

PRESIDENT
Dr. James L. Discipio

VILLAGE MANAGER
Julia A. Cedillo

VILLAGE CLERK
Amanda G. Seidel



TRUSTEES
Rimas V. Kozica
Scott F. Mesick
Patricia B. Rocco
Marshall Seeder
Susan M. Storcel
LaVelle Topps

Tuesday, MARCH 12, 2013 – 7:30 p.m.

AGENDA

1. **Call meeting to order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Participation (Agenda and Non-Agenda Related Items)**
5. **Administration Committee Items**
 - A. Discussion – Delegation of Negotiating Authority to the West Central Cable Agency – Comcast Franchise Agreement
6. **Public Safety Committee Items**
 - A. Discussion – Weight Restriction and Loading Zone Changes to Municipal Code
7. **Finance Committee Items**
 - A. Discussion – Water Rate Increase
 - B. Discussion – Five Year Plan FY13/14 – FY17/18
 - C. Discussion – FY13/14 Budget
8. **Public Works Garage Committee Items**
 - A. Discussion – Public Works Garage Renovation – Approval of Design/Build Contract with Leopardo Companies, Inc.
9. **Other Reports:**
 - (A) Village Manager
 - (B) Village President
Action – Motion to approve Amendment to Employment Agreement
 - (C) Village Clerk
 - (D) Committee
10. **New Business**

VILLAGE BOARD WORK SESSION MEETING
Tuesday, MARCH 12, 2013 – 7:30 p.m.

AGENDA (continued – Page 2)

11. **Executive Session -**
12. **Adjourn**

Next Village Board Meeting: March 26, 2013

Next Village Work Session Meeting: April 9, 2013



RULES FOR PUBLIC COMMENT

Village Board Work Session Meetings Village Board Meetings

1. Please step up to the microphone before speaking, and announce your name and address before beginning your comments.
2. After announcing your name and address for the record, you will be allowed to speak for three (3) minutes.
3. You may not use profane or obscene language and you may not threaten any person with bodily harm, or engage in conduct which amounts to a threat of physical harm.
4. (a) Agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to agenda items.

(b) Non-agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to Village business, Village services or Village governance.
5. The Village of La Grange Park complies with the Americans with Disabilities Act of 1990. If you require accommodations in order to observe or participate in the meeting, please contact Ms. Andy Bagley at (708) 354-0225 between 9:00 and 5:00 before the meeting so that the Village can make reasonable accommodations for you.

Administration Committee

Krista Grimm, Chair
Rimas Kozica
Patricia Rocco

Village Board Agenda Memo

Date: March 6, 2013

To: President & Board of Trustees

From: Emily Rodman, Assistant Village Manager 

Julia Cedillo, Village Manager 

RE: Delegation of Negotiation Authority to WCCA – Comcast Franchise Agreement

GENERAL BACKGROUND:

The Village of La Grange Park is a member of the West Central Cable Agency (WCCA), which is an intergovernmental agency formed to more efficiently and effectively exercise its members' combined and shared powers to regulate cable operators. Other members of the WCCA include the Villages of La Grange, Western Springs, Indian Head Park and Riverside.

Each municipal member of WCCA maintains its independent franchising authority and has a separate franchise agreement with Comcast, although the contents of the agreements are identical. These agreements expire on September 30, 2013. The WCCA has retained legal and technical advisory council to assist in the negotiation of a new franchise agreement and the individual members have notified Comcast of their intent to begin negotiations. In order for the WCCA to proceed with negotiating a new franchise agreement on the Village's behalf, the Village must pass a resolution delegating the authority to the WCCA.

While the WCCA will conduct the negotiations, a Village representative will be present at each meeting and the resulting franchise agreement will require Village Board approval. Staff anticipates negotiations will begin in late April and may take several months to complete.

MOTION/ACTION REQUESTED:

If there is consensus by the Village Board, staff will place the attached Resolution on the March 26th Village Board Meeting agenda for approval.

DOCUMENTATION:

- Resolution

**VILLAGE OF LA GRANGE PARK
COOK COUNTY, ILLINOIS**

RESOLUTION _____

**A RESOLUTION REGARDING
A DELEGATION OF NEGOTIATING AUTHORITY
TO THE WEST CENTRAL CABLE AGENCY**

WHEREAS, the Village of La Grange Park (the “Village”) is an Illinois municipal corporation organized and operating under the Constitution and Laws of the State of Illinois, including but not limited to Section 11-42-11 of the Illinois Municipal Code, 65 ILCS 5/11-42-11;

WHEREAS, the Village is a party to an agreement forming an intergovernmental agency called the West Central Cable Agency (“WCCA”) designed to more efficiently and effectively exercise the members’ combined and shared powers to regulate cable operators under State and Federal law;

WHEREAS, the current cable franchise agreement with Comcast is due to expire on or about September 30, 2013;

WHEREAS, the Village’s cable franchise agreement is substantially identical to the franchise agreements granted by the other members of WCCA and the members continue to share common interests and cable-related community needs; and

WHEREAS, to facilitate the efficient negotiation of the cable franchise, and to ensure that the Village’s franchise remains substantially identical to the other member’s of WCCA, the Village wishes to delegate authority to negotiate the franchise agreement to the WCCA and its duly appointed agents.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, as follows:

SECTION 1. Recitals. The foregoing recitals represent the purpose and intent for this resolution and as such are incorporated as though fully set forth herein. The Village intends for this resolution to be liberally construed to most effectively accomplish the purposes herein described.

SECTION 2. Power of Negotiation. The Corporate Authorities of the [Insert Name of Village], hereby appoint, delegate and assign the power of negotiation with respect to the cable

franchise agreement to the officers of the West Central Cable Agency and its duly appointed agents, including but not limited to Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C. and Municipal Services Associates, Inc.

SECTION 3. Effective Date; Expiration. This resolution and the delegations made hereby shall be effective immediately upon its passage and approval in accordance with law. This resolution shall expire on its own contemporaneously with the approval of the franchise agreement resulting from such negotiations.

SECTION 4. Amendment. Any changes regarding the power of negotiations described herein may only be made in writing by a corporate action of the Corporate Authorities of the Village of La Grange Park.

SO RESOLVED this 26th day of March, 2013.

AYES:

NAYS:

ABSENT:

APPROVED:

Dr. James L. Discipio, President

ATTEST:

Amanda Seidel, Village Clerk

Public Safety Committee

LaVelle Topps, Chairman
Patricia Rocco
Krista Grimm

Village Board Agenda Memo

Date: February 22, 2013

To: Village President and Board of Trustees

From: Julia Cedillo, Village Manager 
Daniel L. McCollum, Chief of Police 

Re: Weight Restriction and Loading Zone Changes to Municipal Code

GENERAL BACKGROUND

The Police Department, in response to two separate requests, conducted traffic signage experiments as provided under the LaGrange Park Municipal Code Section 70.006.

The first request arose after a resident had a sideswipe accident on 26th Street between Maple and Kemman, where the roadway narrows to 20 feet. A truck, traveling in the opposite direction, forced the resident's vehicle off the road into a tree. The roadway, because it is so narrow, makes it very difficult for a large truck and regular passenger vehicle to share the roadway. Most other Village streets are approximately 28 feet wide. This presents an ongoing safety issue.

The second request was from Purco Heating of 1110 Newberry in LaGrange Park to designate a small area adjacent to their overhead door as a loading zone. Cars parked there during the day make it nearly impossible to remove or deliver large heating and air conditioning equipment frequently taking place at the business.

Temporary signs were posted on an experimental basis during November of 2012 to test the viability of these two changes. There have been no complaints or incidents relative to either location since the signs were posted.

The Traffic Safety and Engineering Committee met on Wednesday February 13, 2013 and unanimously recommended that the changes implemented at the aforementioned locations be forwarded to the President and Board of Trustees so that an ordinance can be adopted making the changes permanent.

To facilitate these changes, an ordinance was prepared with the suggested changes. Village Attorney Cathy Keating reviewed the draft and approved it as to form on February 19, 2013.

RECOMMENDATION

Staff recommends that the suggested ordinance be approved implementing the proposed weight restrictions on 26th Street and the No Parking Loading Zone designation on the 1100 block of Kemman.

Agenda Memo
Weight and Parking Restrictions
February 22, 2013

DOCUMENTATION

- The proposed ordinance is attached.

MOTION/ACTION REQUESTED

This matter is being placed on the agenda for discussion at the March 12, 2013 Work Session. If the Village Board approves, the proposed ordinance will be placed on the agenda for the March 26, 2013 Regular Village Board Meeting.

ORDINANCE NO. _____

ORDINANCE AMENDING THE “LAGRANGE PARK MUNICIPAL CODE” AS AMENDED

WHEREAS, the Board of Trustees has determined that it is in the best interests of the Village of LaGrange Park to exercise its authority under state law to impose weight limits on certain of its public streets and to declare certain areas as “No Parking – Loading Zone areas; and

WHEREAS, the Board of Trustees now wishes to amend Chapter 75 of the LaGrange Park Municipal Code to add weight restrictions and signage regarding those weight restrictions, and to amend Chapter 76 of the LaGrange Park Municipal Code to designate areas as “No Parking – Loading Zone” and to add signage to that effect.

NOW THEREFORE BE IT ORDAINED by the President and Board of Trustees of the Village of LaGrange Park, Cook County, Illinois as follows:

SECTION 1: That Chapter 75, Schedule V (A) of the LaGrange Park Municipal Code entitled Weight Limits: Truck Restrictions is hereby amended by adding the following:

“Location	Limits	Ord. No.	Date Passed
26 th Street between Kemman Avenue and Maple Avenue	5 tons		3-26-13”

SECTION 2: That Chapter 76, Schedule II, entitled Parking Signs is hereby amended by adding the following:

“Street	Between	Side	Sign Text	Ord. No.	Date Passed
Newberry Ave.	The first alley North of 31st Street to a point 40 feet south of the alley.	West	No Parking Loading Zone		3-26-13”

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance shall be in full force and effect after its passage, approval and publication as provided by law.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of LaGrange Park,
Cook County, Illinois this _____ day of March, 2013.

YES:

NO:

ABSENT:

Approved this _____ day of March, 2013.

Dr. James L. Discipio, Village President

ATTEST:

Amanda Seidel, Village Clerk

(Approved as to form by Village Attorney Cathy Keating on February 19, 2013)

Finance Committee

Patricia Rocco, Chairwoman

Scott Mesick

Marshall Seeder

Village Board Agenda Memo

Date: March 5, 2013
To: Village President & Board of Trustees
From: Julia Cedillo, Village Manager *JCC*
RE: Water Rate Increase

GENERAL BACKGROUND:

The Village purchases its water supply from the Brookfield North Riverside Water Commission (BNRWC). The Village has been advised that the BNRWC approved an 11.7% increase in the rate they charge to their customers from \$3.42 per thousand gallons to \$3.82 per thousand gallons, effective January 1, 2013. The BNRWC took this action in response to a 15% increase from their supplier, the City of Chicago. The new BNRWC rate also includes an increase in operating fees to cover increasing costs of electricity, repairs, upgrades and general operating expenses. Since January 1, 2013, the Village has been paying the new rate to the BNRWC.

Upon receiving this information the Village has examined the impact of this rate change on the condition of the Water Fund. Based on this increase and other demands on the fund the staff is recommending that the Village Board approve an increase in the Village's rate from \$5.58 per 100 cubic feet to \$5.99 per 100 cubic feet. This equates to a 7.3% adjustment.

For the Board's information the table below lists the most recent water rate increases approved by the Board.

Rate per 100 cu. ft.	Approved	Effective Date	% Increase
3.51	4/9/2002	5/1/2002	NA
3.60	1/7/2003	2/1/2003	2.56
3.68	1/13/2004	2/1/2004	2.22
3.83	1/25/2005	2/1/2005	4.08
3.90	2/28/2006	3/1/2006	1.83
4.30	2/26/2008	5/1/2008	10.26
4.73	2/24/2009	5/1/2009	10.00
4.96	3/23/2010	5/1/2010	5.00
5.58	2/28/2012	3/1/2012	12.50
5.99		5/1/2013	7.3

Last year the BNRWC approved a 20% increase in the rate they charged to their customers from \$2.85 per thousand gallons to \$3.42 per thousand gallons, effective January 1, 2012. This increase was in response to the 25% increase from the City of Chicago. The series of increases announced as part of the City of Chicago's approved 2012 Budget, are as follows:

25% effective January 1, 2012
15% effective January 1, 2013

15% effective January 1, 2014
15% effective January 1, 2015
Annual increases according to CPI, 2016 and on

It should be noted that in 2012, the West Central Municipal Conference (WCMC), for which we are one of 38 member communities, established a Regional Water Rate Task Force in response to the substantial water rate increases imposed by the City of Chicago. The Task Force met with the City of Chicago as well as its Mayor, requesting additional information as to why these increases are necessary. The Task Force also requested that the rates be rolled back to 2011 levels until more detailed information about system improvements become available (*the request was denied*). The Task Force is now working on crafting legislation that would allow the creation of a citizen's utility board, responsible for regulating rates for Lake Michigan water supplied to suburban communities.

Village Staff has reviewed the BNRWC water rate increase in light of our Village's current water and sewer rates and with regard to anticipated infrastructure improvement projects planned for this year, FY 2014 and the Five Year Plan. Planned projects include water main replacement at Beach Avenue (north of 31st Street), the replacement of water main along a substantial portion of La Grange Road, the relocation of two water mains on Oak at Kemman and Newberry, and two additional replacement projects in FY 16-17 and FY 17-18 (to be determined).

As such, it is necessary that the Village pass along the water rate increase to ensure financial feasibility of necessary improvements. The ordinance attached hereto would authorize an increase of 7.3% to the water rate effective May 1, 2013. Of the 7.3% increase, 6.8% is attributable to the cost of water and 0.5% is attributable to other costs related to the distribution and administration of water service.

MOTION / ACTION REQUESTED:

Motion: **Move to approve, "An Ordinance Amending Chapter 51, Section 51.43 of the Village of La Grange Park Municipal Code Establishing Water Rates."**

STAFF RECOMMENDATION:

It is recommended that the Village Board approve the ordinance establishing new water rates. This action will maintain the financial integrity of the Water Fund so that it can meet its fiscal obligations and provide the necessary financial resources to maintain a reliable water system. Failure to provide for a rate increase may necessitate larger rate increases in the future to accommodate future increases from the water suppliers and restore the fund's financial condition.

DOCUMENTATION:

- Ordinance Amending Chapter 51, Section 51.43 of the Village of La Grange Park Municipal Code Establishing Water Rates

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 51,
SECTION 51.43 OF THE VILLAGE OF LA GRANGE
PARK MUNICIPAL CODE ESTABLISHING WATER RATES

WHEREAS, the Village of La Grange Park operates and maintains a municipal water system to provide potable water to all water users connected to said municipal water system; and

WHEREAS, the Village of La Grange Park purchases its total supply of potable water from the Brookfield North Riverside Water Commission pursuant to a long term supply contract; and

WHEREAS, the Brookfield North Riverside Water Commission has imposed new and higher rates to the Village of La Grange Park for the purchase of potable water; and

WHEREAS, the President and Board of Trustees, after reviewing the circumstances and ramifications of the water rate increase imposed by the Brookfield North Riverside Water Commission, have determined that it is in the best interests of the Village to increase the rates charged to customers of the Village of La Grange Park water system;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois as follows:

SECTION 1: That Section 51.43 of Chapter 51 of the Village of La Grange Park Municipal Code is repealed and the following Section 51.43 is substituted therefor:

Section 51.43 Rates Established.

The water rate which shall be paid by every person using the Village water supply shall be as follows:

(a) Five dollars and ninety-nine cents (\$5.99) for each one hundred (100) cubic feet of water if the payment is received by the due date printed on the bill.

(b) Six dollars and fifty-nine cents (\$6.59) for each one hundred (100) cubic feet of water if the payment is received after the due date printed on the bill.

(c) A minimum bill shall be calculated on the basis of six hundred (600) cubic feet for those persons using less than 600 cubic feet of water during the billing period.

(d) The above rates are to be effective May 1, 2013.

SECTION 2: All ordinances of this Village in conflict herewith are hereby repealed.

SECTION 3: This ordinance shall be in full force and effect after its passage, approval and publication as required by law.

APPROVED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois this 26th day of March, 2013.

Dr. James L. Discipio
Village President

ATTEST:

Amanda Seidel
Village Clerk

APPROVED AS TO FORM - VILLAGE ATTORNEY



MEMORANDUM

TO: President Discipio and Board of Trustees
FROM: Julia Cedillo *(Signature)*
CC: Department Heads
DATE: March 4, 2013
RE: Five Year Plan Update

Attached to this memorandum is an update of the Village's Five-Year Plan. The purpose of the Five Year Financial Plan is to provide a budgetary framework for the Village to plan the management of its resources, revenues and expenditures in order to best serve the community. The attached Plan also contains a composite of capital expenditures for all departments and funds.

Capital planning requires that infrastructure needs be examined on a regular basis and that repair and replacement of necessary equipment be planned over a multi-year period. The Plan and its development provide the basis for scheduling and prioritizing large capital expenditures over a five year period. Naturally the key factor regulating spending for these capital items is the availability of funding. Therefore, the capital plan is a needs analysis and a guiding document. It is not intended to be a policy document as is the Village's annual Budget. The Village's ability to purchase specific items will be determined with each year's overall budget preparation, culminating to a final policy that establishes how public funding will be spent and outlines the spending priorities for the upcoming fiscal year.

At this time, the Village is currently in a sound financial condition, but it is not by accident. In recent years, several adjustments to the operating and capital projects fund were made in anticipation of significant reductions in revenues trending as a result of the recession. Furthermore, the Village has diligently managed its resources through careful spending and the monitoring of necessary personnel while still providing quality services to residents. More recently through the Local Revenue Study process, the Village has identified fee and fine revenue adjustments, which are reflected in the Draft Five Year Plan and Draft Budget. Those included were approved by the Village Board.

Consistent with the Village's last update to the Plan in 2012, the future financial outlook is not as bright as the forecast prior to the Recession. However, there is some improvement over the two previous years. While the Plan is a conservative one, projected revenues are reflected to be outpaced by fixed costs. While the Village is witnessing a recovery in certain revenues, particularly state shared revenues and telecom taxes, we must be diligent in monitoring revenue trends and continue the Village's work with the Local Revenue Study to ensure we are recovering the full cost of services provided. Finally, the Village must continue to be frugal with expenses and identify cost efficiencies whenever possible to ensure that operational and infrastructure costs are met and Village finances are sustainable.



