

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
FEBRUARY 26, 2008 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Professional Services Agreement – Financial Advisor for the GO Bond Issuance for WIIP Projects	✓ Resolution Ordinance Motion Discussion Only	Cara Pavlicek Village Manager

SYNOPSIS

A resolution has been prepared authorizing the Village Manager to execute a professional services agreement with Northern Trust Corporation of Chicago, Illinois, for financial advisor services for the issuance of General Obligation (GO) bonds for stormwater projects in the amount of approximately \$24,679,000 as early as March 2008.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2007-2012 identified *Top Quality Village Infrastructure and Facilities. Implementation of the Watershed Infrastructure Plan* is identified as a Top Priority of the 2008 Policy Agenda.

FISCAL IMPACT

The professional services agreement includes the following fee structure:

- Northern's fee for services consists of a fixed rate of \$10,000 plus \$0.90 per \$1000 par amount of the bonds issued.
- Northern's fees are exclusive of any expenses charged by third parties.
- Northern shall have no authority, without the Village's consent, to obligate the Village to any fees and expenses charged by third parties.
- Northern, pursuant to the Village's prior agreement, will reduce the financial advisory fee by \$7300, which is the amount paid by the Village under the prior agreement dated November 6, 2007.

Given the above fee structure and assuming a bond issuance in the amount of \$25,000,000, the total fee for the bond issuance is expected to be \$25,200.

The term of the contract is three years with an option of a three-year renewal. The contract term allows Northern Trust and the Village to work together throughout the span of the bond.

RECOMMENDATION

Approval on the March 4, 2008, consent agenda.

BACKGROUND

At the February 19, 2008, Village Council Meeting, the Council approved a motion authorizing the Village Manager to negotiate a professional services agreement for financial advisor services for GO bond issuance with Northern Trust Corporation.

During the review and approval of the FY08 Budget, the Village Council and staff discussed options for financing these project expenditures. Given the nature of these public capital improvements, it is recommended that GO bonds be issued to finance the project over thirty years. The FY08 Budget includes for the first time a Stormwater Improvement Fund which is supported by a ¼ cent increase in the Home Rule Sales Tax, a property tax levy of \$2,130,000 and the pre-existing detention variance fee. The Home

Rule Sales Tax increase will be effective July 1, 2008. It is anticipated that a GO bond of approximately \$24,679,000 will be issued in FY08, followed by a GO bond issuance of approximately \$24,124,000 in FY12 and a GO bond issuance of approximately \$23,464,000 in FY15. The debt service on these issuances will be covered by the above mentioned ¼ cent Home Rule Sales Tax, property taxes and detention variance fees. The resulting bond proceeds will allow the Village to complete the most critical capital improvements identified in the Watershed Infrastructure Improvement Plan.

ATTACHMENTS

Agreement

Resolution

AGREEMENT

This Agreement is made this ___ day of _____, 2008 by and between Northern Trust (or "Consultant") and the Village of Downers Grove, Illinois, an Illinois municipal corporation with offices at 801 Burlington Avenue, Downers Grove, Illinois 60515, ("Village").

WHEREAS, the Village wishes to retain the services of the Consultant for professional financial advisor services; and

WHEREAS, the Consultant is willing to perform these services for the compensation and in accordance with the terms and conditions described in this Agreement,

NOW, THEREFORE, in consideration of the mutual benefits that will result to the parties in carrying out the terms of this Agreement, it is agreed as follows:

I. Scope of Services

- A. Assistance in the development of a financial plan for the issuance of General Obligation Bonds for the Village, including development of a financing timetable and analysis and recommendation of financing alternatives and methods of sale.
- B. Coordination between Village personnel and service providers, including rating agencies, printers, registrar and paying agents, investment providers, credit enhancers and insurance companies.
- C. Reviews with bond counsel and local counsel legal issues associated with proposed financings.
- D. Preparation of Official Statements.
- E. Coordination of bidding and/or sale processes, including negotiating with underwriters on behalf of the Village.
- F. Any third party service providers and the services they will provide along with cost estimates must be agreed upon in writing by the Village prior to implementation or use of such provider or the Village will not incur the cost for such service. The Consultant alone incurs said cost.
- G. Provide opinions on financial issues concerning the Village from time to time as requested from the Finance Director of the Village or designee.

