



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Approve the Extension of the Alliance Agreement with Utility Concrete Products

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Extension of Contract 05-030, Alliance Agreement with Utility Concrete Products, for an amount not to exceed \$329,784 for the five-year contract period.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
4/7/10	I 4	1 st Extension Award
7/20/04	E 2 e	Original Award

DEPARTMENT: Department of Public Utilities - Electric
Procurement Services Team

SUBMITTED BY: Michael E. Bevis, Chief Procurement Officer

FISCAL IMPACT:

Budgeted in Account # 410-3390-533.70-89*

*CIP EU13 and other unknown project numbers at this time. As items are purchased for various upcoming projects, CIP numbers will be assigned.

BACKGROUND:

The Department of Public Utilities-Electric utilizes vaults, manholes and related products in the electric power distribution system. The items are an integral part of the underground duct bank system. Manholes are used as junction points allowing the cable to be spliced in the manhole and racked on the side walls. Vaults are used to support distribution equipment and allow the cable to be brought underground and up into the cavity of the equipment.

The majority of vaults added to the underground system are octagon in shape which facilitates the transitioning and racking of 1000MCM primary cables. Rectangular shaped vaults do not allow for the racking of the primary cable in like manner. The octagon shaped vault is used by Commonwealth Edison, the City of St. Charles, and the City of Geneva, and Utility Concrete Products (UCP) is the only vendor in the Midwest currently producing this vault. The vault's size and shape leads itself to local manufacture and delivery only from UCP.

On July 20, 2004, City Council approved the Alliance Agreement between UCP and the City of Naperville for a five-year contract period. Per the Alliance Agreement, the contract can be extended on a year-by-year basis. In April 2010, the City and UCP agreed to extend the contract another five years through January 17, 2015. At this time, both parties find it mutually advantageous to extend the contract for another five-year period.

Under the Alliance Agreement, the pre-cast concrete vaults, manholes and related products are produced, inventoried, delivered and set in place by UCP. They are delivered to the construction site and set in place in coordination with the onsite contractor. UCP provides reports on items inventoried and delivered. UCP also allows flexibility in their production schedule to accommodate changes in schedules and still maintain short production lead-times. The Alliance Agreement provides value engineering and consulting. The Agreement also includes a significant commitment on the part of senior staff of both organizations to participate in joint cross-organizational teams, concurrent engineering activities, and early involvement in new service design.

DISCUSSION:

The Alliance Agreement uses the US Department of Labor's Producer Price Index; Intermediate Material, Supplies and Components (IMS&C) and Materials and Components for Construction (M&CC). The indexes are used for yearly price adjustments on the anniversary date of the agreement, January 21. Refer to Attachment 2 for the pricing over the past five-year period, as well as the start of the next five-year term. It should be noted that UCP did not request a price adjustment for product produced between 2011 and 2014 even though there was an increase in the indices each year.

The 4.55% increase requested for 2015 is the summation of price adjustments for 2011 through 2014. Staff supports the requested unit price increases because UCP's costs are still less than the competition. The City is able to obtain competitive pricing from UCP because we avoid the fixed costs associated with designing and developing the molds for the concrete structures, which have already been created by UCP for ComEd. Over the past five-year period, the City has purchased 41 manholes/vaults for a total expenditure of \$295,226.00. Anticipated purchase quantities over the next five-year period are included as Attachment 3.

RECOMMENDATION:

Staff recommends the extension of Contract 05-030, Alliance Agreement with Utility Concrete Products, for an amount not to exceed \$329,784 for the five-year contract period.

ATTACHMENTS:

1. Prior Action
2. Unit Prices
3. Anticipated Quantities



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Award the Extension of the Alliance Agreement with Utility Concrete Products

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Extension of the Alliance Agreement with Utility Concrete Products, Contract 05-030, for an amount not to exceed \$850, 000 for the five-year contract period.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
7/20/04	E-2e	Original Award

DEPARTMENT: Purchasing

SUBMITTED BY: Michael E. Bevis, Chief Procurement Officer

FISCAL IMPACT:

Budgeted in Account # 410-3390-533.70-89*

*CIP EU13 and other unknown project numbers at this time. As items are purchased for various upcoming projects, CIP numbers will be assigned.