DRAFT
VILLAGE OF LA GRANGE PARK

FIVE YEAR PLAN
FY 2013/14 – FY 2017/18

TABLE OF CONTENTS

PAGE – ITEM

1. COVER
2. TABLE OF CONTENTS
3. EXECUTIVE SUMMARY
4. EXECUTIVE SUMMARY CONT.
5. EXECUTIVE SUMMARY CONT.
6. EXECUTIVE SUMMARY CONT.
7. EXECUTIVE SUMMARY CONT.
8. **SECTION I**
9. GENERAL FUND OVERVIEW
10. GENERAL FUND SHEET
11. GENERAL FUND SHEET II – BY DEPARTMENT
12. GENERAL FUND SHEET II – BY DEPARTMENT CONT.
13. DEBT SERVICE FUND OVERVIEW
14. DEBT SERVICE FUND SHEET
15. WATER FUND OVERVIEW
16. WATER FUND SHEET
17. THIS PAGE INTENTIONALLY LEFT BLANK
18. WATER FUND DETAILED SHEET
19. MOTOR FUEL TAX FUND OVERVIEW
20. MOTOR FUEL TAX FUND SHEET
21. SEWER FUND OVERVIEW
22. SEWER FUND SHEET
23. THIS PAGE INTENTIONALLY LEFT BLANK
24. SEWER FUND DETAILED SHEET
25. CAPITAL PROJECTS FUND OVERVIEW
26. CAPITAL PROJECTS FUND OVERVIEW CONT.
27. THIS PAGE INTENTIONALLY LEFT BLANK
28. CAPITAL PROJECTS FUND SHEET
29. EMERGENCY TELEPHONE FUND OVERVIEW
30. EMERGENCY TELEPHONE FUND SHEET
31. THIS PAGE INTENTIONALLY LEFT BLANK
32. **SECTION II**
33. SECTION II OVERVIEW
34. MULTI-YEAR CAPITAL PROJECTS
35. MULTI-YEAR CAPITAL PROJECTS CONT.
36. YEAR 1 – FY 2013 – 2014
37. YEAR 2 – FY 2014 – 2015
38. YEAR 2 – FY 2015 – 2016
39. YEAR 2 – FY 2016 – 2017
40. YEAR 2 – FY 2017 – 2018
41. NOTES PAGE

EXECUTIVE SUMMARY

The Five Year Plan covering fiscal years 2013/14 through 2017/18 is presented for the Board's consideration and review. The Plan includes projections of revenue, operating expenses and capital expenses for all of the Village's major operating funds. As a starting point, Budgeted and Projected revenues and expenses are shown for Fiscal Year 2012/2013. Fiscal Year 13/14 then serves as the starting point for the next five fiscal years. The assumptions used in this Plan are as follows:

- Staffing levels remain constant
- Most General Fund revenues rise 3% annually (exceptions: Sales Tax .05%, Licenses 2%, Permits 1%)
- Personnel costs rise 4% annually

This document is divided into two sections. Section I provides a one page "glance" of the financial condition of each of the Village's funds with revenue and expense projections over the next five years. Section II of the document deals only with programmed capital expenses. The first two pages in Section II show the programmed expenses for each year regardless of funding source. The succeeding pages detail the programmed expenses and funding source for each fiscal year covered by the Plan.

REVENUE TRENDS (See Pages 10 and 11)

Economic events of recent years have forced the Village to reevaluate some revenue assumptions. Income Tax was once calculated with a 3% increase. For the second year in a row, the Plan assumes a 2% growth annually for Income Tax after year one. You will note that year one assumes a substantial increase over the current fiscal year, which is based upon recent Income Tax revenue experience and projections released by the Illinois Municipal League. The Plan assumes a 2% increase for Licenses, which was 3% two years ago. This Plan assumes a 1% increase in Permits where the previous plan assumed 0%. This increase is attributable to recent experience and anticipated permitted projects in the coming years. Finally, the Plan assumes a half percent increase annually for Sales Tax based upon trending revenues. This was previously assumed at the 1% level. *The table below illustrates how revenues have trended over the years.*

Revenue Trends 2007-2014

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Est. 2012-13	Proj. 2013-14
Real Estate Tax	3,114,955	2,561,221	2,639,623	3,127,629	2,872,450	3,122,082	3,222,000	3,300,000
Sales Tax	492,881	501,913	512,115	487,961	477,264	479,368	475,000	480,000
Other Local Taxes	1,096,658	1,230,313	1,251,563	1,179,471	1,193,479	1,135,851	1,157,400	1,147,400
Licenses	306,215	301,985	298,362	296,187	293,594	286,414	282,600	315,800
Permits	292,162	243,751	199,987	204,537	175,859	144,447	163,000	164,000
State Income Tax	1,146,699	1,252,606	1,170,831	1,025,401	1,028,860	1,150,496	1,180,000	1,200,000
Intergovernmental Revenue	221,598	312,395	247,271	202,332	244,953	286,086	237,000	247,000
Charges for Services	348,447	318,631	397,159	412,030	402,335	372,449	409,200	409,200
Fines & Forfeitures	161,846	171,018	168,805	130,013	134,541	143,873	134,400	164,400
Miscellaneous Revenue	300,358	298,337	285,930	388,117	324,400	283,392	284,000	325,000
Other Financing Sources	30,000	30,900	31,827	32,782	33,765	34,000	35,000	36,000
	7,511,819	7,223,070	7,403,473	7,486,460	7,181,800	7,438,457	7,579,600	7,788,800

Although this Plan assumes that staffing levels remain constant, positions that have been vacated recently, such as the Water Operator position in Public Works, have not been filled. Although this helps to control personnel expenses, this Plan assumes that personnel expenses will continue to increase 4% annually.

During this economic downturn and slow recovery period, the Village of La Grange Park has not experienced lay-offs, furlough days, or other drastic cost saving measures. This is due, in large part, to conservative fiscal management provided by the Village Board. Put simply, the Village doesn't spend much and is judicious with its resources.

With a very slow moving recovery in progress, the next five years will continue to be a challenge for the Village. Fortunately, the Village anticipated this decline and for fiscal year 2010-2011, focused spending on core services only, eliminating a number of programs, including street resurfacing. This approach to fiscal responsibility has positioned the Village in such a manner where the Village's finances can sustain the completion of several capital projects.

CAPITAL PROJECTS

The Plan, as drafted for the Board's review, includes more than \$13.5 million in capital projects over the next five year period split as follows:

Capital Spending

	Plan 14-18	Plan 13-17	Plan 12-16	Plan 11-15
Administration	100,200	103,000	89,900	111,500
Police	275,000	403,000	297,000	246,000
Fire	1.6 Million	827,622	386,619	348,861
Public Works	625,000	665,000	524,500	283,750
Building	236,040	236,040	236,040	8,240
Streets & Infrastructure	4.4 Million	2.35 Million	2.7 Million	2.79 Million
Water Projects	3.4 Million	2.48 Million	1.93 Million	1.47 Million
Sewer Projects	1.84 Million	1.48 Million	1.8 Million	1.35 Million
PW Garage	962,000	1.37 Million	1.24 Million	600,000

The Plan includes the following major capital projects / purchases:

YEAR 1

- Beach Avenue Street Paving (Phase 3)
- Beach Avenue Water and Sewer (Phase 3)
- South La Grange Road Water Main (Phase 2)
- Pilot Paving Patch Program
- Water Main Relocation at Oak
- New Generator for Village Hall (Grant: \$150,000; Village Share \$50,000)
- Sewer Lining
- Public Works Facility Renovation w/ Fire Suppression (Grants: \$600,000; Village Share \$362,000)¹

¹ \$100,000 in spending authorized for FY2012-2013.

YEAR 2

- Beach Avenue Street Paving (Phase 4)
- Beach Avenue Water and Sewer (Phase 4)
- Paving Patch Program *(to continue if evaluated to be a worthwhile program)*
- North La Grange Road Water Main (Year 1 of 2 reserve)
- Storm Water Management Project (Flood Mitigation Projects)

YEAR 3

- Cleveland Avenue Street Reconstruction
- Paving Patch Program *(to continue if evaluated to be a worthwhile program)*
- North La Grange Road Water Main (Year 2 of 2 reserve)
- Sewer Lining
- Fire Department Ladder Truck (Year 1 of 5 reserve)
- Public Works - Front End Loader and Backhoe

YEAR 4

- Harding Avenue Street Reconstruction (Grant)²
- Paving Patch Program *(to continue if evaluated to be a worthwhile program)*
- Water Main Replacement Project
- Fire Department Ladder Truck (Year 2 of 5 reserve)
- Public Works – Skid Steer Loader, Sweeper, 1 ½ Ton Truck

YEAR 5

- Edgewood Avenue Street Reconstruction (Grant)³
- Water Main Replacement Project
- Sewer Lining
- Fire Department Ladder Truck (Year 3 of 5 reserve)
- Fire Department Ambulance Replacement
- Fire Department Pumper Replacement

The largest expenditures are programmed for street work, seconded by water main replacements. Expenditures in the operating departments contemplate replacement of existing equipment.

The Board should note that the Water and Sewer Funds are shown to be in sound financial condition. The General Fund and Capital Projects Fund will be severely challenged to meet the capital obligations as outlined in this Plan. The 2004 street bonds will retire in December 2014, which will free up significant funding in the MFT fund for street projects. However, MFT funds cannot pay for street projects alone on an annual basis, and therefore capital funding will also be necessary. In the coming years, the Village will have to continue to prioritize capital needs with available resources, and consider alternative funding when appropriate, such as grants and low/no interest loans, as we have in the past.

² Grant Funding is through the WCMC and is based upon confirmed assignment as a FAU route, STP eligible.

³ Grant Funding is through the WCMC and is based upon re-assignment as a FAU route, STP eligible.

BALANCED SPENDING & FLEXIBILITY

Year 1 of the Five Year Plan and Budget includes three major capital projects out of the Capital Projects Fund. This is accomplished through a \$576,340 transfer in FY 12-13 and an additional \$180,000 transfer proposed in FY 13-14, both from the General Fund.

Public Works Garage

The scope of this project has been adjusted since the previous Budget and Five Year Plan. This project was previously noted as new construction. It is now a building renovation project, aligned with available resources. At the writing of this Plan, the cost of the project is anticipated to be \$1,000,000, with \$100,000 spent in the current (FY12-13) fiscal year, and \$900,000 included in the FY 13-14 Draft Budget and Year 1 of the Plan. An additional \$62,000 is budgeted for Fire Suppression. Overall, the renovation is estimated to cost \$310,000 less than what was included in the FY 12-13 Budget and corresponding Five Year Plan. Staff anticipates that the renovation will be complete in FY 13-14.

Beach Avenue Street Project

Year 1 includes asphalt street repaving of Beach Avenue from 31st Street to 29th Street, termed as Phase 3. Also included in the scope of the work for this segment of Beach is the replacement of water and sewer lines. Year 2 of the Plan contemplates Phase 4, which extends the project north to 26th Street. Phase 4 also includes water and sewer main replacements.

Pilot Paving Patch Program

The FY13-14 Budget and Five Year Plan reintroduces the application of (cut) pavement patches into the road maintenance program. The project involves the selection of certain street segments to mill and overlay larger pavement patches on streets that are otherwise in reasonable condition. This work will result in less water accessing below the pavement surface, prematurely aging the pavement. It will also result in a more uniform patch and smoother roadway. The Village Engineer estimates that 3,800 square yards of patch could be completed for \$75,000. Staff will evaluate the results of this program after Year 1 to determine whether it is a cost effective approach to a road maintenance program, to include for future budget years and as funding allows.

Salt and Sidewalks

The FY 12-13 Budget and related Five Year Plan transitioned salt and sidewalks away from the MFT Fund. While this transition adds an additional \$40,000 to the General Fund and an additional \$40,000 to Capital Projects, the MFT fund is able to more quickly recover and funding is now solely dedicated to street projects.

The Five Year Plan also includes two major water projects in Year 1, as follows:

South La Grange Road Water Main (Phase 2)

This project continues the work of the Army Corps of Engineers, moving north on La Grange Road. It replaces the water main along the west side of La Grange Road, from Woodlawn to Oak, with a new 10" water main. Currently the existing water main suffers from deterioration and the replacement will also greatly improve the available water to the west side of town for fire protection.

Water Main Relocation at Oak

In January 2013, in the course of cleaning and televising the combined sanitary and storm sewer, it was discovered that two water mains bisect the combined sewer which takes all flows south of Harding and east of La Grange Road. The obstructions in the pipe exceed 50% of the diameter.

Year 1 of the Plan includes \$53,200 for construction costs related to the relocation and \$9,800 in engineering costs.

WATER RATES

Last Year, the City of Chicago announced a multi-year rate increase for the cost of water. Increases are as follows: 25% in 2012, 15% in years 2013 through 2015, and the CPI in 2016 and thereafter. As a result, the Brookfield North Riverside Water Commission passed along the first increase to its members in 2012, and the Village increased water rates by 12.5%. The Village's increase to customers was almost entirely to cover the increased cost of water. Only a negligible amount of this increase (0.2%) was attributable to the Village's operating costs, which also increase each year. This year, the BNRWC has increased their fees to members, to include the increased cost of water as well as increases in operating costs. As such, the Draft Budget and Five Year Plan include an increase to the Village water rate by 7.3% (requires approval by the Village Board). Of the 7.3% increase, 6.8% is attributable to the cost of water and 0.5% is attributable to other costs related to the distribution and administration of water service.

OTHER REVENUE INCREASES

The Plan and the Draft FY13-14 Budget include certain revenue adjustments as part of the Local Revenue Study and as approved by the Village Board. Those revenue adjustments include:

- Ambulance Fee Increases
- Wireless Alarm Fees
- Village Vehicle Sticker Fee Increases
- Police Fine Increases (parking, ordinance violations)
- Certain Liquor Fee Increases
- Additional Wireless Lease Revenue
- Electric Aggregation Civic Contribution
- Water Turn On Fees

In the coming months, staff will continue its work on the Local Revenue Study with regard to the evaluation of Zoning Application Fees, Building Permit Fees and the implementation of some new service fees, as discussed at the Village Board Local Revenue Workshop in December 2012.

As the Village moves forward, we will need to continue to balance services and service expectations with available resources.

SECTION I

GENERAL FUND

The General Fund is the main source of Village revenue and funds the Village's major operating departments: Administration, Police, Fire, and Building. Public Works expenses are partly funded by the General Fund and partly funded by Water and Sewer revenues.

Revenues

An examination of the make-up of General Fund revenues for selected fiscal year shows:

	FY 2001/2002	FY 2006/2007	FY 2009/2010	FY 2010/2011	ACTUAL FY 2011/2012	ESTIMATED FY 2012/2013	BUDGETED FY 2013/2014
Real Estate Tax	30.10%	41.5%*	42.10%	40.00%	41.97%	42.45%	42.26%
Sales Tax	15.00%	6.60%	6.80%	6.60%	6.44%	6.26%	6.15%
Other Local Taxes	17.90%	14.60%	18.40%	16.60%	15.27%	15.25%	14.69%
Licenses	4.30%	4.10%	3.80%	4.10%	3.85%	3.72%	4.04%
Permits	2.90%	3.90%	2.50%	2.40%	1.94%	2.15%	2.10%
State Income Tax	17.90%	18.30%	14.90%	14.30%	15.47%	15.55%	15.62%
Intergovernmental Revenue	0.70%	3.00%	3.20%	3.40%	3.85%	3.25%	3.16%
Charges for Services	5.70%	4.60%	4.70%	5.60%	5.01%	5.39%	5.24%
Fines & Forfeitures	2.80%	2.20%	2.10%	1.90%	1.93%	1.77%	2.11%
Miscellaneous Revenue	2.50%	4.00%	4.10%	4.50%	3.81%	3.74%	4.16%
Other Financing Sources	0.20%	0.40%	0.40%	0.50%	0.46%	0.46%	0.46%

*PROPERTY TAX REFERENDUM APPROVED

The table shows an increasing reliance on property taxes and reductions in Sales Taxes and State Income Tax Distributions, as a percentage of revenues.

Expenses

On the expense side, the Village's largest expenses are personnel related. This is not uncommon for service organizations. As a percentage of total General Fund expenses salaries and wages, and pensions have been:

	FY 2001/2002	FY 2006/2007	FY 2009/2010	FY 2010/2011	ACTUAL FY 2011/2012	ESTIMATED FY 2012/2013	BUDGETED FY 2013/2014
Salaries & Wages	32.0%	45.7%	48.2%	53.0%	51.2%	47.9%	47.5%
Pensions	4.7%	8.4%	7.6%	11.0%	13.5%	10.4%	10.9%

With each new fiscal year, the Village implements a revision to the pay plan that adjusts the starting and maximum rates for each position. This approval also applies a cost of living adjustment (COLA) to employee wages. Year 1 includes an adjustment of 1.7% (at the Chicago-U CPI level) for non-union employees. Year 1 reflects wage increases for union employees, as follows: IUOE Local 150 (Public Works) at 1.5% and FOP (Police) at 2.75%.

Year 1 of the Plan includes a Police Pension payment in the amount of \$785,000. This level of funding is consistent with the Village's approach for the current (FY12-13) fiscal year. This funding amount was an identified option in an actuarial report by Tepfer Consulting Group and is calculated in accordance with paragraph 36f of Statement 25 of the Government Accounting Standards Board (GASB).