II. Term of Agreement

The term of this Agreement will be for three (3) years from the date as first written above. The Agreement may be renewed for an additional three (3) year term upon written agreement of the parties.

As a condition of tender and receipt of a proper invoice, the Village of Downers Grove will pay the fee as defined below. Without such attached invoice, payments will not be made.

III. Compensation

A. Basic Fees:

The Village will pay the Consultant the following:

1. A fixed rate of \$10,000 plus \$0.90 per \$1,000 par amount of the bonds issued. However, the Village will be credited in the amount of \$7,300 which is the amount previously paid to Northern Trust under the prior agreement.
2. Northern Trust's use of any third party shall be approved in writing by the Village prior to use of any such third party. Likewise, the expenses of the third party must also be consented to and approved by the Village prior to incurring any such expense. In the event all consents are obtained by the Village, the Village shall pay the third party costs and expenses incurred.
3. Any additional work performed in excess of the above that would increase the contract amount must be approved in writing by the Village of Downers Grove prior to commencement.

B. Reimbursable Non-Direct Expenses:

These may include support services required to execute the scope of services such as photocopying, messenger/mail and exhibit preparation, etc.

C. Consultant Invoices:

The Consultant shall prepare invoices that contain a reference number, the billing period, all reimbursable expenses including reproduction, mailing, and equipment and a total reimbursable amount for the billing period, the original contract amount, the currently approved contract amount, amounts billed to date, amounts received to date, and the contract amount remaining in the contract to date.

D. Prompt Payment Act:

The Village of Downers Grove will comply with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq., in that any bill approved for payment must be paid or the payment issued to the Consultant within 60 days of receipt of a proper bill or invoice. If payment is not issued to the Consultant within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made.

The Village of Downers Grove shall review in a timely manner each bill or invoice after its receipt. If the Village of Downers Grove determines that the bill or invoice contains a defect making it unable to process the payment request, the Village shall notify the Consultant requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under 50 ILCS 505/1 et seq. The notice shall identify the defect and any additional information necessary to correct the defect.

IV. Insurance and Indemnification of the Village

- A. The Consultant shall be required to obtain, from a company or companies lawfully authorized to do business in the jurisdiction in which the project is located, such general liability insurance as will protect the Consultant from claims, at a minimum set forth below which may arise out of or result from the Consultants operations under this agreement and for which the Consultant may legally liable:

1. Claims under workers compensation, disability benefit and other similar employee benefit acts which are applicable to the operation to be performed;
2. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Consultants employees;
3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Consultants employees;
4. Claims for damages insured by the usual personal injury liability coverage which are sustained: 1) by a person as a result of an offense directly or indirectly related to employment of such person by the Consultant, or 2) by another person;
5. Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting there from;
6. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
7. Claims for damages as a result of professional or any other type of negligent action by the Consultant or failure to properly perform services under the scope of the agreement between the Consultant and the Village.

- B.** The Consultant shall demonstrate having such insurance coverage for a minimum of \$2 million for professional liability (errors and omissions).
- C.** As evidence of said coverages, Consultant shall provide the Village with certificates of insurance naming the Village of Downers Grove as an additional insured and include a provision for cancellation only upon at least 30 days prior notice to the Village of Downers Grove. In addition, the Consultant shall indemnify and hold harmless the Village and its officers, employees and agents from any and all liability, losses or damages the Village may suffer as a result of claims, demands, suits, actions or proceedings of any kind or nature in any way resulting from or arising out of negligent action on the part of the Consultant or any sub-consultant to the Consultant under the Consultant s agreement with the Village.

V. General Terms and Conditions

A. Relationship Between the Consultant and the Village

The relationship between the Village and the Consultant is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other.