BACKGROUND:

The Department of Public Utilities-Electric utilizes vaults, manholes and related products in the electric power distribution system. The items are an integral part of the underground duct bank system. Manholes are used as junction points allowing the cable to be spliced in the manhole and racked on the side walls. Vaults are used to support distribution equipment and allow the cable to be brought underground and up into the cavity of the equipment.

On July 20, 2004, City Council approved the Alliance Agreement between Utility Concrete Products (UCP) and the City of Naperville for a five-year contract period. Per the Alliance Agreement, the contract can be extended on a year-by-year basis. At this time, both parties find it mutually advantageous to extend the contract for another five-year period.

Under the Alliance Agreement, the pre-cast concrete vaults, manholes and related products are produced, inventoried and delivered by UCP. Manholes are delivered to the construction site and set in place in coordination with the onsite contractor. UCP provides reports on items inventoried and delivered. UCP also allows flexibility in their production schedule to accommodate changes in schedules and still maintain short production lead-times. St Charles, Geneva, Batavia and ComEd all utilize UCP for the design and production of manholes for their distribution network.

The Alliance Agreement provides value engineering and consulting. The Agreement also includes a significant commitment on the part of senior staff of both organizations to participate in joint cross-organizational teams, concurrent engineering activities, and early involvement in new service design.

DISCUSSION:

The Alliance Agreement uses the US Department of Labor's Producer Price Index; Intermediate Material, Supplies and Components (IMS&C) and Materials and Components for Construction (M&CC). The indexes are used for yearly price adjustments on the anniversary date of the agreement, January 21. Refer to Attachment 2 for the pricing over the past five-year period, as well as the start of the next five-year term. Over the past five-year period, the City has purchased 189 vaults for a total expenditure of \$1,159,852. Anticipated purchase quantities over the next five-year period are included as Attachment 3.

The following vendors were investigated by staff as potential suppliers:

Hill Concrete Products Inc., Harvey, IL
McCreary Concrete Products, Rushville, IN
Carr Concrete Corp., Waverly, WV
Concrete Specialties Co., Elgin, IL
Losch Engineering Corp., Palatine, IL
DiCicco Concrete Products, Inc., Chicago Hgts, IL
Doty & Sons Concrete Products, Sycamore, IL
Clay Vollmar Products, Lake Zurich, IL
Spancrete Industire Inc, Crystal Lake, IL
Prestress Engineering Corp, Crystal Lake, IL
Old Castle Pre-cast, Hartford City, I
Weiser Concrete Products, Inc., Maiden Rock, WI

All vendors either quoted higher prices than UCP, or could not meet the specification.

05-030 UCP Alliance Agreement

April 7, 2010

Page 3 of 3

RECOMMENDATION:

Staff recommends extending Contract 05-030, Alliance Agreement with Utility Concrete Products, for a five-year period for an amount not to exceed \$850,000 for the contract period.

ATTACHMENTS:

1. Original Agenda Item
2. Prices
3. Anticipated Quantities

PRIOR ACTION



Naperville

CITY COUNCIL
7-20-04
AGENDA ITEM E2e

OFFICE OF THE CITY MANAGER

COUNCIL AGENDA ITEM SUMMARY SHEET

TITLE Recommend award of Procurement 05-030, Utility Concrete Products

SUBMISSION DATE 07/12/04 REQUESTED AGENDA DATE 07/20/04

SYNOPSIS Approve award of utility concrete products

PAPERWORK Attached

COUNCIL ACTION PREVIOUSLY TAKEN.