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
GENERAL FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR 1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Real Estate Tax	3,150,000	3,222,000	3,300,000	3,399,000	3,500,970	3,605,999	3,714,179
Sales Tax	485,000	475,000	480,000	482,400	484,812	487,236	489,672
Other Local Taxes	1,168,000	1,157,400	1,147,400	1,181,822	1,217,277	1,253,795	1,291,409
Licenses	286,100	282,800	315,800	322,116	328,558	335,129	341,832
Permits	183,000	183,000	164,000	165,640	167,296	168,969	170,658
State Income Tax	1,080,000	1,180,000	1,220,000	1,244,400	1,289,288	1,294,674	1,320,587
Other Intergov. Revenues	237,000	247,000	247,000	254,410	262,042	269,904	278,001
Charges for Services	388,200	409,200	409,200	421,476	434,120	447,144	460,558
Fines & Forfeitures	124,700	134,400	164,400	169,332	174,412	179,844	185,034
Miscellaneous Revenues	274,500	284,000	325,000	334,750	344,793	355,136	365,790
Other Financing Sources	<u>35,000</u>	<u>35,000</u>	<u>36,000</u>	<u>37,080</u>	<u>38,192</u>	<u>39,338</u>	<u>40,518</u>
Total Revenues	7,372,500	7,589,800	7,808,800	8,012,428	8,221,761	8,436,969	8,656,220
Expenditures							
Administration	\$901,800	\$876,500	\$928,550	963,037	998,823	1,035,958	1,074,495
Police	\$3,858,020	\$3,737,950	\$4,029,580	4,188,362	4,353,424	4,525,013	4,703,390
Fire	\$1,371,432	\$1,329,744	\$1,390,510	1,438,999	1,489,006	1,540,893	1,594,626
Public Works	\$1,164,560	\$1,076,786	\$1,166,900	1,209,162	1,252,982	1,298,419	1,345,532
Building	<u>\$271,020</u>	<u>\$253,387</u>	<u>\$266,580</u>	<u>276,302</u>	<u>286,383</u>	<u>296,838</u>	<u>307,680</u>
Total Expenditures	7,566,832	7,274,367	7,782,120	8,075,782	8,380,616	8,697,121	9,025,723
Interfund Transfers	576,340	576,340	180,000	0	0	0	0
Ambulance Loan	\$12,500	\$12,500	\$12,500	12,500	12,500	12,500	12,500
TOTAL FUND EXPENDITURES	8,155,672	7,863,207	7,974,620	8,088,282	8,393,116	8,709,621	9,038,223
Surplus / (Deficit)	(783,172)	(273,607)	(165,820)	(75,836)	(171,357)	(272,652)	(380,004)
Beginning Cash & Investment Balance	2,328,571	2,492,790	2,219,183	2,053,363	1,977,528	1,806,171	1,533,519
Ending Cash & Investment Balance	<u>1,545,399</u>	<u>2,219,183</u>	<u>2,053,363</u>	<u>1,977,528</u>	<u>1,806,171</u>	<u>1,533,519</u>	<u>1,153,515</u>
Standard Cash & Investment Balance	1,699,040	1,753,315	1,907,200	2,003,107	2,055,440	2,109,242	2,164,555
Over (Under)	(153,641)	465,868	146,163	(25,579)	(249,269)	(575,723)	(1,011,040)

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
GENERAL FUND**

		FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues								
Real Estate Tax	1.03	3,150,000	3,222,000	3,300,000	3,399,000	3,500,970	3,605,999	3,714,179
Sales Tax	1.005	485,000	475,000	480,000	482,400	484,812	487,236	488,872
Other Local Taxes	1.03	1,168,000	1,157,400	1,147,400	1,181,822	1,217,277	1,253,795	1,291,409
Licenses	1.02	286,100	282,600	315,800	322,116	328,558	335,129	341,832
Permits	1.01	163,000	163,000	164,000	165,640	167,296	168,969	170,659
State Income Tax	1.02	1,080,000	1,180,000	1,220,000	1,244,400	1,269,288	1,294,674	1,320,567
Other Intergov. Revenues	1.03	237,000	247,000	247,000	254,410	262,042	269,904	278,001
Charges for Services	1.03	389,200	409,200	409,200	421,476	434,120	447,144	460,558
Fines & Forfeitures	1.03	124,700	134,400	164,400	169,332	174,412	179,644	185,034
Miscellaneous Revenues	1.03	274,500	284,000	325,000	334,750	344,793	355,136	365,790
Other Financing Sources	1.03	35,000	35,000	36,000	<u>37,080</u>	<u>38,192</u>	<u>39,338</u>	<u>40,518</u>
Total Revenues		7,372,500	7,589,600	7,808,800	8,012,426	8,221,781	8,436,969	8,658,220
Expenditures								
Administration Department								
Salaries & Wages	1.04	\$450,500	\$444,000	\$469,000	487,760	507,270	527,561	548,664
Professional Services	1.03	\$169,500	\$151,000	\$152,500	157,075	161,787	166,641	171,640
Other Services	1.03	\$64,700	\$65,400	\$65,200	67,156	69,171	71,246	73,383
Capital Outlay	1.03	\$1,000	\$1,000	\$2,000	2,060	2,122	2,185	2,251
Supplies	1.03	\$9,600	\$9,700	\$9,650	9,940	10,238	10,545	10,861
I.M.R.F.	1.04	39,000	39,000	48,000	49,920	51,917	53,993	56,153
Insurance	1.04	\$128,000	\$133,000	\$146,000	151,840	157,914	164,230	170,799
Other Expenses	1.03	<u>\$38,500</u>	<u>\$33,400</u>	<u>\$36,200</u>	<u>37,286</u>	<u>38,405</u>	<u>39,557</u>	<u>40,743</u>
Total Expenditures: Admn. Dept.		901,800	876,500	928,550	963,037	998,823	1,035,958	1,074,495
Police Department								
Salaries & Wages	1.04	\$2,271,420	\$2,214,000	\$2,350,500	2,444,520	2,542,301	2,643,993	2,749,753
Professional Services	1.03	\$40,000	\$38,000	\$36,000	37,080	38,192	39,338	40,518
Other Services	1.03	\$87,800	\$81,800	\$81,200	83,636	86,145	88,729	91,391
Capital Outlay	1.03	\$2,000	\$1,800	\$2,000	2,060	2,122	2,185	2,251
Supplies	1.03	\$98,200	\$95,550	\$99,900	102,897	105,984	109,163	112,438
I.M.R.F.	1.04	27,300	27,300	30,480	31,699	32,967	34,286	35,657
Police Pension	1.04	730,000	690,000	785,000	816,400	849,056	883,018	918,339
Insurance	1.04	\$581,300	\$571,300	\$623,500	648,440	674,378	701,353	729,407
Other Expenses	1.03	<u>\$20,000</u>	<u>\$18,200</u>	<u>\$21,000</u>	<u>21,630</u>	<u>22,279</u>	<u>22,947</u>	<u>23,636</u>
Total Expenditures: Police Dept.		3,858,020	3,737,950	4,029,580	4,188,362	4,353,424	4,525,013	4,703,390
Fire Department								
Salaries & Wages	1.04	\$567,470	534,500	573,421	596,358	620,212	645,020	670,821
Professional Services	1.03	0	0	0	0	0	0	0
Other Services	1.03	\$596,902	588,814	606,934	625,142	643,896	663,213	683,109
Capital Outlay	1.03	\$5,400	5,400	9,125	9,399	9,681	9,971	10,270
Supplies	1.03	\$62,040	61,410	60,580	62,397	64,269	66,197	68,183
I.M.R.F.	1.04	8,940	8,940	9,900	10,296	10,708	11,136	11,581
Insurance	1.04	\$87,300	87,300	84,040	87,402	90,898	94,534	98,315
Other Expenses	1.03	<u>\$43,380</u>	<u>43,380</u>	<u>46,510</u>	<u>47,905</u>	<u>49,342</u>	<u>50,822</u>	<u>52,347</u>
Total Expenditures: Fire Dept.		1,371,432	1,328,744	1,390,510	1,438,899	1,489,006	1,540,893	1,594,626

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
GENERAL FUND**

		FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Public Works Department								
Salaries & Wages	1.04	\$495,000	\$443,786	\$495,000	514,800	535,392	556,808	579,080
Professional Services	1.03	-	-	-	-	-	-	-
Other Services	1.03	\$278,500	\$267,700	\$282,000	290,460	299,174	308,149	317,393
Capital Outlay	1.03	\$9,000	\$9,260	\$9,000	9,270	9,548	9,835	10,130
Supplies	1.03	\$146,000	\$125,000	\$146,000	150,380	154,891	159,538	164,324
I.M.R.F.	1.04	41,040	41,040	43,740	45,490	47,309	49,202	51,170
Insurance	1.04	\$190,620	\$185,620	\$186,760	194,230	202,000	210,080	218,483
Other Expenses	1.03	\$4,400	\$4,400	\$4,400	4,532	4,668	4,808	4,952
Total Expenditures: Public Works		1,164,560	1,076,786	1,166,900	1,209,162	1,252,982	1,298,419	1,345,532
Building Department								
Salaries & Wages	1.04	\$124,520	\$132,022	135,000	140,400	146,016	151,857	157,931
Professional Services	1.03	\$81,500	\$80,500	68,000	70,040	72,141	74,305	76,534
Other Services	1.03	\$18,170	\$17,385	15,900	16,377	16,868	17,374	17,895
Capital Outlay	1.03	\$850	\$850	750	773	796	820	845
Supplies	1.03	\$6,350	\$6,150	6,200	6,386	6,578	6,775	6,978
I.M.R.F.	1.04	12,720	12,720	14,940	15,538	16,160	16,806	17,478
Insurance	1.04	\$23,360	\$20,560	22,340	23,234	24,163	25,130	26,135
Other Expenses	1.03	\$3,550	\$3,200	3,450	3,554	3,661	3,771	3,884
Total Expenditures: Building Dept		271,020	253,387	266,580	276,302	286,383	296,838	307,680
Interfund Transfers		576,340	576,340	180,000	0	0	0	0
Ambulance Loan		\$12,500	\$12,500	\$12,500	12,500	12,500	12,500	12,500
TOTAL FUND EXPENDITURES		8,155,872	7,863,207	7,974,620	8,088,262	8,393,118	8,709,621	9,038,223
Surplus / (Deficit)		(783,172)	(273,607)	(165,820)	(75,836)	(171,357)	(272,652)	(380,004)
Beginning Cash & Investment Balance		2,328,571	2,492,790	2,219,183	2,053,363	1,977,528	1,806,171	1,533,519
Ending Cash & Investment Balance		<u>1,545,399</u>	<u>2,219,183</u>	<u>2,053,363</u>	<u>1,977,528</u>	<u>1,806,171</u>	<u>1,533,519</u>	<u>1,153,515</u>
Standard Cash & Investment Balance		1,699,040	1,753,315	1,907,200	2,003,107	2,055,440	2,109,242	2,164,555
Over (Under)		(153,641)	465,868	146,163	(25,579)	(249,269)	(575,723)	(1,011,040)

DEBT SERVICE FUND

The Debt Service Fund was created in 2004 following the Village's issuance of \$2.26 million in bonds to fund street improvements. The only source of revenue in this fund is the transfer from the Motor Fuel Tax Fund to pay for a portion of the annual debt payment on the 2004 bond issue. The Water Fund and Sewer Fund are also responsible for a portion of this debt. The Water and Sewer Funds are charged directly for their share of the debt payment.

The allocation between funds for payment of this debt is as follows:

Motor Fuel Tax Fund -	83%
Water Fund -	5%
Sewer Fund -	12%

Remaining annual bond payments range between \$259,000 and \$272,000. The final bond payment is due on December 1, 2014.

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
2004 DEBT SERVICE FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Interest on Investments	100	100	100	100	0		
Interfund Transfers	<u>227,000</u>	<u>226,342</u>	<u>224,000</u>	<u>233,000</u>	0		
Total Revenues	227,100	226,442	224,100	233,100	0		
Expenditures							
Miscellaneous Services	500	500	500	500	0		
Principal Payments	204,000	203,777	208,000	204,000	0		
Interest Payments	<u>23,000</u>	<u>22,065</u>	<u>16,000</u>	<u>28,500</u>	0		
Total Expenditures	227,500	226,342	224,500	233,000	0		
Surplus / (Deficit)	(400)	100	(400)	100	0		
Beginning Cash & Investment Balance	5,010	5,426	5,526	5,126	5,226		
Ending Cash & Investment Balance	<u>4,610</u>	<u>5,526</u>	<u>5,126</u>	<u>5,226</u>	<u>5,226</u>		
Standard Cash & Investment Balance	NA	NA	NA	NA	NA		
Over (Under)	NA	NA	NA	NA	NA		

WATER FUND

Over the next five years, over \$3.4 million in capital improvements are programmed. Funds are shown to be acquired to install Phase 2 of the South La Grange Road water main in Year 1 of the Plan. Phase 1 of the water main will commence in the spring of 2013 as an Army Corps of Engineers project. The Village share of Phase 1 has already been extended (paid). Year 1 also includes the relocation of two water mains on Oak at Kemman and Newberry. These mains bisect the combined sewer which takes all flows south of Harding and east of La Grange Road. \$63,000 is budgeted for costs associated with the relocation project. Funds are also shown to be acquired to install the North La Grange Road water main with reserves in Years 2 and 3 of the Plan. Finally, the Plan includes the completion of two additional water main replacement projects in years 4 and 5 of the Plan. The Public Works Director and the Village Engineer are in the process of prioritizing areas of work and developing early estimates for these water main projects.

The Village purchases its water supply from the Brookfield North Riverside Water Commission (BNRWC). The Village has been advised that the BNRWC approved an 11.7% increase (In 2012, there was a 20% increase) in the rate they charge to their customers from \$3.42 per thousand gallons to \$3.82 per thousand gallons effective January 1, 2013. The BNRWC took this action in response to a 15% increase from their supplier, the City of Chicago. Since January 1, 2013, the Village has been paying the new rate to the BNRWC.

Upon receiving this information the Village has examined the impact of this rate change on the condition of the Water Fund. Based on this increase and other demands on the fund, it is recommended that the Village increase the Village's rate to accommodate this increase. This would require a 7.3% adjustment to the current Village rate. Of the 7.3% increase, 6.8% is attributable to the cost of water and 0.5% is attributable to other costs related to the distribution and administration of water service. This adjustment has been reflected in Year 1 in the Plan, but must be approved by the Village Board. While the City of Chicago has announced further rate increases in future years, it is uncertain at this time as to how the BNRWC will respond in passing the increases on to their customers. Therefore, no rate increases are shown beyond Year 1.

Given the assumptions in this Plan the Water Fund remains in a sound financial condition.

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
WATER FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Intergovernmental Revenues	0	13,800					
Charges for Services	2,813,500	2,801,555	3,001,400	3,001,400	3,001,400	3,001,400	3,001,400
Miscellaneous Revenues	<u>5,800</u>	<u>7,800</u>	<u>6,600</u>	<u>6,798</u>	<u>7,002</u>		
Total Revenues	2,819,100	2,822,955	3,008,000	3,008,198	3,008,402	3,008,612	3,008,828
Expenditures							
Administration Dept.	170,280	162,820	169,320	175,616	182,149		
Distribution Department	<u>3,386,100</u>	<u>2,573,676</u>	<u>3,502,650</u>	<u>3,195,075</u>	<u>2,913,805</u>	188,929	195,965
Total Expenditures	3,556,380	2,736,496	3,671,970	3,370,691	3,095,954	3,116,557	3,107,369
Bond Payments							
2004 Road Bonds	13,100	12,457	12,700	13,200	0	0	0
TOTAL FUND EXPENDITURES	3,569,480	2,748,953	3,684,670	3,383,891	3,095,954	3,116,557	3,107,369
Surplus / (Deficit)	(750,380)	74,002	(676,670)	(375,693)	(87,552)	(107,945)	(88,541)
Beginning Cash & Investment Balance	1,686,003	1,972,873	2,046,875	1,370,205	994,512	906,960	799,015
Ending Cash & Investment Balance	<u>935,623</u>	<u>2,046,875</u>	<u>1,370,205</u>	<u>994,512</u>	<u>906,960</u>	<u>799,015</u>	<u>700,474</u>
Standard Cash & Investment Balance	704,775	702,289	752,000	752,050	752,101	752,153	752,207
Over (Under)	230,848	1,344,586	618,205	242,462	154,859	46,862	(51,733)

THIS PAGE INTENTIONALLY LEFT BLANK

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
WATER FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR 1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Intergovernmental Revenues	0	13,600	0	0	0	0	0
Charges for Services	2,813,500	2,801,555	3,001,400	3,001,400	3,001,400	3,001,400	3,001,400
Miscellaneous Revenues	<u>5,600</u>	<u>7,600</u>	<u>6,600</u>	<u>6,798</u>	<u>7,002</u>	<u>7,212</u>	<u>7,428</u>
Total Revenues	2,819,100	2,822,955	3,008,000	3,008,198	3,008,402	3,008,612	3,008,828
Expenditures							
Administration Department							
Salaries & Wages	89,660	83,300	81,000	84,240	87,610	91,114	94,759
Professional Services	13,000	11,700	13,000	13,390	13,792	14,205	14,632
Other Services	18,800	18,600	20,100	20,703	21,324	21,964	22,623
Capital Outlay	3,000	1,000	3,000	3,090	3,183	3,278	3,377
Supplies	1,400	1,600	1,600	1,648	1,697	1,748	1,801
I.M.R.F.	7,860	7,860	8,460	8,798	9,150	9,516	9,897
Insurance	27,980	29,960	32,160	33,446	34,784	36,176	37,623
Other Expenses	<u>8,600</u>	<u>8,900</u>	<u>10,000</u>	<u>10,300</u>	<u>10,609</u>	<u>10,927</u>	<u>11,255</u>
Total Expenditures: Admin. Dept.	170,280	162,820	169,320	175,616	182,149	188,829	195,965
Distribution Department							
Salaries & Wages	196,000	191,000	176,000	183,040	190,362	197,976	205,895
Professional Services	135,000	125,000	120,800	108,760	20,000	80,000	82,400
Other Services	180,750	176,900	202,250	208,318	65,000	80,000	80,000
Capital Outlay	1,071,000	265,876	1,017,850	702,000	638,000	581,465	526,900
Supplies	96,750	109,800	96,750	99,653	102,642	105,721	108,893
Water	1,600,000	1,600,000	1,780,000	1,780,000	1,780,000	1,780,000	1,780,000
I.M.R.F.	18,420	18,420	20,220	21,029	21,870	22,745	23,655
Insurance	83,680	83,680	84,280	87,651	91,157	94,804	98,596
Other Expenses	<u>4,500</u>	<u>3,000</u>	<u>4,500</u>	<u>4,635</u>	<u>4,774</u>	<u>4,917</u>	<u>5,065</u>
Total Expenditures: Dist. Dept.	3,386,100	2,573,676	3,502,650	3,195,075	2,913,805	2,927,628	2,911,404
Interfund Transfers							
2004 Road Bonds	13,100	12,457	12,700	13,200	0	0	0
TOTAL FUND EXPENDITURES	3,569,480	2,748,953	3,684,670	3,383,891	3,095,954	3,116,557	3,107,369
Surplus / (Deficit)	(750,380)	74,002	(676,670)	(375,693)	(87,552)	(107,945)	(98,541)
Beginning Cash & Investment Balance	1,686,003	1,972,873	2,046,875	1,370,205	994,512	906,960	799,015
Ending Cash & Investment Balance	935,623	2,046,875	1,370,205	994,512	906,960	799,015	700,474
Standard Cash & Investment Balance	704,775	702,289	752,000	752,050	752,101	752,153	752,207
Over (Under)	230,848	1,344,586	618,205	242,463	154,859	46,862	(51,733)

MOTOR FUEL TAX FUND

Municipalities are required to maintain a separate fund to account for motor fuel taxes distributed by the State of Illinois. The amounts are distributed to the Village on a per capita basis. The use of motor fuel tax money is restricted by state law to the maintenance and repair of local streets and sidewalks.

The Village receives in excess of \$300,000 annually from the State of Illinois as its share of the gasoline tax. Approximately \$225,000 of these receipts is dedicated to the repayment of the 2004 Road Bonds. This obligation will continue until December 2014.