B. Equal Employment Opportunity

In the event of the Consultant's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the consultant may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the consultant agrees as follows:

1. That it will not discriminate against any employee or applicant for employment because of race, color religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will

examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

2. That, if it hires additional employees in order to perform this contract or any portion thereof, it will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
3. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.
4. That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the consultant's obligations under the Illinois Human Rights Act and the Department's Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the consultant in its efforts to comply with such Act and Rules and Regulations, the consultant will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.
5. That it will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.
6. That it will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.
7. That it will include verbatim or by reference the provisions of this clause in every subcontract it awards under which any portion of the contract obligations are undertaken or assumed, so that such provisions will be binding upon such subconsultant. In the same manner as with other provisions of this contract, the consultant will be liable for compliance with applicable provisions of this clause by such subconsultants; and further it will promptly notify the contracting agency and the Department in the event any subconsultant fails or refuses to comply therewith. In addition, the consultant will not utilize any subconsultant declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivision or municipal corporations.

C. Sexual Harassment

Consultant, as a party to a public contract, has a project specific written sexual harassment policy amended so that it:

1. Notes the illegality of sexual harassment;
2. Sets forth the State law definition of sexual harassment;
3. Describes sexual harassment utilizing examples;
4. Describes the Consultant or supplier's internal complaint process including penalties;

5. Describes the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Human Rights Commission and how to contact these entities, and;
6. Describes the protection against retaliation afforded under the Illinois Human Rights Act.

D. Drug Free Work Place

Consultant as party to a public contract, certifies and agrees that it will provide a drug free workplace by:

1. Publishing a statement: (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including cannabis, is prohibited in the grantee's or consultant's workplace. (2) Specifying the actions that will be taken against employees for violations of such prohibition. (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will: abide by the terms of the statement; and notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
2. Establishing a drug free awareness program to inform employees about: (1) the dangers of drug abuse in the workplace; (2) the grantee's or consultant's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; (4) the penalties that may be imposed upon employees for drug violations.
3. Providing a copy of the statement required by subparagraph (a) to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
4. Notifying the contracting or granting agency within ten (10) days after receiving notice under part (B) of paragraph (3) of subsection (a) above from an employee or otherwise receiving actual notice of such conviction.
5. Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted as required by section 5 of the Drug Free Workplace Act.
6. Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
7. Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

E. Discrimination

Consultant, its employees and subconsultants, agree not to commit unlawful discrimination and agree to comply with applicable provisions of the Illinois Human Rights Act, the Public Works Employment Discrimination Act, the U.S. Civil Rights Act and Section 504 of the Federal Rehabilitation Act, and rules applicable to each. The equal opportunity clause of the Department of Human Rights' rules is specifically incorporated herein.

The Americans with Disabilities Act (42 U.S.C. 12101) and the regulations thereunder (28 CFR 35.130)(ADA) prohibit discrimination against persons with disabilities by the State, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this contract, the undersigned vendor certifies that services, programs and activities provided under this contract are and will continue to be in compliance with the ADA.

F. Standard Of Care

Services performed by Northern Trust under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representations express or implied, and no warranty or guarantee is included or intended in this Agreement or in any report, opinions, and documents or otherwise.

If the Consultant fails to meet the foregoing standard, Consultant will perform at its own cost, and without reimbursement from the Village, the professional services necessary to correct errors and omissions caused by Consultant's failure to comply with the above standard and reported to Consultant within one (1) year from the completion of Consultant's services for the Project.

G. Limitation Of Professional Liability

Village agrees to limit Northern Trust's liability to Village arising from Northern Trust's professional acts, errors or omissions in performing this Agreement, such that the total aggregate liability of Northern Trust to all those named shall not exceed \$2,000,000 or total fee for the services rendered on this project, whichever is greater.