Date of Action 08/07/01 Action Original Award
Item No E 2 h

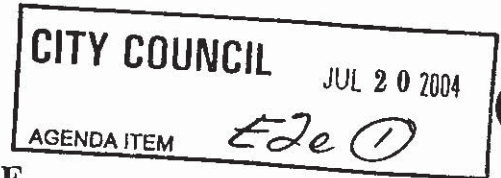
COUNCIL ACTION REQUESTED/RECOMMENDED THIS MEETING

Staff recommends Council approve an extension on the Alliance Agreement with Utility Concrete Products, for an amount not to exceed \$3,000,000 for the five year contract period

Submitted by: *Douglas A. Krieger* Finance
Name Douglas A. Krieger Department

AGENDA ITEM NOTES

PRIOR ACTION



**CITY OF NAPERVILLE
REQUEST TO WAIVE BIDS
CONTRACT AWARD 05-030**

RECOMMENDED AWARD

Requesting Department: Department of Public Utilities-Electric
Procurement Name: Pre-cast Concrete Utility Vaults, Manholes and Related Products
Recommended Vendor: Utility Concrete Products
Amount of Award: \$3,000,000
Contingency Amount: 3% 5%
 CIP # _____ Budgeted Acct # 401-000-141 00-00
 Electric Utility Fund
 Inventory of Supplies

DESCRIPTION

The Department of Public Utilities utilizes vaults, manholes and related products in the electric power distribution system. These items are used for splicing the underground cable lengths pulled through the conduits of the duct bank system. The octagonal shaped walls of the vault, adjacent to the termination for the duct bank, facilitate the racking and transition to the racks for 1000MCM primary power cables. Various options were evaluated and it was determined that changing to another shape vault (rectangular) would require the city to re-evaluate the entire feeder philosophy, revise the standards of the 15kV and 34kV underground feeders, and require the installation of a more costly parallel duct bank system to carry the feeders.

Staff has compared this methodology with neighboring systems, Commonwealth Edison, the City of St. Charles and City of Geneva. They all rack and terminate their 1000MCM cable underground, and they also purchase the octagonal type vaults from Utility Concrete Products (UCP).

City staff has developed a long procurement history in this product area and confirmed there are no other suppliers locally providing this product group. There is one vendor in the Midwest making octagonal type vaults and another locally wanting to pursue the market.

Amocor Precast, located in Ramsey, Minnesota supplies similar types of octagonal vaults, but is not competitively priced. Their location does not offer the flexibility to time the shipments with the placement of the vaults in the ground for the contractor. This would increase the construction cost of projects.

Aurora Concrete Products (ACP) would like to build octagonal type vaults, however, they



have not produced any and have not engineered the molds to produce them. They would want orders for vaults in quantities of 20 and charge storage for the vaults. The City usually averages four vaults monthly for the two types with the highest usage. ACP has not shown interest in supplying the other types of vaults with low usage or other related products.

On August 7, 2001, the City Council approved an Alliance Agreement between UCP and the City of Naperville for a three-year period (See Exhibit A). The favorable prices of the Alliance Agreement were only 1.5% above the prices awarded in 1998. These prices stayed fixed until the second anniversary date of July 31, 2003, when they increased 2.25% (See Exhibit B).

The Alliance Agreement provides indirect cost savings. Under the recommended Alliance Agreement, the pre-cast concrete vaults, manholes and related products are components of underground duct banks, and are inventoried and delivered by UCP. They are delivered to construction sites where underground work is being performed, and set in place in coordination with the prime contractor. This saves carrying costs for the city and places the risks of delivery and performance on UCP and the various prime contractors who participate, through the competitive bid process, in the installation and modification of the electrical service delivery infrastructure.

In addition, UCP provides weekly reports of items inventoried and delivered. This service provides staff the flexibility to alter production schedules to accommodate changes by developers and still maintain short lead-times to the project site. In addition, UCP assists staff with the engineering of the load requirements of vaults being placed in roadways and special items, such as the Sidewalk Splice Box and Vista Switch Box. The partnership between the City of Naperville and UCP has proven to be invaluable to both parties.

The Alliance Agreement provides value engineering and consulting. The Alliance Agreement also includes a significant commitment on the part of senior staff from both organizations to participate in joint cross-organizational teams, concurrent engineering activities, and early involvement in new service design. It is the acknowledged purpose of these teams to reduce costs and add value to the City, while exceeding customer expectations.

Staff recommends extending the Alliance Agreement with UCP for a five-year period with two option years, for pre-cast concrete utility vaults, manholes, related products and services with Utility Concrete Products Company, per unit prices (See Exhibit B) for an amount not to exceed \$3,000,000.

Staff has negotiated with UCP to keep prices fixed until July 31, 2006. Over the past year, the steel market has experienced dramatic price increases, and the two-year fixed prices should delay double-digit price adjustments until the steel market settles down. At the second anniversary date of the new agreement, the prices will be adjusted against the July 2003 index, based on the U.S. Department of Labor's "Producer Price Index for Component

AGENDA ITEM *Ede* (3)
JUL 20 2004

Parts Used in Construction," as specified in the Alliance Agreement. The average price increase for these products as of May 2004 for the past year was 11.15%, and for the past five years was 18.7%

EXHIBITS

-
- A Original Agenda Memo Item
 - B Price Adjustment Memo and Price List

SUBMITTED BY

<i>Allan Poole / mgc</i>	<i>7/12/04</i>		<i>9/13/04</i>
Allan Poole, P E, DEE	Date	Michael E. Bevis, CPPO, C P.M	Date
Director, Dept of Public Utilities		Purchasing Manager	cmr

PRIOR ACTION



Naperville

CITY COUNCIL
8-7-01
AGENDA ITEM E2h

COUNCIL AGENDA ITEM SUMMARY SHEET

TITLE Recommendation to Waive the Bid Process for Procurement 01-050. Utility Vaults, Manholes, and Related Products & Services

SUBMISSION DATE 7/27/01 REQUESTED AGENDA DATE 8/7/01

- | | |
|--|--|
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Board Minutes |
| <input type="checkbox"/> Ordinance <input type="checkbox"/> Omni <input type="checkbox"/> Not Omni | <input type="checkbox"/> Petition to Plan Commission |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Acceptance of Improvements |
| <input type="checkbox"/> Bid Award | <input type="checkbox"/> Petition to ZBA |
| <input checked="" type="checkbox"/> Staff Report/Recommendation | <input type="checkbox"/> Appointment to a Board |
| <input type="checkbox"/> Board Report/Recommendation | <input type="checkbox"/> Mayoral Proclamation |
| <input type="checkbox"/> Petition/Communication | <input type="checkbox"/> Insurance Claims Report |
| <input type="checkbox"/> Plat - Preliminary/Final | <input type="checkbox"/> Bills and Payroll |
| <input type="checkbox"/> Annexation Agreement | <input type="checkbox"/> Budget Amendment |
| <input type="checkbox"/> Expenditure | <input type="checkbox"/> SIA |
| <input type="checkbox"/> Liability Case | <input type="checkbox"/> Other |

SYNOPSIS Approve waiving the bid process and award the Alliance Agreement

PAPERWORK Attached Will be submitted on _____ Date

Previously submitted on _____ Date

COUNCIL ACTION PREVIOUSLY TAKEN
Date of Action _____ Action _____
Item No _____

COUNCIL REQUESTED TO SAVE PAPER FROM MEETING DATE _____

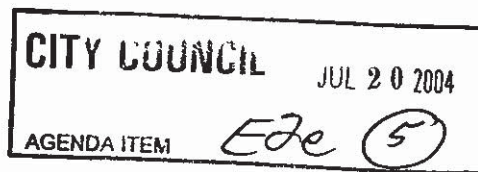
COUNCIL ACTION REQUESTED/RECOMMENDED THIS MEETING

Staff recommends the bid process be waived for Procurement 01-050, Utility Vaults, Manholes, and Related Products & Services, and that an Alliance Agreement be executed with Utility Concrete Products Company, per unit prices contracted, for an amount not to exceed \$1,500,000 00, for the three year period