Expenses in the Motor Fuel Tax Fund are not steady. Given the level of revenues received and existing debt obligations, street work paid for by the MFT Fund occurs at least every other year. Year 1 includes \$235,000 in funding for the Asphalt Repaving of Beach Avenue, Phase 3.

In the last several years, the Village has utilized MFT funding for the expenses related to Salt Operations as well as the Sidewalk program. With the FY2012-13 Budget and corresponding Five Year Plan, these expenses have been transitioned to other funds to allow the MFT Fund to accrue funds more quickly for future street projects. Salt Operations has been moved to the General Fund in the Public Works Budget, under Supplies. Funding for the Sidewalk program has been transitioned to the Capital Projects Fund.

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
MOTOR FUEL TAX FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR 1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
State Motor Fuel Tax	\$335,000	\$387,736	\$330,000	333,300	336,633	339,999	343,399
Miscellaneous Revenue	\$200	\$200	\$200	200	200	200	200
Total Revenues	335,200	387,936	330,200	333,500	336,833	340,199	343,599
Expenditures							
Professional Services	\$0	\$0	\$0	0	0	44,680	22,340
Construction Services	\$0	\$0	\$235,000	175,000	305,000	223,425	111,800
Capital Outlay	0	0	0	0	0	0	0
Supplies	\$0	\$0	\$0	0	0	0	0
Other Financing Uses	\$227,000	\$226,342	\$224,000	233,000	0	0	0
Total Expenditures	227,000	226,342	459,000	408,000	305,000	268,105	134,140
Surplus / (Deficit)	108,200	161,594	(128,800)	(74,500)	31,833	72,094	209,459
Beginning Cash & Investment Balance	\$41,522	\$53,027	214,621	85,821	11,321	43,154	115,248
Ending Cash & Investment Balance	149,722	214,621	85,821	11,321	43,154	115,248	324,708
Standard Cash & Investment Balance	83,800	96,984	82,650	83,375	84,208	85,050	85,900
Over (Under)	65,922	117,637	3,271	(72,054)	(41,054)	30,199	238,808

SEWER FUND

The Sewer Fund is the accounting vehicle that keeps track of revenues and expenses associated with the operation and maintenance of the Village's sewer system. Revenues received are sewer fees charged to system customers. The current sewer rate is \$2.10/100 cu. ft. These fees are sufficient to pay for the operation and maintenance of the sewer system and the annual debt payment to service a \$5.6 million bond issue approved in 2006 to fund sewer improvements. Payments are made twice annually and will continue until 2025. Annual payments are between \$425,000 - \$429,000.

The Five-Year Plan shows \$1.6 million spent over the life of the Plan for sewer televising, cleaning, lining, and point repairs. Also included in that number are funds set aside for Storm Water Management Solutions as prescribed by the Engineering and Capital Projects Committee and approved by the Village Board, in the amount of \$175,000 in Year 2 of the Plan.

No rate increases are proposed for the next five year period.

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
SEWER FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Intergovernmental Revenues	0	0	0	0	0	0	0
Charges for Services	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
Miscellaneous Revenues	<u>1,800</u>	<u>1,800</u>	<u>\$1,800</u>	<u>2000</u>	<u>2000</u>	<u>2000</u>	<u>2000</u>
Total Revenues	1,061,800	1,061,800	1,061,800	1,062,000	1,062,000	1,062,000	1,062,000
Expenditures							
Administration Department	141,980	130,960	137,880	143,050	148,417	153,988	159,771
Operations & Maint. Dept.	<u>501,410</u>	<u>359,710</u>	<u>677,110</u>	<u>522,289</u>	<u>587,052</u>	<u>351,564</u>	<u>628,817</u>
Total Expenditures	643,390	484,670	814,990	665,319	735,469	505,552	788,588
Bond Payments							
2006 Bond P&I Payments	427,000	426,531	428,000	428,500	428,500	428,500	428,500
2004 Road Bonds	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>31,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	457,000	456,531	458,000	459,500	428,500	428,500	428,500
TOTAL FUND EXPENDITURES	1,100,390	941,201	1,272,990	1,124,819	1,163,969	934,052	1,217,088
Surplus / (Deficit)	(38,590)	120,599	(211,190)	(62,819)	(101,969)	127,948	(155,088)
Beginning Cash & Investment Balance	668,570	852,146	972,745	761,555	698,736	586,767	724,714
Ending Cash & Investment Balance	<u>629,980</u>	<u>972,745</u>	<u>761,555</u>	<u>698,736</u>	<u>596,767</u>	<u>724,714</u>	<u>569,626</u>
Standard Cash & Investment Balance	265,450	265,450	265,450	265,500	265,500	265,500	265,500
Over (Under)	364,530	707,295	496,105	433,236	331,267	459,214	304,126

THIS PAGE INTENTIONALLY LEFT BLANK

**VILLAGE OF LA GRANGE PARK
FIVE YEAR PLAN
SEWER FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR 1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Intergovernmental Revenues	0	0					
Charges for Services	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
Miscellaneous Revenues	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Revenues	1,061,800	1,061,800	1,061,800	1,062,000	1,062,000	1,062,000	1,062,000
Expenditures							
Administration Department							
Salaries & Wages	75,620	67,000	68,300	71,032	73,873	76,828	79,901
Professional Services	12,700	10,400	11,400	11,742	12,094	12,457	12,831
Other Services	13,800	13,300	14,100	14,523	14,959	15,408	15,870
Capital Outlay	2,000	1,500	2,000	2,080	2,122	2,186	2,252
Supplies	1,500	1,200	1,500	1,545	1,591	1,639	1,688
I.M.R.F.	6,600	6,600	7,080	7,363	7,658	7,964	8,283
Insurance	24,160	25,960	28,000	28,120	30,285	31,496	32,758
Other Expenses	<u>5,500</u>	<u>5,000</u>	<u>5,500</u>	<u>5,685</u>	<u>5,835</u>	<u>6,010</u>	<u>6,190</u>
Total Expenditures: Admin. Dept.	141,980	130,960	137,880	143,050	148,417	153,988	159,771
Operations & Maintenance Dept.							
Salaries & Wages	45,000	45,000	43,300	45,032	46,833	48,708	50,654
Professional Services	37,500	37,500	65,200	45,500	57,500	15,000	65,000
Other Services	65,750	64,750	55,750	57,423	59,146	60,920	62,748
Machines & Eqpt. Rental (Reim.)	38,200	38,200	42,200	43,466	44,770	46,113	47,498
Capital Outlay	260,000	122,000	415,700	274,000	320,000	120,000	340,000
Supplies	25,300	21,800	25,300	26,059	26,841	27,646	28,475
I.M.R.F.	3,960	3,960	3,960	4,118	4,283	4,454	4,632
Insurance	20,000	20,000	20,000	20,800	21,632	22,497	23,397
Other Expenses	<u>5,700</u>	<u>500</u>	<u>5,700</u>	<u>5,671</u>	<u>6,047</u>	<u>6,228</u>	<u>6,415</u>
Total Expenditures: O&M Dept.	501,410	353,710	677,110	522,269	587,052	351,564	628,817
Bond Payments							
2006 Bond P&I Payments	427,000	426,531	428,000	428,500	428,500	428,500	428,500
2004 Road Bonds	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>31,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	457,000	456,531	458,000	459,500	428,500	428,500	428,500
TOTAL FUND EXPENDITURES	<u>1,100,390</u>	<u>941,201</u>	<u>1,272,990</u>	<u>1,124,819</u>	<u>1,163,969</u>	<u>934,052</u>	<u>1,217,088</u>
Surplus / (Deficit)	(38,590)	120,599	(211,190)	(62,819)	(101,969)	127,948	(155,088)
Beginning Cash & Investment Balance	668,570	852,146	972,745	761,555	688,736	596,767	724,714
Ending Cash & Investment Balance	<u>629,980</u>	<u>972,745</u>	<u>761,555</u>	<u>698,736</u>	<u>586,767</u>	<u>724,714</u>	<u>569,626</u>
Standard Cash & Investment Balance	265,450	265,450	265,450	265,500	265,500	265,500	265,500
Over (Under)	364,530	707,295	496,105	433,236	331,267	459,214	304,126

CAPITAL PROJECTS FUND

The Capital Projects Fund was created by the Board to track large capital expenditures for each of the operating departments as well as large infrastructure projects. The Capital Projects Fund includes any capital purchase over \$10,000, which is consistent with the capitalization threshold the Village uses for accounting. In other words, any capital purchase over \$10,000 is converted from an expense to a fixed asset, which depreciates over time.

The Fund receives most of its revenues in the form of a transfer from the General Fund. This year, the Capital Projects fund will receive a transfer in the amount of \$180,000. Other sources of revenue include an annual reimbursement from the Sewer Fund and periodic grants. The total revenues received are dependent on the financial condition of the General Fund and any grants received.

Once again this year, the Public Works Garage project is the most significant Capital Project in the Five Year Plan. Seventy percent of the cost of the project or \$673,000 (\$630,000 for renovation, \$43,000 for fire suppression) is allocated to this fund and is reflected in Year 1. The Village has received state grant funds in the amount of \$600,000 to help offset the costs.

Year 1 of the Plan reintroduces the application of (cut) pavement patches into the road maintenance program. The project involves the selection of certain street segments to mill and overlay larger pavement patches on streets that are otherwise in reasonable condition. This work will result in less water accessing below the pavement surface, prematurely aging the pavement. It will also result in a more uniform patch and smoother roadway. The Village Engineer estimates that 3,800 square yards of patch could be completed for \$75,000. Staff will evaluate the results of this program after Year 1 to determine whether it is a cost effective approach to a road maintenance program, to include for future budget years and as funding allows.

The Village Hall Generator purchase is re-budgeted for Year 1 of the Plan. The Village completed all grant documentation in 2012. However, the Village must now submit a Pre-Disaster Mitigation Plan. It was previously determined that the Village could forego this grant prerequisite as the County's plan would fulfill the requirement. However, the County no longer intends on completing the development of the plan, so the Village must complete its own. FEMA has extended additional grant dollars to the Village for the development of this plan, which can be completed concurrent to the installation of the generator. It is uncertain at this time as to whether the appropriation for this grant has been affected by the federal sequestration.

Year 1 includes the asphalt street repaving of Beach Avenue from 31st Street to 29th Street, termed as Phase 3. The replacement of water and sewer lines for this segment of Beach is budgeted under those corresponding funds.

Given current projections available, identifying sufficient resources to fund Beach Avenue Phase 4 street work in Year 2 will be challenging. Our ability to do so will depend on the performance of the revenues and expenditures of the upcoming budget. Looking forward, the Village will re-prioritize future Capital Projects in Years 2-5 as necessary and seek grant/alternative funding opportunities, where available.

The Capital Projects Fund includes the following activities:

- Beach Avenue Asphalt Resurfacing – Phase 3 in Year 1.
- Renovation of the Public Works Garage Project in Year 1.

- **Tree Purchases in Years 1 through 5.**
- **Village Hall Generator in the amount of \$150,000, grant funded, illustrated in the revenues and expenditures. The remaining \$50,000 required for the local match is included in the Emergency Telephone Fund.**
- **The Sidewalk Program in Years 1-5. Prior to the current fiscal year, this program was previously budgeted in the MFT Fund.**
- **Area Pavement Patches – Pilot Program in Years 1-5 (program will be evaluated after Year 1).**
- **School Zone / Crosswalk Restriping in Years 1, 3, and 5.**
- **Beach Avenue Asphalt Resurfacing – Phase 4 in Year 2.**
- **Interior Repair in the Police Department (floors and walls) in Year 2**
- **Street Reconstruction of Cleveland Avenue in Year 3**
- **Street Reconstruction of Harding (La Grange Road, west to Brainard) in Year 4. Ideally, this project would be grant funded as a LAPP grant through the WCMC. The Village must confirm that this area is a designated FAU route. LAPP grants are funded at 80/20%.**
- **Street Reconstruction of Edgewood (Ogden to Harding, east to Brainard) in Year 5. Ideally, this project would be grant funded as a LAPP grant through the WCMC. The Village must apply to re-designate Edgewood as a FAU route. LAPP grants are funded at 80/20%.**

Please note that Years 4 and 5 include significant expenditures for village equipment / vehicles. The Village will have to closely monitor the Five Year Plan and may wish to consider whether street resurfacing can be put on hold in Year 4 or 5 to allow for the purchase of much needed equipment.

Finally, included in Years 3, 4 and 5 are the first three of five reserves for the purchase of a Fire Department ladder truck, which has an estimated total cost of \$1 million. Five consecutive yearly reserves are required to position the Village for the purchase of that equipment in FY 19/20, when our existing ladder truck is 30 years old. The Village continues to seek grant funding or intergovernmental sharing to help offset the entire cost of the ladder truck. Further, the Fire Department will take a look at possible funding options for that future purchase.

THIS PAGE INTENTIONALLY LEFT BLANK

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
CAPITAL PROJECTS FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-15 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Grants	812,702	60,000	600,000	0	0	1,295,840	653,500
Interest on Investments	500	300	300	300	300	300	300
Reim. from Sewer Fund	38,200	38,200	39,340	43,466	44,770	46,113	47,498
Trf. from General Fund	<u>576,340</u>	<u>576,340</u>	<u>180,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	1,427,742	674,840	819,640	43,766	45,070	1,342,253	701,298
Expenditures							
Street Resurfacing	0	10,000	213,460	265,000	333,900	1,370,840	732,900
Sidewalks, C & G	50,000	24,000	30,000	40,000	45,000	40,000	40,000
Public Bldgs. & Grounds	1,107,500	240,000	845,400	0	0	0	0
31st Street Projects	98,000	98,000	0	0	0	0	0
Administration Eqpt.	22,200	19,200	9,400	15,200	18,200	21,200	28,200
Police Eqpt.	52,000	52,000	29,600	103,000	0	60,000	62,000
Fire Eqpt.	12,226	12,226	15,426	63,730	281,000	445,000	831,400
Public Works Eqpt.	0	200	36,950	0	60,000	267,500	0
Building Equipment	0	1,200	0	8,240	27,800	0	0
Tree Purchases	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>	<u>10,000</u>	<u>15,000</u>	<u>15,000</u>
Total Expenditures	1,366,926	471,826	1,195,236	505,170	775,900	2,219,540	1,709,500
Surplus / (Deficit)	70,816	203,014	(375,596)	(461,404)	(730,830)	(877,287)	(1,008,204)
Beginning Cash & Investment Balance	76,696	242,185	445,199	69,603	(391,801)	(1,122,631)	(1,999,918)
Ending Cash & Investment Balance	<u>147,512</u>	<u>445,199</u>	<u>69,603</u>	<u>(391,801)</u>	<u>(1,122,631)</u>	<u>(1,999,918)</u>	<u>(3,008,122)</u>
Standard Cash & Investment Balance	356,936	168,710	54,910	10,942	11,267	335,563	175,324
Over (Under)	(209,424)	276,489	14,693	(402,743)	(1,133,898)	(2,335,481)	(3,183,446)

EMERGENCY TELEPHONE FUND

The Emergency Telephone System Fund (ETSF) was established to account for the proceeds of the telephone 9-1-1 surcharge. The purpose of the fund is to provide the resources necessary to maintain the Village's 9-1-1 emergency communications system and equipment.

Expenses in this fund are used to maintain, repair, and replace the Village's emergency communications equipment. Other expenses in the fund include a transfer of money to the General Fund for some of the personnel costs related to emergency communications. Year 1 reflects a \$50,000 expense for the local share and 25% match of the \$150,000 Pre-disaster Mitigation Grant for the new emergency generator at Village Hall. This has been re-budgeted from the current fiscal year as the grant is still being processed.

**VILLAGE OF LA GRANGE PARK
FIVE YEAR FINANCIAL PLAN
EMERGENCY TELEPHONE FUND**

	FY 12-13 Budget YEAR 0	FY 12-13 Est. Actual YEAR 0	FY 13-14 Proj YEAR1	FY 14-16 Proj. YEAR 2	FY 15-16 Proj. YEAR 3	FY 16-17 Proj. YEAR 4	FY 17-18 Proj. YEAR 5
Revenues							
Local Tax	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Miscellaneous Revenue	<u>6,500</u>	<u>8,000</u>	<u>6,200</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>
Total Revenues	136,500	138,000	136,200	136,500	136,500	136,500	136,500
Expenditures							
Services	64,000	66,000	82,000	70,018	72,120	74,283	76,512
Capital Outlay	50,000	0	72,500	0	0	0	0
Supplies	500	500	500	500	500	500	500
Other Expenses	0	0	0	0	0	0	0
Interfund Transfer	34,000	34,000	35,000	37,080	38,182	39,338	40,518
Total Expenditures	148,500	100,500	200,000	107,598	110,812	114,121	117,530
Surplus / (Deficit)	(12,000)	37,500	(63,800)	28,901	25,688	22,379	18,970
Beginning Cash & Investment Balance	96,523	177,270	214,770	150,870	179,871	205,559	227,938
Ending Cash & Investment Balance	<u>84,523</u>	<u>214,770</u>	<u>150,870</u>	<u>179,871</u>	<u>205,559</u>	<u>227,938</u>	<u>246,908</u>
Standard Cash & Investment Balance	34,125	34,500	34,050	34,125	34,125	34,125	34,125
Over (Under)	50,398	180,270	116,920	145,746	171,434	193,813	212,783

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION II

SECTION II

Section II lists all of the projects proposed to be funded within the time frame covered by the Five-Year Plan. The first two tables indicate the cost of any specific item in any given year regardless of funding source. For example, under the Police Department it is anticipated that over the next five years \$275,000 will be spent to replace squad cars and complete some interior building repair (\$28,000 in Year 1, \$103,000 in Year 2, \$0 in Year 3, \$60,000 in Year 4, and \$62,000 in Year 5).

The next five pages of Section II detail proposed capital expenses for each fiscal year by funding source. For example, in Year 1, under "Streets & Infrastructure – Beach – Phase 3", \$225,000 will be contributed by MFT and the Capital Projects Fund will contribute \$70,460 for a total construction cost of \$305,460. Additional project costs for Beach Avenue Water and Sewer Main Replacement are budgeted under those subheadings.

This type of presentation provides the Board with a more general overview on the first two pages of Section II and greater detail as the reader delves more deeply into the contents of the plan document.