H. Termination

In the event of the Consultant's nonperformance, breach of the terms of the Agreement, or for any other reason, the Agreement may be canceled, in whole or in part, upon the Village's written notice of default and the Consultant's failure to cure such default within ten days of the notice. The Village will pay the Consultant's costs actually incurred as of the date of receipt of notice of default. Upon termination, the Consultant will deliver all documents and products of whatever kind, and their reproducible originals related to the project, which have been produced to the date of the notice of default.

I. Compliance with Laws

All work under the Agreement must be executed in accordance with all applicable federal, state and local laws, ordinances, rules and regulations.

J. Governing Law

This Agreement will be governed by and construed in accordance with the laws of the State of Illinois. Venue is proper only in the County of DuPage.

K. Successors and Assigns

The terms of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that neither party will assign this Agreement in whole or in part without the prior written approval of the other.

L. Waiver of Contract Breach

The waiver by one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof will be limited to the particular instance and will not operate or be deemed to waive any future breaches of this Agreement and will not be construed to be a waiver of any provision except for the particular instance.

M. Amendment

This Agreement will not be subject to amendment unless made in writing and signed by all parties.

N. Indemnification

The Consultant will indemnify and hold harmless the Village and its officers, employees and agents from any and all liability, losses or damages the Village may suffer as a result of claims, demands, suits, actions or proceedings of any kind or nature in any way resulting from or arising out of negligent action on the part of the Consultant or any sub-consultants under this Agreement. This indemnification does not apply to liability caused by the Village's own negligence.

P. Severability of Invalid Provisions

If any provisions of this Agreement are held to contravene or be invalid under the laws of any state, country or jurisdiction, contravention will not invalidate the entire Agreement, but it will be construed as if not containing the invalid provision and the rights or obligations of the parties will be construed and enforced accordingly.

Q. Assignment

The Consultant will not assign or subcontract any portion of this Agreement, unless the Village agrees to the assignment or subcontract in writing. Any assignment will not relieve the Consultant from its obligations or change the terms of this Agreement.

The Consultant will provide a list of key staff, titles, responsibilities, and contact information to include all expected sub consultants.

R. Notice

Any notice will be in writing and will be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed, and addressed to the party at the party's place of business. Notices shall be addressed to designated representatives of both parties as follows:

**Village Manager
Village of Downers Grove
801 Burlington Ave.
Downers Grove, IL 60515**

Northern Trust

S. Campaign Disclosure

1. Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.

2. The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

3. Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

4. By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date indicated above.

Northern Trust

Village of Downers Grove

By: _____

By: _____

Title: _____

Title: Village Manager

Date: _____

Date: _____

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CONSULTANT’S CERTIFICATION

Consultant, _____ hereby certifies that
(Name of Consultant)

It is not barred from agreeing to this contract for:

(Description of Contract)

as a result of a violation of either Section 720 ILCS 5/33E-3 and 720 ILCS 5/33E-4 of Article 33E of Chapter 38 of the Illinois Compiled Statutes.

Consultant further certifies that it is not delinquent in the payment of any tax administered by the Department of Revenue, or that consultant is contesting its liability for the tax delinquency or the amount of a tax delinquency in accordance with the procedures established by the appropriate Revenue Act. Consultant further certifies that if it owes any tax payment(s) to the Department of Revenue, Consultant has entered into an agreement with the Department of Revenue for the payment of all such taxes that are due, and Consultant is in compliance with the agreement.

By: _____
Consultant’s Authorized Agent

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FEDERAL TAXPAYER IDENTIFICATION NUMBER

Subscribed and sworn to before me this
_____ day of _____, 20 _____.

or _____
NAME

Notary Public

Social Security Number

CAMPAIGN DISCLOSURE

By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Bidder/vendor has not contributed to any elected Village position within the last five (5) years.

Signature

Print Name

Bidder/vendor has contributed to a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: _____
(company or individual)

To whom contribution was made: _____

Year contribution made: _____ Amount: \$ _____

Signature

Print Name

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE
AND NORTHERN TRUST CORPORATION OF CHICAGO**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois,
as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and Northern Trust Corporation of Chicago (the “Northern”), for professional financial advisor services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk