible for all damages, claims, fines and penalties arising from failure by Village, after due notice from Company, to undertake capital repairs and replacements to the Water System in a timely fashion, including capital repairs and replacements related to the Water System, and to provide waterflow into the Facility at levels and characteristics within permit requirements and/or design limits to the extent applicable under Illinois law or applicable federal law. Company shall not be liable to the Village or its customers for any diminution or interruption of service within the Water System not the result of Company's negligence, or for any delay which results from causes beyond Company's reasonable control.

Under no circumstances, shall Company be responsible for special, punitive, incidental or consequential damages. Company will not be responsible for conditions or failures that arise due to the limitations and configuration of the Water System. Company shall not be responsible for any claims, damages or causes of action which may arise in connection with the activities of any other contractor retained directly by the Village.

SCHEDULE I - BASIC SERVICES

1. Provide licensed operators and support staff to operate, manage and maintain the Water System as described in Exhibit A, including water mains, fire hydrants, service shut-off valves, water treatment equipment, control and monitoring equipment, well equipment, pumping equipment, and generator.
2. Compile data and file all necessary reports with regulatory agencies, such as the Illinois Environmental Protection Agency (“IEPA”)
3. Ensure compliance with all operating standards and notify village of any corrective action beyond basic services it may need to have performed to maintain compliance.
4. Perform sampling and coordinate third party laboratory analyses and review laboratory results and make operational adjustments as necessary.
5. Perform and respond to the Village’s customer service needs, including:
 - (a) Reading active water meters;
 - (b) responding to customer complaints;
 - (c) coordinating the connection of new customers to the Water System including installation of meters;
 - (d) meeting with customers and developers to ensure that service needs are met in a timely and efficient manner; and
 - (e) Operating service shut-off valves.
6. Submit a monthly report to the Village detailing:
 - (a) Operational data on the Water System;
 - (b) Maintenance and repair of facilities required;
 - (c) the number and nature of customer complaints, if any, and the manner in which those complaints were handled; and
 - (d) the Company's opinion regarding prospective operating or service needs of the Water System.
7. Maintain 24-hour telephone response line and provide an emergency list of operating personnel.
8. Dispatch qualified personnel on a timely basis per circumstances.
9. Attend meetings, if requested by Village.
11. Promptly report emergencies to designated Village’s representative.
12. Provide “locate” services through JULIE
13. Implementation of a Backflow Prevention Inspection Program where Company informs customers of requirements and proper use, and Company will verify that the customer has hired a qualified inspector on the required periodic basis and the customer has performed any corrective actions in a timely manner.
14. Provide basic janitorial services, basic building maintenance, lawn maintenance services, and snow removal services at the water system building facility
15. Off hours emergency response up to 50 manhours annually

SCHEDULE 2 – ADDITIONAL SERVICES

<u>Additional Services available under Agreement for an extra fee</u>	<u>Charge</u>
1. “Pass-thru” purchasing of services and materials related to ordinary operation and maintenance. (See attached list)	Company’s Cost (w/o mark-up)^a
2. Oversight of services and handling of materials related to ordinary operation and maintenance. (See attached list)	No additional Charge^a
3. Technical assistance such as Main Extension permitting, design review, and construction inspection services	\$75.00/ hour plus reimbursables ^b
4. Professional Engineering Services by Company or Third Party	Proposal as needed.
5. Purchasing of services and materials by Company for construction or improvements NOT related to ordinary operation and maintenance.	Invoiced Charges plus 10%
6. Oversight of services and handling of materials for construction or improvements NOT related to ordinary operation and maintenance.	\$60.00/ hour plus reimbursables ^b
7. Equipment rented or provided by Company that may be needed to sustain Service during outages or for construction or improvements NOT related to ordinary operation and maintenance.	Rental Rates plus 10% and Fuel

^a *Company will perform these “pass-thru” procurement services on this “At Cost Basis” only for the initial term of the contract.*

^b *Reimbursables for Technical assistance or Oversight of construction include such items as vehicle costs and postage.*

SCHEDULE 3 - VILLAGE RETAINED RESPONSIBILITIES

1. Oversight and policy making.
2. Establishment of rates and charges.
3. Handling customer calls and transmitting service requests to Company.
4. Capital planning functions including any capital improvements, long-range planning.
5. Regulatory matters with IEPA, ICC, USEPA, etc..
6. Permit fees for Water System
7. Intergovernmental or wholesale water sale agreements.
8. Debt Financing.
9. Eminent Domain/Condemnation Matters.
10. Other utility costs such as electricity or power, natural gas, communication and sewer services