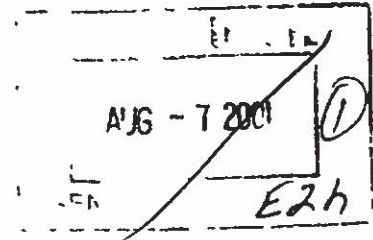
Submitted by Julia A Carroll Julia A. Carroll Finance Department
Name Department

OFFICE OF THE CITY MANAGER





CITY OF NAPERVILLE
REQUEST TO WAIVE BIDS
PROCUREMENT 01-050



PURPOSE

The purpose of this memo is to recommend that the bid process be waived and that an Alliance Agreement be executed for a three-year period, for pre-cast concrete utility vaults, manholes, related products and services, to Utility Concrete Products Company (UCP), per unit prices on Attachment A, for an amount not to exceed \$1,500,000 00

SYNOPSIS

The Department of Public Utilities utilizes vaults, manholes and related products in the electric power distribution system. These items are used for splicing the underground cable lengths pulled through the conduits of the duct bank system. The octagonal shaped walls of the vault, adjacent to the terminations for the duct bank, facilitate the racking and transition to the racks for 1000MCM primary power cables. Various options were evaluated and it was determined that changing to another shape vault (rectangular) would require the city to re-evaluate the entire feeder philosophy, revise the standards of the 15kV and 34kV underground feeders, and require the installation of a more costly parallel duct bank system to carry the feeders.

Staff has compared this methodology with neighboring systems, Commonwealth Edison, the City of St. Charles and the City of Geneva. They all rack and terminate their 1000MCM cable underground, and they also purchase the octagonal type vaults from UCP.

AWARD OF CONTRACT

City staff has developed a long procurement history in this product area and, simply put, there are no other suppliers who can provide this product group.

The Department of Public Utilities and the Purchasing Division have worked closely over the past five months developing and negotiating a Strategic Alliance Agreement with UCP.

The city's negotiation team included

- Mark Curran, Assistant Director, DPU-Electric
- Michael Bevis, Purchasing Manager
- Shamat Kahn, Senior Electrical Engineer
- Lucy Hynes, Senior Electrical Engineer/Acting Manager, Support Services
- Christopher Rossman, Senior Buyer

UCP has supplied the city with vaults, manholes, related products and services consistently since May 1, 1993. In 1993 UCP was one of only four companies submitting bids, UCP was awarded Bid 93-027 for two years. At that time only one other bidder, Chicago Pre-cast Products Company of Naperville was able to meet the specification. They are no longer in business.

PRIOR ACTION

Procurement 01-050

UCP was awarded Bid 95-009 May 1, 1995, when they were the only bidder. At that time, the Purchasing Division called the other potential vendors and ascertained that they could not and still cannot supply utility vaults that can accommodate the racking and the termination of the 1000MCM conductors.

Staff recommended an extension of the 1995 contract at an average increase of two percent (2%). Council rejected staff's recommendation and instructed that staff bid the requirement. Staff issued the bid as Bid 98-080, UCP was the sole bidder, at average rate increases of twenty-five percent (25%). Purchasing negotiated a 3% reduction from these prices, on February 2, 1999, Council awarded a four-year contract.

Purchasing staff has researched the market and confirmed that no other vendor can supply these products (See attachment B). The Purchasing Division called manufacturers of pre-cast concrete products in the Midwest trying to locate another supplier, five recommended UCP for these vaults and the others were not able to supply utility vaults that can accommodate the racking and the termination of the 1000MCM conductors.

Because of the past failure of the competitive bid process in this commodity area and the lack of change in the market, staff sought to negotiate an agreement with UCP that would guarantee supply while maximizing value. The National Association of Purchasing Management, National Purchasing Institute and leading authorities recommend a strategic alliance be developed under these circumstances. To bid would be to effectively give the vendor the opportunity to name any price or a "blank check." The recommended Alliance Agreement is precisely the type of strategic alliance contemplated by the leading authorities. It provides significant value to the city. This value takes the form of favorable pricing, indirect cost savings, and value engineering and consulting.