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS**

ITEM	YEAR 0 Budget FY 12-13	YEAR 0 Est. Act. FY 12-13	YEAR 1 Projected FY 13-14	YEAR 2 Projected FY 14-15	YEAR 3 Projected FY 15-16	YEAR 4 Projected FY 16-17	YEAR 5 Projected FY 17-18	MULTI-YEAR PLAN TOTAL
Administration:								
Computer Replacements	7,900	7,900	11,200	9,700	11,200	19,200	11,200	62,500
Computer Network Equipment	5,100	5,100	6,200	5,500	7,000	2,000	2,000	22,700
Village Hall Maintenance							15,000	15,000
Sub-Total	13,000	13,000	17,400	15,200	18,200	21,200	28,200	100,200
Police:								
Vehicle Replacement	52,000	52,000	28,000	58,000		60,000	62,000	208,000
Net West Narrowbanding	22,500	19,000						0
PD Garage Doors and Floor			22,000					22,000
PD Painting / Wall Repair				15,000				15,000
PD Carpeting & Floors				30,000				30,000
Sub-Total	74,500	71,000	50,000	103,000	0	60,000	62,000	275,000
Fire:								
Turnout Gear Replacement	12,226	12,226	12,226	13,000	13,000	13,400	13,400	65,026
Ongoing Hose Replacement	5,000	5,000		5,800		6,600		12,400
EMS Laptops				10,300				10,300
Five inch Hose Conversion				34,630				34,630
Monitor / Defib Replacements					65,000			65,000
Ladder Truck Replacement					203,000	203,000	203,000	609,000
Fire Station 2 Roof Replace						45,000		45,000
Thermal Imagers 4244/4222								0
Station Apparatus Bays Clean / Paint						20,000		20,000
Fire Station Floors / Lockers						85,000		85,000
Vehicle Mobile Data Terminals						55,000		55,000
FD Software Replacement						17,000		17,000
Ambulance 1214 Replacement							215,000	215,000
1992 Pumper Replacement							400,000	400,000
Sub-Total	17,226	17,226	12,226	63,730	281,000	445,000	631,400	1,633,356
Public Works:								
Tree Purchases	15,000	15,000	15,000	10,000	10,000	15,000	15,000	65,000
Director Vehicle - Ford F150			35,000					35,000
Replace Dump Body on 2 1/2 Truck			10,000					10,000
Repl 2000 JD Backhoe					100,000			100,000
Repl 2000 JD Fmt End Loader					120,000			120,000
Repl 1996 1 1/2 Ton						70,000		70,000
Repl 2000 JD Skid Steer Loader						40,000		40,000
Replace Street Sweeper						185,000		185,000
Sub-Total	15,000	15,000	60,000	10,000	230,000	310,000	15,000	625,000
Building:								
MSI Program Upgrades				8,240				8,240
Vehicle Replacement					27,800			27,800
Generator for Village Hall	200,000	0	200,000					200,000
Sub-Total	200,000	0	200,000	8,240	27,800	0	0	236,040

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS**

ITEM	YEAR 0 Budget FY 12-13	YEAR 0 Est. Act. FY 12-13	YEAR 1 Projected FY 13-14	YEAR 2 Projected FY 14-15	YEAR 3 Projected FY 15-16	YEAR 4 Projected FY 16-17	YEAR 5 Projected FY 17-18	MULTI-YEAR PLAN TOTAL
Streets & Infrastructure:								
Sidewalk Slabjacking	10,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000
Sdwlk/Curb Repl	40,000	40,000	20,000	30,000	35,000	30,000	30,000	145,000
Beach Ave Parking Lot	99,000	100,000						0
School Zone/Crosswalk Restriping			10,000		10,000		10,000	30,000
Street Paving - Beach 3 & 4			305,460	306,000				611,460
Engineering - Beach 3 & 4			58,000	59,000				117,000
Area Pavement Patches			75,000	75,000	75,000	75,000	75,000	375,000
Street Reconstruction - Cleveland Ave					572,000			572,000
Engineering - Cleveland Street Reconst					98,900			98,900
Harding Reconstruct (GRANT)						1,396,400		1,396,400
Harding Engineering						223,400		223,400
Edgewood Reconstruct (GRANT)							698,200	698,200
Edgewood Engineering							111,740	111,740
Sub-Total	149,000	150,000	478,460	480,000	600,900	1,734,800	934,940	4,429,100
Water:								
So. La Grange Rd. Water Main	775,000	244,876	464,000					464,000
So. La Grange Rd. (Engineering)	115,000	105,000	48,000					46,000
Beach Avenue 3 & 4			276,000	277,000				553,000
Water Main Relocation @ Oak			53,200					53,200
No. La Grange Rd. Water Main				425,000	428,000			853,000
No. La Grange Rd. (Engineering)				63,750	65,000			128,750
Repl 1983 Sulair Air Compressor					20,000			20,000
Wir Main Rol						520,000	520,000	1,040,000
Engineering			74,800	45,000		80,000	80,000	279,800
Sub-Total	890,000	349,876	814,000	810,750	513,000	600,000	600,000	3,437,750
Sewer:								
Engineering	15,000	15,000	65,200	45,500	57,500	15,000	65,000	248,200
Sewer Televising & Cleaning	50,000	50,000	40,000	50,000	25,000	50,000	40,000	205,000
Sewer Point Repairs	100,000	100,000	40,000	75,000	50,000	100,000	75,000	340,000
Catch Basin & Sewer Repair	20,000	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Sewer Lining			225,000	0	250,000	0	245,000	720,000
Beach Avenue 3 & 4			28,500	29,000				57,500
Stormwater Mgmt Project				150,000				150,000
Stormwater Mgmt Engineering				25,000				25,000
Sub-Total	185,000	185,000	418,700	384,500	402,500	185,000	445,000	1,846,700
Other Projects:								
Public Works Building	1,245,000	100,000	900,000					900,000
Relocate water/sewer main to DPW building	75,000	0	0					0
Relocate electric lines to DPW building	50,000	0	0					0
Fire Suppression for PW Buildings			62,000					62,000
Sub-Total	1,370,000	100,000	962,000	0	0	0	0	962,000
TOTAL	2,913,728	901,102	3,112,786	1,885,420	2,273,400	3,388,000	2,916,540	13,544,146

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS
YEAR 1 - FY 2013-14**

	General Fund	2004 Debt Service	Water Fund	MFT	Sewer Fund	Capital Projects Fund	EMGCY Telephone Fund	Total
Administration:								
Computer Replacements						11,200		11,200
Computer Network Equipment						6,200		6,200
Village Hall Maintenance						0		0
Sub-Total	0	0	0	0	0	17,400	0	17,400
Police:								
Vehicle Replacement (1) - Reduced from (2)								
PD Garage Doors and Floor						28,000		28,000
Sub-Total	0	0	0	0	0	22,000	0	22,000
						60,000	0	60,000
Fire:								
Turnout Gear Replacement								
						12,226		12,226
Sub-Total	0	0	0	0	0	12,226	0	12,226
Public Works:								
Tree Purchases								
Director Vehicle - Ford F150			8,750			15,000		15,000
Replace Dump Body on 2 1/2 Truck			2,500			26,250		35,000
Sub-Total	0	0	11,250	0	0	7,500	0	10,000
						48,750	0	60,000
Building:								
Generator for Village Hall								
Sub-Total	0	0	0	0	0	150,000	50,000	200,000
						180,000	50,000	200,000
Streets & Infrastructure:								
Sidewalk Slabacking								
Sdwik/Curb Repl						10,000		10,000
School Zone/Crosswalk Restriping						20,000		20,000
Beach Avenue - Phase 3				235,000		10,000		10,000
Beach Ave 3 - Engineering						70,460		305,460
Area Paving Patches - Pilot						58,000		58,000
Sub-Total	0	0	0	235,000	0	75,000	0	75,000
						243,460	0	478,460
Water:								
So. La Grange Rd. Water Main (non grant funded portion)								
Beach Avenue 3 - Water			464,000					464,000
Water Main Relocation @ Oak			276,000					276,000
Engineering			53,200					53,200
Sub-Total	0	0	914,000	0	0	0	0	120,800
						0	0	914,000
Sewer:								
Sewer Televising & Cleaning								
Sewer Point Repairs					40,000			40,000
Catch Basin & Sewer Repair					40,000			40,000
Engineering					20,000			20,000
Beach Avenue 3					65,200			65,200
Sewer Lining					28,500			28,500
Sub-Total	0	0	0	0	225,000	0	0	225,000
					418,700	0	0	418,700
Other Projects:								
Renovate Public Works Building								
Fire Supression for PW Buildings			180,000		90,000	630,000		900,000
Sub-Total	0	0	182,400	0	96,200	43,400	0	62,000
					96,200	673,400	0	662,000
TOTAL	0	0	1,117,650	235,000	614,900	1,195,236	50,000	3,112,786

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS
YEAR 2 - FY 2014-15**

	General Fund	2004 Debt Service	Water Fund	MFT	Sewer Fund	Capital Projects Fund	EMGCY Telephone Fund	Total
Administration:								
Computer Replacements								
Computer Network Equipment						9,700		9,700
Sub-Total	0	0	0	0	0	5,500	0	5,500
						15,200	0	15,200
Police:								
Vehicle Replacement (2)						58,000		58,000
PD Painting / Wall Repair						15,000		15,000
PD Carpeting & Floors						30,000		30,000
Sub-Total	0	0	0	0	0	103,000	0	103,000
Fire:								
Turnout Gear Replacement						13,000		13,000
Ongoing Hose Replacement						5,800		5,800
EMS Laptop Replacement						10,300		10,300
Five Inch Hose Conversion						34,630		34,630
Sub-Total	0	0	0	0	0	63,730	0	63,730
Public Works:								
Tree Purchases						10,000		10,000
Sub-Total	0	0	0	0	0	10,000	0	10,000
Building:								
MSI Program Upgrades						8,240		8,240
Sub-Total	0	0	0	0	0	8,240	0	8,240
Streets & Infrastructure:								
Sidewalk Slabjacking						10,000		10,000
Sdwlk/Curb Repl						30,000		30,000
School Zone/Crosswalk Restriping						0		0
Beach Avenue - Phase 4				175,000		131,000		306,000
Beach Ave 4 - Engineering						59,000		59,000
Area Paving Patches						75,000		75,000
Sub-Total	0	0	0	175,000	0	305,000	0	480,000
Water:								
No. La Grange Rd. Water Main			425,000					425,000
No. La Grange Rd. (Engineering)			63,750					63,750
Beach Avenue 4 - Water			277,000					277,000
Beach Avenue 4 - Engineering			45,000					45,000
Sub-Total	0	0	810,750	0	0	0	0	810,750
Sewer:								
Sewer Televising & Cleaning					50,000			50,000
Sewer Point Repairs					75,000			75,000
Catch Basin & Sewer Repair					20,000			20,000
Engineering					15,000			15,000
Stormwater Mgmt Project					150,000			150,000
Stormwater Mgmt Engineering					25,000			25,000
Beach Avenue 4 - Sewer					29,000			29,000
Beach Avenue 4 - Engineering					5,500			5,500
Sub-Total	0	0	0	0	389,500	0	0	389,500
Other Projects:								
								0
Sub-Total	0	0	0	0	0	0	0	0
TOTAL	0	0	810,750	175,000	389,500	505,170	0	1,860,420

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS
YEAR 3 - FY 2015-16**

	General Fund	2004 Debt Service	Water Fund	MFT	Sewer Fund	Capital Projects Fund	EMGCY Telephone Fund	Total
Administration:								
Computer Replacements						11,200		11,200
Computer Network Equipment						7,000		7,000
Village Hall Maintenance								0
Sub-Total	0	0	0	0	0	18,200	0	18,200
Police:								
Vehicle Replacement (0) - reduced from 3						0		0
Sub-Total	0	0	0	0	0	0	0	0
Fire:								
Turnout Gear Replacement						13,000		13,000
Monitor/Defibrillator Replacements						65,000		65,000
Ladder Truck Replacement - (1 of 5)						203,000		203,000
Sub-Total	0	0	0	0	0	281,000	0	281,000
Public Works:								
Tree Purchases						10,000		10,000
Repl 2000 JD Backhoe			100,000					100,000
Repl 2000 JD Front End Loader			60,000			60,000		120,000
Sub-Total	0	0	160,000	0	0	70,000	0	230,000
Building:								
Vehicle Replacement						27,800		27,800
Sub-Total	0	0	0	0	0	27,800	0	27,800
Streets & Infrastructure:								
Sidewalk Slabjacking						10,000		10,000
Sdwlk/Curb Repl						35,000		35,000
School Zone/Crosswalk Restriping						10,000		10,000
Street Reconstruction - Cleveland Ave			30,000	305,000	87,000	150,000		572,000
Engineering - Street Reconstruction						98,900		98,900
Area Paving Patches						75,000		75,000
Sub-Total	0	0	30,000	305,000	87,000	378,900	0	800,900
Water:								
No. La Grange Rd. Water Main			428,000					428,000
No. La Grange Rd. (Engineering)			65,000					65,000
Repl 1983 Sulfair Air Compressor			20,000					20,000
Sub-Total	0	0	513,000	0	0	0	0	513,000
Sewer:								
Sewer Televising & Cleaning					25,000			25,000
Sewer Point Repairs					50,000			50,000
Catch Basin & Sewer Repair					20,000			20,000
Engineering					7,500			7,500
Sewer Lining					250,000			250,000
Engineering - Sewer Lining					50,000			50,000
Sub-Total	0	0	0	0	402,500	0	0	402,500
Other Projects:								
Sub-Total	0	0	0	0	0	0	0	0
TOTAL	0	0	703,000	305,000	489,500	775,900	0	2,273,400

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS
YEAR 4 - FY 2016-17**

	General Fund	2004 Debt Service	Water Fund	MFT	Sewer Fund	Capital Projects Fund	EMGCY Telephone Fund	Total
Administration:								
Computer Replacements						19,200		19,200
Computer Network Equipment						2,000		2,000
Village Hall Maintenance						0		0
Sub-Total	0	0	0	0	0	21,200	0	21,200
Police:								
Vehicle Replacement (2) - reduced from (3)						60,000		60,000
Sub-Total	0	0	0	0	0	60,000	0	60,000
Fire:								
Turnout Gear Replacement						13,400		13,400
Ongoing Hose Replacement						6,600		6,600
Ladder Truck Replacement - (2 of 5)						203,000		203,000
Fire Station 2 Roof Replacement						45,000		45,000
Station Apparatus Bays Clean / Paint						20,000		20,000
Fire Station Floors / Lockers						85,000		85,000
Vehicle Mobile Data Terminals						55,000		55,000
FD Software Replacement - Reduced by \$3K						17,000		17,000
Thermal Imagers (Removed - was \$10,500)						0		0
Sub-Total	0	0	0	0	0	445,000	0	445,000
Public Works:								
Tree Purchases						15,000		15,000
Repl 2000 JD Skid Steer Loader			10,000			30,000		40,000
Replace Street Sweeper						185,000		185,000
Replace 1 1/2 Ton Truck			17,500			52,500		70,000
Sub-Total	0	0	27,500	0	0	282,500	0	310,000
Building:								
Sub-Total	0	0	0	0	0	0	0	0
Streets & Infrastructure:								
Sidewalk Slabjacking						10,000		10,000
Sdwlk/Curb Repl						30,000		30,000
School Zone/Crosswalk Restriping						0		0
Street Reconstruction - Harding (GRANT)			13,965	223,425	41,890	1,117,120		1,396,400
Harding Engineering				44,680		178,720		223,400
Area Paving Patches						75,000		75,000
Sub-Total	0	0	13,965	268,105	41,890	1,410,840	0	1,734,800
Water:								
Watermain Replacement			520,000					520,000
Watermain Engineering			80,000					80,000
Sub-Total	0	0	600,000	0	0	0	0	600,000
Sewer:								
Sewer Televising & Cleaning					50,000			50,000
Sewer Point Repairs					100,000			100,000
Catch Basin & Sewer Repair					20,000			20,000
Engineering					15,000			15,000
Sub-Total	0	0	0	0	185,000	0	0	185,000
Other Projects:								
Sub-Total	0	0	0	0	0	0	0	0
TOTAL	0	0	641,465	268,105	226,890	2,219,640	0	3,356,000

**VILLAGE OF LA GRANGE PARK
MULTI-YEAR CAPITAL PROJECTS
YEAR 5 - FY 2017-18**

	General Fund	2004 Debt Service	Water Fund	MFT	Sewer Fund	Capital Projects Fund	EMGCY Telephone Fund	Total
Administration:								
Computer Replacements						11,200		11,200
Computer Network Equipment						2,000		2,000
Village Hall Maintenance						15,000		15,000
Sub-Total	0	0	0	0	0	28,200	0	28,200
Police:								
Vehicle Replacement (2)						62,000		62,000
Sub-Total	0	0	0	0	0	62,000	0	62,000
Fire:								
Turnout Gear Replacement						13,400		13,400
Ladder Truck Replacement - (3 of 5)						203,000		203,000
Ambulance 1214 Replacement						215,000		215,000
1992 Pumper Replacement						400,000		400,000
Sub-Total	0	0	0	0	0	831,400	0	831,400
Public Works:								
Tree Purchases						15,000		15,000
Sub-Total	0	0	0	0	0	15,000	0	15,000
Building:								
Sub-Total	0	0	0	0	0	0	0	0
Streets & Infrastructure:								
Sidewalk Slabjacking						10,000		10,000
Sdwik/Curb Repl						30,000		30,000
School Zone/Crosswalk Restriping						10,000		10,000
Edgewood Reconstruction (GRANT)			6,900	111,800	21,000	558,500		698,200
Edgewood Engineering				22,340		89,400		111,740
Area Pavement Patches						75,000		75,000
Sub-Total	0	0	6,900	134,140	21,000	772,900	0	934,940
Water:								
Watermain Replacement			520,000					520,000
Watermain Engineering			80,000					80,000
Sub-Total	0	0	600,000	0	0	0	0	600,000
Sewer:								
Sewer Televising & Cleaning					40,000			40,000
Sewer Point Repairs					75,000			75,000
Engineering					15,000			15,000
Catch Basin & Sewer Repair					20,000			20,000
Sewer Lining					245,000			245,000
Engineering - Sewer Lining					50,000			50,000
Sub-Total	0	0	0	0	445,000	0	0	445,000
Other Projects:								
Sub-Total	0	0	0	0	0	0	0	0
TOTAL	0	0	606,900	134,140	466,000	1,708,500	0	2,916,540

NOTE:

**DRAFT BUDGET
FY13-14
UNDER SEPARATE
COVER**

Public Works Garage Committee

Scott Mesick, Chairman

LaVelle Topps

Krista Grimm

Village Board Agenda Memo

Date: March 7, 2013

To: President and Board of Trustees

From: Brendan McLaughlin, Public Works Director *BSM*
Julia Cedillo, Village Manager *JC*

RE: Public Works Garage – Design/Build Agreement

Purpose: To present a Guaranteed Maximum Price Design-Build Agreement between the Village of La Grange Park and Leopardo Companies, Inc. for the completion of the renovations to the Public Works Building located at 937 Barnsdale Road. A second purpose is to provide the Village Board with the current status of the project and the next steps that will move the project toward completion. Finally, direction is requested from the Village Board regarding inclusion of a fire suppression system.