**SWANSON WATER TREATMENT, INC.
509 E. PARK AVE.
LIBERTYVILLE, IL. 60048
Phone: 847/680-1113 Fax: 847/680-1130**

November 16, 2010

To whom it may concern;

I would like to inform you about my company, Swanson Water Treatment. I have been in the water & wastewater business for more than 40 years. I have had my own company for more than 30 years. I am licensed by the Environmental Protection Agency with a Class *B Water license.

I am fully insured, and can provide you with a certificate of insurance. I am insured by Pekin Insurance. My agent is Aleckson Insurance Agency. They can be reached at 847/566-7200.

I take pride in my personable, yet professional & competent services that we provide our customers. This is backed up with a list of references in which I have had for many years.

The following is a list of some of the current public water supply customers whom I have had ongoing contracts with for many years.

Royal Melbourne- Long Grove: American Property Management
847/985-6464

Briar Crest Association- Long Grove- American Property Management
847/985-6464

Prairie Trails of Long Grove- Association contact- Anthony Spina
847/287-1701

The Preserves at Long Grove- Association contact- Mark Downs
847/477-1532

Promontory Pointe: Long Grove- Association contact- Ed Kuzstelak
847/420-1848 (cell)

Mission Brook Sanitary District- 847/272-2956-
Northbrook- Contact- Bob Blackstone

Village of Riverwoods: 847/945-3990

Village of Bannockburn: 847/945-8490

Village of Green Oaks- 847/362-5363

Please let me know if there is anything else that you might need.

Sincerely;
Swanson Water Treatment, Inc.

A handwritten signature in cursive script that reads "Murner C. Swanson".

Murner C. Swanson
President

SWANSON WATER TREATMENT, INC.
509 E. PARK AVE.
LIBERTYVILLE, IL. 60048
Phone: 847/680-1113 Fax: 847/680-1130
SWT60048@me.com

Nov.17, 2010

Village of Long Grove
RE: Water-Contractual Operations

Dear Village board;

This letter is to confirm our intent to furnish competent and responsible operating services for the Village of Long Grove water system.

I am certified as a Class *B* water operator, licensed by the Illinois Environmental Protection Agency. I will be the certified operator in charge for the Village of Long Grove water system, as outlined in the rules and regulations of the State .35 Il Adm Code 603.101 (B) and 603.103 (B)

Specifically, the responsibilities and general operational duties would include the following:

1. Sign and file EPA/ or Illinois Dept of Health forms, consistent with the rules and regulations of the state.
2. File all monthly required EPA reports with EPA, or by the Board of Health. Whichever is required.
3. Maintain general systems records of operation (log)
4. Collect monthly bacteriological and other samples as may be required by any regulation body. EPA or Dept of Public Health.
5. Routinely check the pump house and system operations 3- 4 times per week.
6. Perform routine and preventative maintenance to the system parts which will be paid for by the association on a cost basis. All expenditures need the approval.
7. Make recommendations as appropriate to the association for changes and improvements in the long term best interest of the water system.

8. Furnish chemicals as needed. Chemicals will be paid for by the Village on a cost basis.
9. Perform routine chlorine and fluoride analysis and record in system log.
10. Add chlorine in accordance with state requirements and regulations, and record in systems log.
11. Clean and maintain the chemical pumps, lines and injection valves.
12. Keep the pump house in a clean and orderly state. Alert the Village board to any structural maintenance issues as they may arise.
13. Provide 24 hour, 7 days a week emergency availability, at an extra charge.
14. Provide mortgage companies requested letters of water quality, which are frequently requested by the mortgage companies during the selling and buying of property.
15. Provide METER READING & BILLING SERVICES. This fee is included in our monthly rate.
16. Water hydrant flushing/maintenance (usually done in Spring & Fall) or as needed. \$75.00 per hr.
17. Set up backflow prevention program & monitor. Copy of records to Village.

Any additional work or unusual costs will not be incurred without prior approval. The association will incur all costs for laboratory services for the water system as required under the rules and regulations of the Pollution Control Board. Special services to be charged at a time and material rate. Hourly rates are \$75.00 per hour per man. This includes travel time (one way). This includes any services or unordinary services or call outs from 5:00 p.m.-7:00 a.m., Monday thru Friday and all day Saturday and Sunday.