The Alliance Agreement provides favorable pricing. Under the 1998 bid, these products were scheduled for an indexed price increase in February 2001, the increase was indexed at approximately 5%. The city obtained an agreement from UCP to hold prices at the 1998 level during the negotiation of the recommended Alliance Agreement. The final proposed prices in Attachment A for the first year of the Alliance Agreement are only 1.5% above the prices awarded in 1998. In addition, these prices will hold for a full year after execution of the agreement, at which time a new index, the U.S. Department of Labor's "Producer Price Index for Component Parts Used in Construction," will be utilized to determine upward or downward price adjustments for years two and three of the Alliance Agreement.

The Alliance Agreement provides indirect cost savings. Under the recommended Alliance Agreement, the pre-cast concrete vaults, manholes, and related products are components of underground duct banks, and are inventoried and delivered by UCP. They are delivered to construction sites where underground work is being performed, and set in place in coordination with the prime contractor. This saves carrying costs for the city and places the risks of delivery and performance on UCP and the various prime contractors who participate, through the competitive bid process, in the installation and modification of the electrical service delivery infrastructure.

CITY COUNCIL	
AUG - 7 2004	(2)
	<i>Ede</i>

Procurement 01-050

Without the Alliance Agreement the city could expect to pay, through prime contractors, the "contractors price" plus mark up. The negotiated prices are significantly lower than those charged to contractors (See attachment C). To verify the pricing, Department of Public Utilities-Electric engineering staff performed a cost analysis and determined that the prices charged contractors are reasonable and the negotiated prices in the recommended Alliance Agreement are lower.

The Alliance Agreement provides value engineering and consulting. The Alliance Agreement also includes a significant commitment on the part of senior staff from both organizations to participate in joint cross-organizational teams, concurrent engineering activities, and early involvement in new service design. Some examples of UCP's success in these areas are highlighted in attachment D. It is the acknowledged purpose of these teams to reduce costs and add value to the city, while exceeding customer expectations.

PURCHASING DIVISION REVIEW


The attached Alliance Agreement with Utility Concrete Products Company meets the specifications and requirements of the city as reviewed by the Department of Public Utilities-Electric and the Purchasing Division, at a reasonable cost.


The purchases of these items are budgeted in the Electric Utility Fund, Inventory Supplies.


RECOMMENDATION

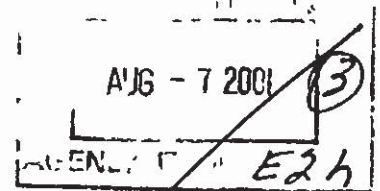
Staff recommends that the bid process be waived and that an Alliance Agreement be executed for a three-year period, for pre-cast concrete utility vaults, manholes, related products and services, with Utility Concrete Products Company, per unit prices on Attachment A, for an amount not to exceed \$1,500,000.00. Staff recommends that this item be placed on the City Council agenda for approval.

RESPONSIBLE AGENTS

 7-31-01
Allan Poole, P.E. Date
Director, Department of Public Utilities

 7/30/01
Michael E. Bevis, CPPO Date
Purchasing Manager, Finance

 7/30/01
Christopher Rossman, CPPB Date
Senior Buyer, Finance



PRIOR ACTION

CITY COUNCIL JUL 20 2004
AGENDA ITEM *Ede* (8)

~~AGENDA ITEM~~ AUG - 7 2004 (4)
E2b

Attachment A

Alliance Agreement

PRIOR ACTION

ALLIANCE AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 2001, between the City of Naperville, Illinois, 400 South Eagle Street, Naperville, Illinois 60566-7020 (hereinafter referred to as "City"), and Utility Concrete Products, Co, 1801 Van Dyke Road, Plainfield, IL 60544 (hereinafter referred to as "Supplier")

WITNESSETH, THAT WHEREAS, the City intends to contract for an ongoing supply of specialty concrete vaults, manholes, related products and services,

AND WHEREAS the Supplier possesses certain proprietary technology and unique abilities to produce certain vaults, manholes, related products and services,