Background: Upon determining that a partial demolition and new construction at the Public Works site was not desirable from a cost to benefit perspective, the Village Board authorized staff to pursue a design-build renovation of the existing building. Requests for Proposals were sought and Leopardo was selected as the firm whose experience and qualifications best met the needs for this project. Leopardo was authorized to proceed with design work and to return with a “not to exceed” contract when the design was finalized.

Discussion: Design is now complete and cost estimates have been prepared based on this design. The scope of work includes hazardous waste abatement, major masonry repairs, roof replacement and new windows. For cost reasons, build-out in the basement and central air conditioning was scrapped. A new locker room and ADA compliant bathrooms will occur on the first floor. One stall from the garage area will be taken out of service with this design. Representatives from Leopardo will attend the work session to provide an overview of the project and address any questions or concerns.

At this time, the project is estimated to cost \$1,055,611. Recognizing this is higher than the one million dollars previously recommended by staff, Leopardo will continue to refine the scope and budget in an effort to meet that target. Leopardo is confident that the one million dollar budget can be met, especially when the project shifts from budget estimates to receiving formal bids from the various trades.

It should be noted that the cost estimate does include \$56,906 or 6% in construction contingency. Also, the total project cost is below the \$1,370,000 originally budgeted for construction of a new building, partial demolition of the existing building and the required water and sewer pipe relocations. If sprinklers are included in this building, the total project savings will be \$315,000 by going with a renovation over new construction.

Should the Village Board approve the Design-Build Agreement, Leopardo will move forward with preparing detailed scoping documents for soliciting bids from subcontractors. They will also prepare construction drawings for permitting. Staff will seek a revision to the grant awards from the state of Illinois to reflect the change in scope. Based on the current schedule, construction would begin on May 10th.

Included in the packet for the work session is a standard Design-Build Agreement from the Design Build Institute of America with modifications requested by Leopardo. This agreement has not been reviewed by the Village Attorney in time for the work session. It will be finalized and reviewed for the March Village Board meeting.

The building renovations do not trigger the requirement for sprinklers under the National Building Code or under the local amendments made to that code. However, the Village does have a tremendous amount of assets stored in the Public Works Garage. Staff would recommend that the Village Board consider adding an additional \$55,000 to the project budget to bring a larger water service to the building and install sprinklers throughout.

MOTION / ACTION REQUESTED

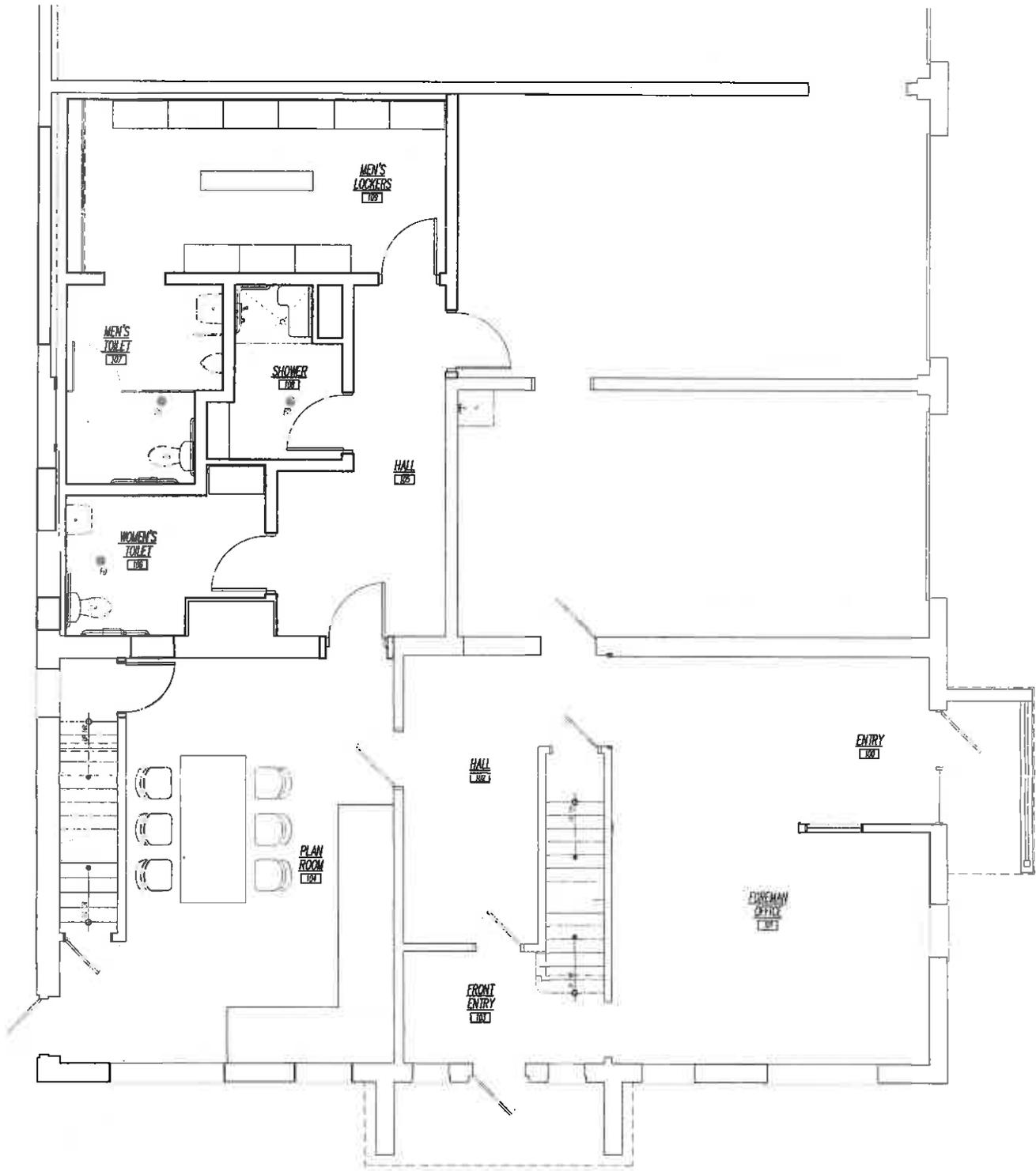
To approve a Guaranteed Maximum Price Design-Build Agreement with Leopardo Construction not to exceed one million dollars, to authorize staff to seek amendments to the grant agreements with the state of Illinois to reflect the revised scope and to authorize staff to pursue a fire suppression system as part of the project scope at a cost not to exceed \$55,000.

RECOMMENDATION

Staff recommends approving a Guaranteed Maximum Price Design-Build Agreement with Leopardo Construction not to exceed one million dollars, authorizing staff to seek amendments to the grant agreements with the state of Illinois to reflect the revised scope and authorizing staff to pursue a fire suppression system as part of the project scope at a cost not to exceed \$55,000.

DOCUMENTATION

- Renovation Design Plan
- DRAFT Design-Build Contract (subject to legal review)
- Project Schedule
- Cost Estimate



Partial First Floor Plan

Scale: 3/16"=1'-0"



MITCHELL ASSOCIATES
 architects p.c.
 805 w hillgrove avenue
 suite 10
 lagrange illinois 60525
 708.552.8100
 fax 708.552.8230



LaGrange Park Public Works
 February 1, 2013

DBIA



**DESIGN-BUILD
INSTITUTE OF AMERICA**

Standard Form of Agreement Between Owner and Design-Builder Cost Plus Fee with an Option for a Guaranteed Maximum Price

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

This **AGREEMENT** is made as of the _____ day of _____
in the year of _____, by and between the following parties, for services in connection with the Project
identified below:

OWNER:

(Name and address)

DESIGN-BUILDER:

(Name and address)

Leopardo Companies, Inc.

*5200 Prairie Stone Parkway
Hoffman Estates, IL 60192*

PROJECT:

*(Include Project name and location
as it will appear in the Contract
Documents)*

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder
agree as set forth herein.

Article 1
Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and ~~reasonably inferable from~~ in accordance with the Contract Documents.

Article 2
Contract Documents

2.1 The Contract Documents are comprised of the following:

- .1 All written modifications, amendments (including, as applicable, the GMP Exhibit referenced in Section 6.5.1.1 hereof or the GMP Proposal accepted by Owner in accordance with Section 6.5.2 hereof) and change orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (1998 Edition) ("General Conditions of Contract") as modified;
- .2 This Agreement, including all exhibits (~~but excluding, if applicable, the GMP Exhibit~~) and attachments;
- .3 ~~Written Supplementary Conditions, if any, to the General Conditions of Contract;~~
- .4 The General Conditions of Contract;
- .5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract;
- .6 Owner's Project Criteria; and

2.1.6.1 In Owner's Project Criteria, Owner shall set forth in detail Owner's program requirements and objectives for the Project including use, space, target price, target time, space requirements and relationships, site information (including subsurface investigations), flexibility/expandability, operation and maintenance and special systems or equipment requirements.

- .7 The following other documents, if any: *(List, for example, Unit Price Schedules, Design-Builder's allowances, Performance Standard Requirements, Owner's Permit List and any other document Owner and Design-Builder elect to make a Contract Document)*

.1 Design-Builder's Proposal (but any provision of Design-Builder's Proposal expressly excluded by Article 11 of this Agreement shall not be a part of the Contract Documents) attached as Exhibit A.

Article 3

Interpretation and Intent

3.1 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price subject to adjustments for the reasons and in the amounts set forth elsewhere in this Agreement and the Contract Documents. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof, except that Design-Builder's Proposal shall have the highest priority.

3.2 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.3 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 4

Ownership of Work Product

4.1 Work Product. All drawings, specifications and other documents and electronic data furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including the copyrights thereto.

4.2 Owner's Limited License Upon Payment in Full. Upon Design-Builder's written affirmation of Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties").

~~**4.3 Owner's Limited License Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate.** If Owner terminates the Project for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, conditioned on the following:~~

~~.1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; and~~

~~.2 Owner agrees to pay Design-Builder the additional sum of _____ Dollars (\$ _____) as compensation for the right to use the Work Product in accordance with this Article 4 if Owner resumes the Project through its employees, agents, or third parties.~~

4.4 Owner's Limited License Upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract and (i) it is

determined by a court of competent jurisdiction or, if arbitration is the parties' selected dispute resolution, upon confirmation of any arbitration award in which it was determined that Design-Builder was in default and (ii) Owner has fully satisfied all of its obligations under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's completion and occupancy of the Project. This limited license is conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to any Indemnified Party.

4.5 Owner's Indemnification for Use of Work Product. If Owner uses the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use of the Work Product.

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days after the last of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") ~~unless the parties mutually agree otherwise in writing.~~

(a) Owner's Project Criteria setting forth in detail Owner's program requirements and objectives for the Project including use, space, target price, target time, space requirements and relationships, site information (including subsurface investigations), flexibility/expandability, operation and maintenance and special systems or equipment requirements; (b) Owner's separate written warranty that Owner has completed any necessary hazardous substances removal or abatement work; (c) written confirmation that project financing is in place sufficient to ensure payment of the entire Contract Sum timely and in full accordance with the payment terms of this Agreement to the reasonable satisfaction of Design-Builder; (d) Owner's payment of Pre-Construction Services, if any; and (e) an original of this Agreement and the other Contract Documents executed by Owner.

5.2 Substantial Completion and Final Completion

5.2.1 Design-Builder shall use Design-Builder's best efforts to achieve Substantial Completion of the entire Work shall be achieved no later than _____
(_____) calendar days after the Date of Commencement ("Scheduled Substantial Completion Date").

~~**5.2.2** Interim milestones and/or Substantial Completion of identified portions of the Work shall be achieved as follows: *(Insert any interim milestones for portions of the Work with different scheduled dates for Substantial Completion)*~~

5.2.2 Substantial Completion is the stage in the progress of the Work of the earliest when (a) the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use, or (b) any of a temporary, conditional or permanent certificate of occupancy is issued by the governing authorities, or (c) the final governmental inspection to issue a temporary, conditional or permanent certificate of occupancy occurs where the certificate is not issued as a result other than for Design-Builder's failure to design in accordance with applicable law or to install Work in accordance with the Contract Documents.

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable.

5.2.4 All of the dates set forth in this Article 5 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract, and subparagraph 5.2.4.1 of this Agreement.

5.2.4.1 If Design-Builder is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or of a separate contractor employed by the Owner, or by changes ordered in the work or by delays in the approval of changes in the Work, or by the encountering of hazardous substances, or by concealed, unforeseen or subsurface conditions, adverse weather, actions or inactions of governing authorities, or by delay or failure to act of utility services (telephone, cable, electrical, gas, etc.), or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond Design-Builder's control, or by delay authorized by the Owner pending any mediation and any arbitration, or by other causes not caused by Design-Builder, then the Contract Time and Bonus Date each shall be extended by change order.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

~~**5.4 Liquidated Damages.** Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion is not attained by (_____) days after the Scheduled Substantial Completion Date (the "LD Date"), Design-Builder shall pay Owner _____ Dollars (\$ _____) as liquidated damages for each day that Substantial Completion extends beyond the LD Date. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned by any delay in achieving Substantial Completion. (If a GMP is not established upon execution of this Agreement, the parties should consider setting liquidated damages after GMP negotiations. If liquidated damages are applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.4 will need to be modified accordingly.)~~

5.5 Early Completion Bonus. If Substantial Completion is attained on or before _____ (_____) days before the Scheduled Substantial Completion Date (the "Bonus Date"), subject to adjustment in accordance with the General Conditions and subparagraph 5.2.2 of this Agreement Owner shall pay Design-Builder at the time of Final Payment under Section 7.3 hereof an early completion bonus of _____ Dollars (\$ _____) for each day that Substantial Completion is attained earlier than the Bonus Date. *(If a GMP is not established upon execution of this Agreement, the parties should consider setting the early completion bonus after GMP negotiations. If an early completion bonus is applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.5 will need to be modified accordingly.)*

Article 6

Contract Price

6.1 Contract Price

6.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to Design-Builder's Fee (as defined in Section 6.2 hereof) plus the Cost of the Work (as defined in Section 6.3 hereof), subject to any GMP established in Section 6.5 hereof and any adjustments made in accordance with the General Conditions of Contract.

6.1.2 For the specific Work set forth below, Owner agrees to pay Design-Builder, distinct from and in addition to as part of the Contract Price, on the following basis: *(This is an optional section intended to provide the parties with flexibility to identify and price limited preliminary services, such as a lump sum or cost-plus arrangement for preliminary design, programming, or services necessary to enable Design-Builder to furnish Owner with a GMP before execution of this Agreement.)*

Pre-contractual design services	\$ _____
Pre-contractual construction services	\$ _____
Total Pre-Contractual Services	\$ _____

6.2 Design-Builder's Fee

6.2.1 Design-Builder's Fee shall be:

(Choose one of the following:)

Dollars (\$ _____), as adjusted in accordance with Section 6.2.2 below.

or

_____ percent (_____%) of the Cost of the Work, as adjusted in accordance with Section 6.2.2 below.

6.2.2 Design-Builder's Fee will be adjusted as follows for any changes in the Work: *(Insert financial arrangements for adjustments)*

In case of an increase in the Guaranteed Maximum Price, to the sum of the Cost of the Work and the 1.2% Design-Builder's general liability insurance mark-up, add an additional mark-up of 5% and, if applicable, add a bond mark-up of 1% on the sum of the above. In case of a decrease in the Guaranteed Maximum Price, from the sum of the Cost of the Work and the 1.2% Design-Builder's general liability insurance mark-up, subtract 3.5% and, if applicable, subtract an additional 1 % on the sum of the above for bond credit.

6.3 Cost of the Work. The term Cost of the Work shall mean costs reasonably incurred by Design-Builder in the proper performance of the Work. The Cost of the Work shall include only the following:

- .1 Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site, provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.
- .2 Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.
- .3 Wages or salaries of Design-Builder's personnel stationed at Design-Builder's principal or branch offices and performing the following functions. The reimbursable costs of personnel stationed at Design-Builder's principal or branch offices shall include a _____ percent (_____%) markup to compensate Design-Builder for the Project-related overhead associated with such personnel. *(Insert the names, job description or job title of personnel)*

<u>Project Manager</u>	<u>\$/hour</u>
<u>Project Engineer</u>	<u>\$/hour</u>
<u>Superintendent</u>	<u>\$/hour</u>
<u>Project Assistant</u>	<u>\$/hour</u>

- .4 Costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 6.3.1 through 6.3.3 hereof.
- .5 The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work.
- .6 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants or amounts expended by Design-Builder and deducted from Subcontractors or Design Consultants in accordance with the Subcontracts.
- .7 Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work, provided that such defective, damaged or nonconforming Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the gross negligence, of Design-Builder or those working by or through Design-Builder. If the costs associated with such defective, damaged or nonconforming Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise best efforts to obtain recovery from the appropriate source and credit Owner if recovery is obtained.
- .8 Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work or those not used as a result of Owner's changes in the Work.
- .9 Costs less salvage value of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling and removing such items.
- .10 Costs of removal of debris and waste from the Site.
- .11 The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.
- .12 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work at the rental costs incurred by Design-Builder or, in the case of equipment owned by or leased from Design-Builder, in accordance with Design-Builder's equipment schedule.

- .13 Premiums for insurance and bonds required by this Agreement or the performance of the Work and, in the case of adjustments in the Guaranteed Maximum Price, in accordance with subparagraph 6.2.2 above.
- .14 All fuel and utility costs incurred in the performance of the Work.
- .15 Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work.
- .16 Legal costs, court costs and costs of mediation and arbitration reasonably arising from Design-Builder's performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder.
- .17 Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.
- .18 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, including, without limitation, attorneys', consultants', experts' fees, costs and expenses of Design-Build personnel paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.
- .19 Deposits which are lost, except to the extent caused by Design-Builder's negligence.
- .20 Costs incurred in preventing damage, injury or loss in case of an emergency affecting the safety of persons and property.
- .21 Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

6.4 Non-Reimbursable Costs

The following shall be excluded from the Cost of the Work:

- .1 Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 6.3.1, 6.3.2 and 6.3.3 hereof.
- .2 Home Office Overhead and general expenses, except as provided for in Section 6.3 hereof, or which may be recoverable for changes to the Work.
- .3 The cost of Design-Builder's capital used in the performance of the Work.
- .4 If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted or as should be adjusted in accordance with the Contract Documents, to be exceeded.

(The parties shall comply with the following Section 6.5 based upon whether the GMP is agreed upon before the execution of this Agreement or will be developed and agreed upon after execution of this Agreement. If the parties do not use a GMP, this Section 6.5 shall be deemed inapplicable and compensation to Design-Builder shall be based on those fees and costs identified in the balance of this Article 6.)