**We can furnish chemicals as needed:
CHLORINE LIQUID- \$92.00 per 15 gallon drum**

SALT DELIVERY- Set up for salt delivery by Huemann Water Conditioning, or a vendor of your choice.

We will fill as needed. Huemann Water Conditioning will send an invoice for salt charges. For pricing, they can be reached at 815-385-3093.

We will set up for diesel fuel delivery for the emergency generator. This can average 1-3 times per year. We will add the charges on our invoice.

Monthly operational services shall be charged on a monthly basis of \$1,500.00

This amount will include our billing services for your customers on the water supply in the future.

This charge will be effective on an agreed start date, by both parties.

The terms of this contract will begin on a future date agreeable by both parties. Either party can dissolve this contract with a 30 day written notice.

Statements will be mailed with payment due no later than the 15th of that month. Late charges of 1 1/2% per month will be added to any unpaid balance over 15 days.

My company is fully insured and I will provide you with a certificate of insurance, upon signing /start date of contract.

We trust that this matter is a satisfactory agreement, and look forward to working with you in the future. If you should have any questions regarding this matter, or would like any changes submitted to the contract, please contact me.

Sincerely,
Swanson Water Treatment, Inc.

Murner C. Swanson
President

AGREED: _____

DATED: _____

Village of Long Grove
 Operator Costs Summary
 November 12, 2010

	Manhard	Aqua IL	
Annual Costs			
Labor	\$ 26,900.00 (\$172.43/trip)	\$ 69,600.00 (\$191.20/trip)	Aqua includes lawn maintenance and snow plowing in fee
Lab Services	not given	\$ 1,000.00	pass thru for each. Both using McHenry Analytical
Testing Supplies	\$ 620.00	\$ 2,000.00	
Chemicals	\$ 1,963.00	\$ 2,100.00	
Third Party Generator Inspection	not given	\$ 900.00	
Janitorial Supplies	not given	\$ 1,000.00	
Omni Subscription	\$ -	\$ 276.00	
Internet Service	\$ -	\$ 900.00	
Billing Software License	\$ 1,300.00	inc	Aqua will use their billing system
	\$ 30,783.00	\$ 77,776.00	
Start Up Equipment (one time costs)			
Remote Monitoring System (installed)	\$ -	\$ 6,000.00	
Chlorine Analyzer	\$ -	\$ 3,500.00	
Combination Fluoride/pH/Hardness Analyzer	\$ -	\$ 2,000.00	
Computer and software (Remains at Plant)	\$ -	\$ 1,500.00	
Radio Handheld Reader	\$ 5,000.00	inc	Aqua will use their equipment, Supplier said cost is \$4,400. Can also get a Touch Reader for \$400

Schedule

3/3/2010 Met with Village representatives to discuss scope of Operator

3/11/2010 Met with Aqua IL and Illinois American to discuss interest

3/16/2010 Met again with different person with Illinois American

3/25/2010 Met with Environmental Management Corporation a subsidiary to Illinois American

6/17/2010 Researched smaller operators for interest

6/18/2010 Advertised for operators

6/30/2010 Discussed scope of operator with Manhard Consulting

7/7/2010 Pre-proposal meeting at Village Hall. Only Manhard Consulting attended meeting

7/13/2010 Extended submittal date for proposal from 7/15/2010 to 8/7/2010 to research additional interest

7/30/2010 Met with Aqua IL to discuss RFP and project

8/7/2010 Proposals received. Manhard Consulting and Aqua IL were only firms who submitted proposals.

8/17/2010 Met with Dave and Bob to discuss plan of action to complete process. ESI was requested to prepare a matrix as neither proposal followed RFP as prepared.

8/27/2010 Matrix was submitted to Village

9/20/2010 Interviewed Manhard Consulting to get better understanding of what was included in their proposal

10/21/2010 Interviewed Aqua IL to get better understanding of what was included in their proposal

11/5/2010 Submitted a letter to Village presenting information obtained through interviews and conversations with references.

11/12/2010 Met with Village representatives

Operators Contacted

Aqua IL

IL American/EMC

Manhard Consulting

Bob DuPrey- Lake Zurich

Made general calls for other possibilities