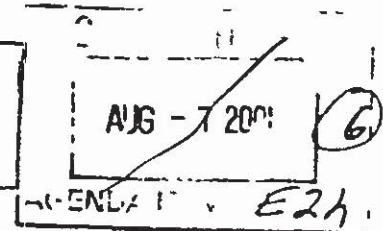
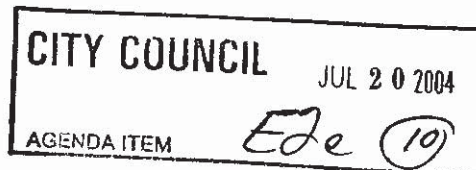
AND WHEREAS, both the City of Naperville and Supplier recognize that it is in there best interest to form an alliance to coordinate and supply the manufacturing of certain specialty concrete products and related services,

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows

SECTION 1 - SERVICES

The Supplier shall

- 1 2 Supply all specialty precast concrete products as described in Attachment A
- 1 3 Provide necessary professional design services and give consultation and advice to assist in the resolutions of various access methods and devices
- 1 4 Identify a person to act as its Project Manager with respect to the work to be performed under this Agreement
- 1 5 Share appropriate information concerning production, materials' forecasts and assist in the development of a joint strategy for ordering, production, delivery and payment that is mutually compatible and cost effective
- 1 6 Participate in new service design that uses production standard vaults to the greatest extent possible
- 1 7 Identify improvement projects and participate in joint teams to analyze each project to identify improvements
- 1 8 Participate in cross-functional teams to address problem issues using process flow and root cause analysis Recommend and implement improvement recommendations
- 1 9 Exchange information on processes, need forecasts, materials and labor to identify duplicate and unnecessary functions



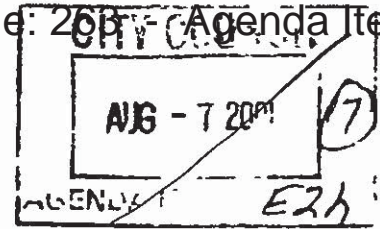
SECTION 2 - ADDITIONAL SERVICES

2.1 If requested by the City, the Supplier will furnish or obtain from others additional pre-cast concrete products which will be paid for by the City as indicated in Section 5. Such additional products may be added, by joint agreement of the parties, to Attachment A. If the representative of the City responsible for the Project verbally requests Supplier to perform Additional Services, Supplier will confirm in writing that the services have been requested and are Additional Services, after which the City has thirty (30) days to instruct Supplier not to perform such services. Failure of the City to respond to Supplier's confirmation of said services within the aforementioned specified time shall be deemed consent to and agreement to pay for the Additional Services.

SECTION 3 - THE CITY'S RESPONSIBILITIES

The City shall

- 3.1 Provide full information as required by the Supplier for the project
- 3.2 Coordinate its needs with the production schedule of Supplier
- 3.3 Develop a mutually acceptable "tagging" program for the identification of City vaults maintained on Supplier property
- 3.4 Process payment for designated vaults upon production, inspection and acceptance
- 3.5 Share appropriate information of development and service expansion schedules, need forecasts and assist in the development of a joint strategy for ordering, production, delivery and payment that is mutually compatible and cost effective
- 3.6 Involve supplier in new service design that uses production standard vaults to the greatest extent possible
- 3.7 Identify improvement projects and participate in joint teams to analyze each project to identify improvements
- 3.8 Participate in cross-functional teams to address problem issues using process flow and root cause analysis. Recommend and implement improvement recommendations
- 3.9 Exchange information on processes, need forecasts, materials and labor to identify duplicate and unnecessary functions
- 3.10 Identify a person to act as the City's Project Representative with respect to the work to be performed under this Agreement
- 3.11 Upon Agreement of the Parties, give the Supplier credit for its services performed under this Agreement in its official communications, published articles and project identification signage



3.12 Any drawings and other documents required to be prepared by the Supplier for the Project shall be the property of the Supplier. Subject to the disclosure requirements of the Freedom of Information Act, any drawings and other documents prepared by the Supplier for the project shall not be released to any third party without the prior written approval of the Supplier.