6.5 The Guaranteed Maximum Price

6.5.1 GMP Established Upon Execution of this Agreement

6.5.1.1 Design-Builder guarantees that it shall not exceed the GMP of _____ Dollars (\$ _____). Design-Builder does not guarantee any specific line item provided as part of the GMP, but agrees that it will be responsible for paying all costs of completing the Work which exceed the GMP, as adjusted in accordance with the Contract Documents. Documents used as a basis for the GMP shall be identified in an exhibit to this Agreement ("GMP Exhibit").

6.5.1.2 The GMP includes a Contingency in the amount of _____ Dollars (\$ _____) which is available for Design-Builder's exclusive use for costs that are incurred in performing the Work that are not included in a specific line item or the basis for a Change Order under the Contract Documents. By way of example, and not as a limitation, such costs include trade buy-out differentials, overtime, acceleration, costs in correcting defective, damaged or nonconforming Work, design errors or omissions and Subcontractor defaults. The Contingency is not available to Owner for any reason, including changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner with a listing notice of all anticipated charges against the Contingency.

6.5.2 GMP Established after Execution of this Agreement

6.5.2.1 GMP Proposal. If requested by Owner, Design-Builder shall submit a GMP Proposal to Owner which shall include the following, unless the parties mutually agree otherwise:

- .1** A proposed GMP, which shall be the sum of:
 - i.** Design-Builder's Fee as defined in Section 6.2.1 hereof;
 - ii.** the estimated Cost of the Work as defined in Section 6.3 hereof, inclusive of any Design-Builder's Contingency as defined in Section 6.5.1.2 hereof; and
 - iii.** if applicable, any prices established under Section 6.1.2 hereof.
- .2** A list of the drawings and specifications, including all addenda, used as the basis for the GMP proposal;
- .3** A list of the assumptions and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the drawings and specifications;
- .4** The Scheduled Substantial Completion Date upon which the proposed GMP is based, to the extent said date has not already been established under Section 5.2 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based;
- .5** If applicable, a list of allowances and a statement of their basis;
- .6** If applicable, a schedule of alternate prices;

- .7 If applicable, a schedule of unit prices;
- .8 If applicable, a statement of Additional Services; and
- .9 The time limit for acceptance of the GMP Proposal.

6.5.2.2 Review and Adjustment to GMP Proposal. After submission of the GMP Proposal, Design-Builder and Owner shall meet to discuss and review the GMP Proposal. If Owner has any comments regarding the GMP Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the GMP Proposal.

6.5.2.3 Acceptance of GMP Proposal. If Owner accepts the GMP Proposal, as may be amended by Design-Builder, the GMP and its basis shall be set forth in an amendment to this Agreement.

6.5.2.4 Failure to Accept the GMP Proposal. If Owner rejects the GMP Proposal, or fails to notify Design-Builder in writing on or before the date specified in the GMP Proposal that it accepts the GMP Proposal, the GMP Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

- .1 Owner may suggest modifications to the GMP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GMP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 6.5.2.3 above;
- .2 Owner may authorize Design-Builder to continue to proceed with the Work on the basis of reimbursement as provided in Section 6.1 hereof without a GMP, in which case all references in this Agreement to the GMP shall not be applicable; or
- .3 Owner may terminate this Agreement for convenience in accordance with Article 8 hereof; provided, however, in this event, Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof except, if construction has proceeded at Owner's direction pending submission and acceptance of a GMP Proposal, then the payment of subparagraph 8.2.1 shall apply.

If Owner fails to exercise any of the above options, Design-Builder shall have the right to (i) continue with the Work as if Owner had elected to proceed in accordance with Item .2 above, and be paid by Owner accordingly, ~~unless and until Owner notifies it in writing to stop the Work,~~ or (ii) suspend performance of Work in accordance with Section 11.3.1 of the General Conditions of Contract, provided, however, that in such event Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof.

6.5.3 Savings

6.5.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows:

(Choose one of the following:)

percent (____%) to Design-Builder and _____ percent (____%)

to Owner.

or

The first _____ Dollars (\$ _____) of Savings shall be provided to
(choose either Design-Builder or Owner) Design-Builder, with the balance of Savings, if any,
shared _____ percent (_____%) to Design-Builder and _____
percent
(_____%) to Owner.

6.5.3.2 Savings shall be calculated and paid as part of Final Payment under Section 7.3 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, Design-Builder shall be entitled to payment from Owner for that portion of such costs that were distributed to Owner as Savings.

Article 7

Procedure for Payment

7.1 Progress Payments

7.1.1 Design-Builder shall submit to Owner on the tenth (10th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

7.1.2 Owner shall make payment within ten (10) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.1.3 If Design-Builder's Fee under Section 6.2.1 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

7.1.4 In the case of changes in the Work, the 1.2% Design-Builder general liability insurance mark-up item and 1% bond mark-up item of subparagraph 6.2.2 above shall be payable in full in the Application for Payment for the month in which the change order adjusting the Guaranteed Maximum Price has been executed by Owner. In addition to any Work in place, Design-Builder's initial Application for Payment may include, and Owner shall pay, general conditions costs incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, safety, estimating, budgeting, purchasing, scheduling, preparation and reproduction of preliminary design documents or Contract Documents, pre-construction services, pre-commencement value engineering, shipping, mobilization, temporary signs and pre-contract legal.

7.2 Retainage on Progress Payments

7.2.1 Owner will retain ten percent (10%) of each Application for Payment provided, however, (1) no retainage shall be held on any Pre-Contractual Services, any design services or any general conditions costs, and (2) that when fifty percent (50%) of the Work has been completed by Design-Builder, Owner will not retain any additional amounts from Design-Builder's subsequent Applications for Payment and shall release to Design-Builder 50% of the retainage held to that date. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

7.2.1.2 When a subcontractor or supplier has achieved 100% completion of that subcontractor's or supplier's Work, Design-Builder may request in the succeeding Application for Payment, Architect shall certify if such completion has been achieved, and Owner shall pay to Contractor, all retainage held on account of such subcontractor's or supplier's Work.

7.2.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to 100% of the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

7.3 **Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within ten (10) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 **Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one percent (1%).

7.5 **Record Keeping and Finance Controls.** Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access from time to time, upon reasonable notice, to Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Owner's right to audit in this Paragraph 7.5 shall not be deemed a condition precedent to or excuse of, Owner's obligation first to make progress payments or final payments despite any request to audit, any audit or the results of any audit.

Article 8

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

- .1 All Pre-Contractual Services, all Work executed and for proven loss, cost or expense in connection with the Work;
- .2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and
- .3 *(Choose one of the following:)*

~~The fair and reasonable sums for overhead and profit on the sum of items .1 and .2 above.~~

or

Overhead and profit in the amount of ten percent (10%) on the sum of items .1 and .2 above.

8.2 In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive one of the following as applicable:

- .1** If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid one percent (1%) of the remaining balance of the Contract Price or, if a GMP has not been established, the remaining balance of the most recent estimated Contract Price.
- .2** If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid two percent (2%) of the remaining balance of the Contract Price or, if a GMP has not been established, the remaining balance of the most recent estimated Contract Price.

8.3 ~~If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof.~~

(The following Article 9 should only be used if the Owner and Design-Builder agree to establish their respective representatives at the time the Agreement is executed rather than during the performance of the Project.)

Article 9

Representatives of the Parties

9.1 Owner's Representatives

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

9.2 Design-Builder's Representatives

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Article 10

Bonds and Insurance

10.1 Insurance. Design-Builder shall procure in accordance with Article 5 of the General Conditions of Contract the following insurance coverages: *(Attach Insurance Schedule indicating the required coverage, amount of required coverage, duration of coverage, required rating of insurance carriers and any other insurance requirements required of the parties)*

SEE ATTACHED INSURANCE SCHEDULE AS EXHIBIT B

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security: *(Indicate the amount of bonds and any other conditions of the bonds or other security)*

SEE ATTACHED BOND SCHEDULE AS EXHIBIT C

Article 11

Other Provisions

11.1 Other provisions, if any, are as follows: *(Insert any additional provisions)*

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

DESIGN-BUILDER:

(Name of Owner)

(Name of Design-Builder)

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

Date: _____

Date: _____

Caution: You should sign an original DBIA document which has this caution printed in blue. An original assures that changes will not be obscured as may occur when documents are reproduced.

DBIA



**DESIGN-BUILD
INSTITUTE OF AMERICA**

Standard Form of General Conditions of Contract Between Owner and Design-Builder

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

Table of Contents

Article 1: General	2
Article 2: Design-Builder's Services and Responsibilities	3
Article 3: Owner's Services and Responsibilities	6
Article 4: Hazardous Conditions and Differing Site Conditions	8
Article 5: Insurance and Bonds.....	10
Article 6: Payment.....	12
Article 7: Indemnification	15
Article 8: Time.....	16
Article 9: Changes to the Contract Price and Time	16
Article 10: Contract Adjustments and Disputes	18
Article 11: Stop Work and Termination for Cause	19
Article 12: Miscellaneous	22

Article 1

General

1.1 Mutual Obligations

1.1.1 Owner and Design-Builder commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.2 Basic Definitions

1.2.1 *Agreement* refers to the executed contract between Owner and Design-Builder under either DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder C Lump Sum* (1998 Edition) or DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder C Cost Plus Fee with an Option for a Guaranteed Maximum Price* (1998 Edition).

1.2.2 *Day* or *Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.3 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder or Subcontractor, to furnish design services required under the Contract Documents.

1.2.4 *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.5 *General Conditions of Contract* refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (1998 Edition).

1.2.6 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.7 *Owner's Project Criteria* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, performance requirements and other Project-specific technical materials and requirements.

1.2.8 *Site* is the land or premises on which the Project is located.

1.2.9 *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

1.2.10 *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.

1.2.11 *Substantial Completion* is the earliest of (a) the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete so that Owner can occupy and use the Project or a portion thereof for its intended purposes, or (b) any of a temporary, conditional or permanent certificate of occupancy is issued by the governing authorities, or (c) the final governmental inspection to issue a temporary, conditional or permanent certificate of occupancy occurs where the certificate is not issued as a result other than for Design/Builder's design error or omission or failure to install Work in accordance with the Contract Documents.

1.2.12 *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from in accordance with the Contract Documents.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services

2.1.1 Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Design-Builder shall provide Owner with a monthly status report detailing the progress of the Work, including whether (i) the Work is proceeding according to schedule, (ii) discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) health and safety issues exist in connection with the Work, and (iv) other items require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.3 Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Owner's review and ~~response~~ information. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be or should have been adjusted in accordance with the Contract Documents. Owner's review of ~~and response to~~ the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.3.1 Design-Builder shall not be obligated to meet interim or milestone dates set forth in Design-Builder's Schedules and shall be liable

only for Design-Builder's failure, as a result of Design-Builder caused delays, to meet the agreed date of Substantial Completion, as modified pursuant to the Contract Documents.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.3 Standard of Care for Design Professional Services

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project. Notwithstanding the preceding sentence, if the parties agree upon specific performance standards for any aspect of the Work, which standards are to be set forth in an exhibit to the Agreement entitled "Performance Standard Requirements," the design professional services shall be performed to achieve such standards.

2.4 Design Development Services

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim

design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any significant changes or deviations from the Contract Documents, or, if applicable, previously submitted design submissions. Minutes of the meetings will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

2.4.3 Owner's review and approval of interim design submissions and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of Owner's Project Criteria and the Work. Neither Owner's review nor approval of any interim design submissions and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner other than the design liability, if any, arising from the Owner's Project Criteria.

2.4.4 To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design

submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits

2.6.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project to the extent of the "Permits and Fees" allowance in Design-Builder's Proposal. Once the actual cost to procure such permits and fees is known, the Guaranteed Maximum Price shall be adjusted by Change Order.

2.6.2 Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

2.7 Design-Builder's Construction Phase Services

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary

supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance.

2.7.4 Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.7.5 Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption provided that Design-Builder shall be entitled to an extension of time and increase to the Guaranteed Maximum Price if coordination with Owner's separate contractors will increase the cost or time of Design-Builder's performance of the Work.

2.7.6 Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent

land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

2.8 Design-Builder's Responsibility for Project Safety

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

2.8.2 Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over

safety-related matters involving the Project or the Work.

2.8.3 Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

2.9 Design-Builder's Warranty

2.9.1 Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work by persons other than Design-Builder or anyone for whose acts Design-Builder may be liable. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

2.9.2 Notwithstanding anything to the contrary contained herein, the Design-Builder's warranty as set forth in subparagraph 2.9.1 shall not apply to any system or equipment which is warranted to the Owner by a manufacturer or supplier. OTHER THAN THE WARRANTY PROVIDED IN SUBPARAGRAPH 2.9.1, DESIGN-BUILDER MAKES NO OTHER WARRANTIES BY THIS AGREEMENT AND DISCLAIMS ANY AND ALL IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES THAT THE PROJECT OR ITS COMPONENTS ARE MERCHANTABILITY, HABITABLE, OR FIT FOR THE PURPOSES INTENDED BY OWNER.

2.10 Correction of Defective Work

2.10.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by the Contract Documents.

2.10.1.2 Owner's sole remedy for breach of the above warranty shall be to require Design-Builder to repair or replace defective workmanship or materials of which Design-Builder is notified in writing within a period of one year after the date of Substantial Completion or any portion of the Work.

2.10.2 Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day periods identified herein shall be deemed inapplicable.

2.10.3 The one year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

Article 3

Owner's Services and Responsibilities

3.1 Duty to Cooperate

3.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents or the orderly progress of the Work.

3.1.2 Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder's schedule.

3.1.3 Owner shall take all actions as requested by Design-Builder to permit Design-Builder to perform this Agreement in an economical and timely manner, including consideration of design modifications and alternative materials or equipment that will permit the Work to be constructed within the Guaranteed Maximum Price (GMP) and by the Dates of Substantial Completion and Final Completion.

3.2 Furnishing of Services and Information

3.2.1 Unless expressly stated to the contrary in the Contract Documents, Owner shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

- .1** Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
- .2** Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;
- .3** Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and

enable Design-Builder to perform the Work;

- .4** A legal description of the Site;
- .5** To the extent available, as-built and record drawings of any existing structures at the Site; and
- .6** To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

3.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

3.3.2 Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations, or which give Design-Builder diminished rights and remedies, than Design-Builder has under the Contract Documents.

3.3.3 The Owner may, without consent of the Design-Builder, assign the Agreement to an institutional lender providing construction financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under the Contract documents. The Design-Builder shall execute all consents reasonably required to facilitate such assignment provided Design-Builder shall not be obligated to execute any such consent which would require Design-Builder to do any of the following: (1) to perform absent cure by Owner's lender or lender's designee of any and all Owner breaches including, without limitation, payment in full of all amounts past due; (2) to perform absent commitment by Owner's lender or lender's designee to honor all of Owner's obligations hereunder after the date of Owner's Lender's assumption; (3) to give Owner's Lender prior notices of change orders increasing the Contract Sum unless an individual change exceeds ten percent (10%) of the Contract Sum before such change order, or if change orders in the aggregate would increase the Contract Sum by twenty percent (20%); (4) to require Design-Builder or any Subcontractor to subordinate its mechanics lien rights to Owner's Lender's mortgage or other security; or (5) otherwise to provide Design-Builder with rights or remedies against Lender which

are less favorable than the rights and remedies which Design-Builder has against Owner under the Contract Documents or at law.

3.4 Owner's Representative

3.4.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work.

3.5 Government Approvals and Permits

3.5.1 Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Owner's Permit List attached as an exhibit to the Agreement.

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

3.5.3 Owner shall furnish water and utilities utilized by the Design-Builder, Subcontractors and Sub-subcontractors in connection with their performance of the Work which shall be paid for by Design-Builder to the extent of the Utilities Allowance when utilized as temporary utilities but, at Design-Builder's option, the water and utilities, or any of them, can be converted to permanent utilities, which shall then be paid for by the Owner.

3.6 Owner's Separate Contractors

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents and without causing Design-Builder to incur any additional costs.

Article 4

Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

4.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii)

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly for any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities subpoenae, citation, penalty and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal, threatened release, release or remediation of Hazardous Conditions at the Site or at any other location (including any further site to which a Hazardous Substance is moved or alleged to have been moved).

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.1.7 Owner shall at all times during the terms of this Agreement be responsible for ensuring compliance with all applicable federal, state, county or local environmental statutes,

all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.4 Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions:

regulations, orders or other laws with respect to any existing or suspected presence at the Project of a "hazardous substance," within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), as amended and any implementing regulations or guidance issued pursuant to CERCLA ("Hazardous Substance"). At the time of the execution of this Agreement, Owner shall notify Design-Builder in writing of the presence or suspected presence at the Project of any Hazardous Substance. If thereafter either Owner or Design-Builder discovers an existing or suspected presence of any Hazardous Substance, they each shall have the duty to notify immediately the other in writing. Notwithstanding any right the Owner may have to order changes in the Work, Owner shall be responsible for, and make all necessary arrangements for, the prompt collection, accumulation, handling, storage, transportation, treatment and disposal of any Hazardous Substance (individually and collectively "Handling of Hazardous Substances"). Design-Builder shall not be responsible for Handling of Hazardous Substances.

4.1.8 The liabilities, damages, losses costs, penalties, expenses or responsibilities for which Owner indemnifies, defends and holds Design-Builder harmless shall include, but shall not be limited to: (1) liabilities relating to any environmental pollution, (2) liabilities imposed under any federal, state, county or local environmental statutes, regulations, ordinances, administrative or judicial judgments or orders, including, but not limited to the Comprehensive

Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Clear Air Act, the Safe Drinking Water Act, the Federal Water Pollution Control Act, the Toxic Substances Control Act and any similar federal, state, or local laws and regulations, or (3) liabilities for contribution or indemnity. Design-Builder shall have the right to accept or decline any compromise or settlement of any claims or actions against Design-Builder.

4.2 Differing Site Conditions

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition, including without limitation, recovery of stand-by costs and extended general and winter conditions costs.

4.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 5 **Insurance and Bonds**

5.1 Design-Builder's Insurance Requirements

5.1.1 Design-Builder is responsible for procuring and maintaining from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement, the following insurance coverages for certain claims which may arise from or out of the performance of the Work and obligations under the Contract Documents:

- .1** Coverage for claims arising under workers' compensation, disability and other similar employee benefit laws applicable to the Work;
- .2** Coverage for claims by Design-Builder's employees for bodily injury, sickness, disease, or death;
- .3** Coverage for claims by any person other than Design-Builder's employees for bodily injury, sickness, disease, or death;
- .4** Coverage for usual personal injury liability claims for damages sustained by a person as a direct or indirect result of Design-Builder's employment of the person, or sustained by any other person;
- .5** Coverage for claims for damages (other than to the Work) because of injury to or destruction of tangible property, including loss of use;
- .6** Coverage for claims of damages because of personal injury or death, or property damage resulting from ownership, use and maintenance of any motor vehicle; and
- .7** Coverage for contractual liability claims arising out of Design-Builder's obligations under Section 7.4.1 hereof.

5.1.2 Design-Builder's liability insurance required by Section 5.1.1 above shall be written for the coverage amounts set forth in the Agreement and shall include completed operations insurance for the period of time set forth in the Agreement.

5.1.3 Design-Builder's liability insurance set forth in Sections 5.1.1.1 through 5.1.1.7 above shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.4 To the extent Owner requires Design-Builder or any Design Consultant to provide professional liability insurance for claims arising from the negligent performance of design services by Design-Builder or the Design Consultant, the coverage limits, duration and other specifics of such insurance shall be as set forth in the Agreement. Any professional liability shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project. Such policies shall be provided prior to the commencement of any design services hereunder.

5.1.5 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner.

5.2 Owner's Liability Insurance

5.2.1 Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project.

5.3 Owner's Property Insurance

5.3.1 Unless otherwise provided in the Contract Documents, Owner shall procure and maintain

from insurance companies authorized to do business in the state in which the Project is located property insurance upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants, Subcontractors and Sub-Subcontractors, shall be on an "all risk" or equivalent policy form and shall insure against the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner and loss of use of Owner's property by insured perils, however caused.

5.3.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultants, Subcontractors and Sub-Subcontractors.

5.3.3 As a condition precedent to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.3 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

5.3.3.1 If the Design-Builder is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, then the Owner shall bear all reasonable costs and Design-Builder's damages properly attributable

thereto. Design-Builder's failure to request or to obtain such certificate(s) of insurance from Owner at Agreement inception or prior to any payment shall not be a waiver of this Paragraph 5.3, or any other, covenant or condition of this Agreement.

5.3.4 Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof. Owner shall pay the costs not covered because of deductibles or self-insured retention.

5.3.5 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by or which should have been covered if the insurance had been procured in accordance with these General Conditions property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts.

5.3.6 Before an exposure to loss may occur, the Owner shall file with the Design-Builder a copy of each policy that includes insurance coverages required by this Paragraph 5.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project.

5.4 Bonds and Other Performance Security

5.4.1 If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

Article 6 Payment

6.1 Schedule of Values

6.1.1 Within ten (10) days of execution of the Agreement, Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work.

6.1.2 The schedule of values shall provide that general conditions costs incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Design Consultant or Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, safety, estimating, budgeting, purchasing, scheduling, reproduction of preliminary design documents or Contract Documents, pre-construction design or construction services, value engineering, shipping, mobilization, temporary signs and pre-contract legal are to be paid from the initial Application for Payment.

6.2 Monthly Progress Payments

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, or where a material or equipment supplier requires pre-payment in whole or in part as a condition to fabrication or delivery (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and

materials free and clear of all liens and encumbrances.

6.2.3 The Application for Payment shall constitute Design-Builder's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

6.2.4 In addition to any Work in place, Design-Builder's initial Application for Payment may include, and Owner shall pay, general conditions costs incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Design Consultant or Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, safety, estimating, budgeting, purchasing, scheduling, reproduction of preliminary design documents or Contract Documents, shipping, pre-construction design or construction services, value engineering, mobilization, temporary signs and pre-contract legal. Payment of Design-Builder's Pre-Construction Services is a condition to Design-Builder's duty to commence or to continue construction Work. Design-Builder's commencement without such payment shall not be a waiver of this provision.

6.3 Withholding of Payments

6.5 Design-Builder's Payment Obligations

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.5.2 Design-Builder shall not be obligated to pay Subcontractors or Suppliers if Design-Builder determines that withholding payment is in the best interests of prosecuting the Work in accordance with the Contract Documents.

6.3.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Right to Stop Work and Interest

6.4.1 If Owner fails to pay Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.6 Substantial Completion

6.6.1 Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is substantially complete. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work on a single occasion to verify that it is substantially complete in accordance with the requirements of the Contract Documents. If such Work is substantially complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

6.6.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

6.6.3 Owner, at its option, may use a portion of the Work which has been determined to be substantially complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

6.7 Final Payment

6.7.1 After receipt of a Final Application for Payment from Design-Builder, Owner shall make

final payment by the time required in the Agreement, provided that Design-Builder has completed all of the Work in conformance with the Contract Documents.

6.7.2 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

- .1 an affidavit that there are no ~~claims, obligations or~~ liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;
- .2 a general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;
- .3 consent of Design-Builder's surety, if any, to final payment;
- .4 all operating manuals, warranties and other deliverables required by the Contract Documents; and
- .5 certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

6.7.3 Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

Article 7

Indemnification

7.1 Patent and Copyright Infringement

7.1.1 Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

7.1.2 If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

7.1.4 The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

7.2 Tax Claim Indemnification

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive.

7.3 Payment Claim Indemnification

7.3.1 Providing that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification

7.4.1 Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, employees and agents from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone

employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

~~7.4.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.~~

7.5 Owner's General Indemnification

7.5.1 Owner, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, employees, or agents from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner's separate contractors or anyone for whose acts any of them may be liable.

Article 8

Time

8.1 Obligation to Achieve the Contract Times

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement subject to Design-Builder's right to time extensions in accordance with superparagraph 5.2.4.1 of the Agreement and paragraph 8.2 of these General Conditions.

8.2 Delays to the Work

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract

Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, wars, floods, labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, adverse weather conditions not reasonably anticipated, and other acts of God.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for those events set forth in Section 8.2.1 above that do not adversely effect the critical path of Design-Builder's most current project schedule, are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders

9.1.1 A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

- .1 The scope of the change in the Work;
- .2 The amount of the adjustment to the Contract Price; and
- .3 The extent of the adjustment to the Contract Time(s).

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes. Design-Builder shall have no obligation

to perform changed work absent agreement on adjustment to the Contractor Price and Contract Time in a written instrument signed by Owner.

9.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

9.1.4 A "change" which shall give rise to a Change Order is any change in scope, size, kind, quality or usage of system, materials, finishes, equipment or area of the Project from that set forth in Owner's Project Criteria.

9.2 Work Change Directives

~~9.2.1 A Work Change Directive is a written order prepared and signed by Owner, directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).~~

~~9.2.2 Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.~~

9.3 Minor Changes in the Work

9.3.1 Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 Contract Price Adjustments

9.4.1 The increase or decrease in Contract Price resulting from a change in the Work shall be

determined by one or more of the following methods:

- .1** Unit prices set forth in the Agreement or as subsequently agreed to between the parties;
- .2** A mutually accepted, lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;
- .3** Costs, fees and any other markups set forth in the Agreement; and
- .4** If an increase or decrease cannot be agreed to as set forth in items .1 through .3 above and Design-Builder agrees to proceed with the changed work Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including the a reasonable overhead and profit, as may be set forth in the Agreement. ~~If the net result of both additions and deletions to the Work is an increase in the Contract Price, overhead and profit shall be calculated on the basis of the net increase to the Contract Price. If the net result of both additions and deletions to the Work is a decrease in the Contract Price, there shall be no overhead or profit adjustment to the Contract Price.~~ Design-Builder shall maintain a documented, itemized accounting evidencing the expenses and savings associated with such changes.

9.4.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid

for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services with interest if Owner's order is deemed to be a change to the Work.

9.5 Emergencies

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief

10.1.1 If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to

incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested if possible to qualify and the basis of such request.

10.2 Dispute Avoidance and Resolution

10.2.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

10.2.2 Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative.

10.2.3 If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement. The foregoing shall not be a condition precedent to Design-Builder's remedies in the event of non-payment by Owner of Design-Builder's Payment Application.

10.2.4 If after meeting the Senior Representatives determine that the dispute or

disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Mediation Rules. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator.

10.3 Arbitration

~~10.3.1 Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 above shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually agree otherwise.~~

~~10.3.2 The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.~~

~~10.3.3 Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 10.3 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.~~

~~10.3.4 The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.~~

10.4 Duty to Continue Performance

10.4.1 Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

10.5 CONSEQUENTIAL DAMAGES

10.5.1 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 10.5.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING.

10.5.2 The consequential damages limitation set forth in Section 10.5.1 above is not intended to affect the payment of liquidated damages, if any, set forth in Article 5 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner for some damages that might otherwise be deemed to be consequential or of Design-Builder's extended general or winter conditions.

Article 11

Stop Work and Termination for Cause

11.1 Owner's Right to Stop Work

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed fourteen (14) ~~sixty (60)~~ consecutive days or aggregate more than ninety (90) ~~sixty (60)~~ days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of

stoppage of work by Owner including, without limitation, all stand-by demobilization, remobilization, extended general and winter conditions costs.

11.2 Owner's Right to Perform and Terminate for Cause

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, and, absent, posting of a lien indemnity bond or to obtain an endorsement to a title policy with respect to liens of Subcontractors (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, of the Site for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to

complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents except to the extent amounts otherwise owing to Design-Builder exceed a good faith estimate of the cost to complete the Work. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

11.3 Design-Builder's Right to Stop Work

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop work for the following reasons:

- .1 Owner's failure to provide financial assurances as required under Section 3.3 hereof; or
- .2 Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that

Design-Builder will stop work or terminate, at Design-Builder's option unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop work or terminate, at Design-Builder's option. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage or termination.

11.4 Design-Builder's Right to Terminate for Cause

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

- .1 The Work has been stopped for ~~sixty (60)~~ fourteen (14) consecutive days, or more than ~~ninety (90)~~ thirty (30) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.
- .2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for ~~sixty (60)~~ fourteen (14) consecutive days, or more than ~~ninety (90)~~ thirty (30) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.
- .3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. ~~If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.~~

11.5 Bankruptcy of Owner or Design-Builder

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

- .1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and
- .2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within ~~sixty (60)~~ thirty (30) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to

reject be deemed to have consented to rejection of the Agreement, declare and the Agreement shall be deemed terminated, and The Non-Bankrupt Party may pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Miscellaneous

12.1 Assignment

12.1.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents but, Design-Builder shall be entitled to enter into Subcontracts for design and construction.

12.2 Successorship

12.2.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

12.3 Governing Law

12.3.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

12.4 Severability

12.4.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or

otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

12.5 No Waiver

12.5.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

12.6 Headings

12.6.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

12.7 Notice

12.7.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement (iii) if sent by overnight courier, by the next business day with receipt from the courier service or ~~(iii)~~ (iv) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

12.8 Amendments

12.8.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

Owner Bid Summary Report



CONSTRUCTION DESIGN · BUILD DEVELOPMENT

LCI Project #: 13-5727 Project Name: LaGrange Park Public Works Building Floor Area-SF: 10,534 Bid Due Date: 3/4/13			
ITEM CODE & DESCRIPTION	LINE TOTALS	DIVISION TOTALS	\$/SF
DIVISION 1 - General Conditions		\$142,912	\$13.57
Preconstruction Services	\$0		
Professional Services	\$32,000		
General Conditions	\$105,012		
General Requirements	\$5,900		
Winter Conditions	\$0		
DIVISION 2 - Site Construction		\$125,900	\$11.95
02071 Building Demolition-Interior	\$25,900		
02073 Asbestos Abatement	\$100,000		
DIVISION 3 - Concrete		\$3,000	\$0.28
03309 Concrete Restoration	\$3,000		
DIVISION 4 - Masonry		\$174,400	\$16.56
04202 Masonry Work-General	\$174,400		
DIVISION 5 - Metals		\$14,610	\$1.39
05510 Miscellaneous Metals	\$11,610		
05510 Roof Scuttles/Hatches	\$3,000		
DIVISION 6 - Wood & Plastics		\$21,095	\$2.00
06100 Rough Carpentry	\$6,140		
06400 Millwork/Plastic Laminates	\$14,955		
DIVISION 7 - Thermal & Moisture Protection		\$144,000	\$13.67
07111 Waterproofing/Dampproofing	\$10,000		
07510 Membrane Roofing	\$134,000		
07800 Skylights	\$0		
DIVISION 8 - Doors & Windows		\$56,220	\$5.34
08110 Metal Doors & Frames	\$10,050		
08610 Wood Windows	\$18,410		
08710 Finish Hardware	\$2,760		
08410 Entrance Canopy ALLOWANCE	\$25,000		
DIVISION 9 - Finishes		\$101,799	\$9.66
09252 Metal Stud & Drywall	\$38,264		
09510 Acoustical Ceilings	\$9,266		
09560 Wood Flooring & Base	\$10,986		

Owner Bid Summary Report



CONSTRUCTION DESIGN · BUILD DEVELOPMENT

LCI Project #: **13-5727**
 Project Name: **LaGrange Park Public Works Building**
 Floor Area-SF: **10,534**
 Bid Due Date: **3/4/13**

ITEM CODE & DESCRIPTION	LINE TOTALS	DIVISION TOTALS	\$/SF
DIVISION 1 - General Conditions		\$142,912	\$13.57
Preconstruction Services	\$0		
Professional Services	\$32,000		
General Conditions	\$105,012		
General Requirements	\$5,900		
Winter Conditions	\$0		
DIVISION 2 - Site Construction		\$125,900	\$11.95
02071 Building Demolition-Interior	\$25,900		
02073 Asbestos Abatement	\$100,000		
DIVISION 3 - Concrete		\$3,000	\$0.28
03309 Concrete Restoration	\$3,000		
DIVISION 4 - Masonry		\$174,400	\$16.56
04202 Masonry Work-General	\$174,400		
DIVISION 5 - Metals		\$14,610	\$1.39
05510 Miscellaneous Metals	\$11,610		
05510 Roof Scuttles/Hatches	\$3,000		
DIVISION 5 - Wood & Plastics		\$21,095	\$2.00
06100 Rough Carpentry	\$6,140		
06400 Millwork/Plastic Laminates	\$14,955		
DIVISION 7 - Thermal & Moisture Protection		\$144,000	\$13.67
07111 Waterproofing/Damproofing	\$10,000		
07510 Membrane Roofing	\$134,000		
07800 Skylights	\$0		
DIVISION 8 - Doors & Windows		\$55,220	\$5.34
08110 Metal Doors & Frames	\$10,050		
08610 Wood Windows	\$18,410		
08710 Finish Hardware	\$2,760		
08410 Entrance Canopy ALLOWANCE	\$25,000		
DIVISION 9 - Finishes		\$101,799	\$9.66
09252 Metal Stud & Drywall	\$38,264		
09510 Acoustical Ceilings	\$9,266		
09560 Wood Flooring & Base	\$10,986		

President's Report

Village Board Agenda Memo

Date: March 7, 2013
To: Village Board of Trustees
From: Jim Discipio, Village President
RE: Amendment to Employment Agreement

GENERAL BACKGROUND:

The Village Board met in executive session, reviewed the performance of the Village Manager following the completion of her first full year of employment with the Village of La Grange Park, and determined that an adjustment to the employment agreement was warranted.

Included with this memorandum is an amendment to the employment agreement consistent with the Village Board's determination. The amendment includes an adjustment to the annual salary.

MOTION / ACTION REQUESTED:

Motion: Move to authorize the Village President to execute the Amendment to Employment Agreement.

DOCUMENTATION:

- Amendment to Employment Agreement

AMENDMENT
TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT made and entered into this 12th day of March, 2013, by and between the Village of La Grange Park, State of Illinois, a municipal corporation (sometimes referred to herein as "EMPLOYER") and Julia Cedillo ("EMPLOYEE").

WITNESSETH:

WHEREAS, EMPLOYER and EMPLOYEE have previously entered into an EMPLOYMENT AGREEMENT dated July 26, 2011, and,

WHEREAS, it is the desire of EMPLOYER and EMPLOYEE to amend certain provisions of said EMPLOYMENT AGREEMENT, following the completion of the EMPLOYEE'S first year of employment, and,

WHEREAS, it is the desire of the President and Board to secure and retain the services of EMPLOYEE and to provide inducement for her to remain in such employment, and

WHEREAS, EMPLOYEE desires to continue to be employed as Village Manager of the Village of LaGrange Park, Illinois,

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree that the EMPLOYMENT AGREEMENT dated July 26, 2011, shall be amended as follows:

1. SALARY. Section 3 of the EMPLOYMENT AGREEMENT shall be amended to provide for a base salary of One Hundred Twenty Three Thousand Three Hundred Ten Dollars (\$123,310).
2. EFFECTIVE DATE. It is understood and intended by this AMENDMENT TO EMPLOYEE AGREEMENT that said amendments shall be in full force and effect as of the anniversary date of the EMPLOYEE which is July 26.
3. REMAINING PROVISIONS UNAFFECTED. All other provisions of the EMPLOYMENT AGREEMENT not amended by this AMENDMENT TO EMPLOYMENT AGREEMENT shall remain in full force and effect.

EMPLOYER:

Village of La Grange Park, Illinois

By: _____
Village President

EMPLOYEE:

Julia Cedillo

Attest: _____
Village Clerk

Items of Interest

VILLAGE OF LA GRANGE PARK
La Grange Park Village Hall, 447 N. Catherine Ave., La Grange Park, Illinois

Town Hall Meeting w/Rep. Chris Welch
Board Room

Monday, March 11, 2013
6:00 p.m. – 7:30 p.m.

Capital Projects Workshop
Village Hall

Monday, March 18, 2013
6:30 p.m.

WCMC Springfield Drive Down

Wednesday, March 20, 2013

2013 MEETINGS REMINDER

March 26, 2013	Village Board Meeting	7:30 p.m.	Village Hall
April 9, 2013	Work Session Meeting	7:30 p.m.	Village Hall
April 23, 2013	Village Board Meeting	7:30 p.m.	Village Hall
May 14, 2013	Work Session Meeting	7:30 p.m.	Village Hall
May 28, 2013	Village Board Meeting	7:30 p.m.	Village Hall
June 11, 2013	Work Session Meeting	7:30 p.m.	Village Hall
June 25, 2013	Village Board Meeting	7:30 p.m.	Village Hall
July 9, 2013	Work Session Meeting	7:30 p.m.	Village Hall
July 23, 2013	Village Board Meeting	7:30 p.m.	Village Hall
August 13, 2013	Work Session Meeting	7:30 p.m.	Village Hall
August 27, 2013	Village Board Meeting	7:30 p.m.	Village Hall
September 10 2013	Work Session Meeting	7:30 p.m.	Village Hall
September 24, 2013	Village Board Meeting	7:30 p.m.	Village Hall
October 8, 2013	Work Session Meeting	7:30 p.m.	Village Hall
October 22, 2013	Village Board Meeting	7:30 p.m.	Village Hall
November 12, 2013	Work Session Meeting	7:30 p.m.	Village Hall
November 26, 2013	Village Board Meeting	7:30 p.m.	Village Hall
December 10, 2013	Work Session Meeting	7:30 p.m.	Village Hall