SECTION 4 - PERIOD OF SERVICE

4.1 This Agreement shall remain in effect from the date of execution hereof and shall end three (3) years thereafter.

4.2 The term of this agreement may be extended on a year to year basis at the conclusion of the initial term and all subsequent terms by agreement of the parties.

SECTION 5 - PAYMENT FOR SERVICES AND REIMBURSEMENTS

The City will pay the Supplier for the various products as provided for in Attachment A. The City shall make payments to the Supplier on approved invoices, net 30.

5.1 The City's failure to pay the Supplier's invoices within sixty (60) days of the invoice date shall constitute a material default of the Agreement for which the Supplier shall have the right upon 10 days written notice to the City to cease performance of all its work and recover termination costs and damages.

5.2 The parties agree to work jointly to produce cost savings.

5.3 Prices will be subject to adjustment on the first anniversary of the effective date and after subsequent year, pursuant to the following provisions:

5.4 The parties agree that adjustments shall not exceed the change in the Producer Price Index as reported by US Department of Labor, Bureau of Labor Statistics, "Producer Price Index, Intermediate materials, supplies, and components, Materials and components for construction," with the date of contract execution by the City establishing the baseline for calculating adjustments.

The following formula will be used to calculate adjustments:

$$\frac{\text{Current Index} - \text{Baseline}}{\text{Baseline}} = \text{Adjustment Factor}$$

Where

PPI date of execution = Baseline

and

PPI on anniversary date = Current Index

PRIOR ACTION

CITY COUNCIL JUL 20 2004
AGENDA ITEM Ede (12)

The then derived "Current Index" shall become the "Baseline" for future increases

Handwritten notes and stamps: "AUG - 7 2004" and "Ezh" with a circled "8".

SECTION 6 - GENERAL CONDITIONS

6.1 INSURANCE

The Supplier shall, at the Supplier's expense, secure and maintain in effect throughout the duration of this contract, insurance of the following kinds and limits. The Supplier shall furnish Certificates of Insurance to the City before starting work or within ten (10) days after the notice of award of the contract, which ever date is reached first. All insurance policies shall be written with insurance companies licensed to do business in the State of Illinois and having a rating of not less than A IX, according to the latest edition of the A M Best Company, and shall include a provision preventing cancellation of the insurance policy unless fifteen (15) days prior written notice is given to the City. This provision shall also be stated on each Certificate of Insurance as "Should any of the above described policies be canceled before the expiration date, the issuing company will mail 15 days written notice to the certificate holder named to the left"

The limits of liability for the insurance required shall provide coverage for not less than the following amounts, or greater where required by law

(A) **Commercial General Liability:**

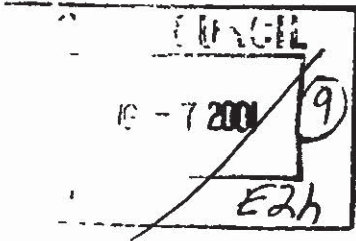
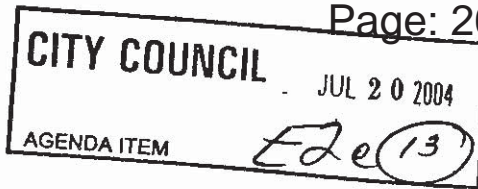
- i Coverage to include Premise/Operations, Products/Completed Operations, Independent Agreementors, Broad Form Property Damage, Agreementual and Personal Injury
- ii Limits

General Aggregate	\$ 2,000,000.00
Products/Completed Aggregate	\$ 1,000,000.00
Each Occurrence	\$ 1,000,000.00
Personal Injury	\$ 1,000,000.00
- iii Coverage is to be written on an "occurrence" basis
- iv Products/Completed Operations coverage is to remain in force for a period of two (2) years after the completion of the project
- v Cover all claims arising out of the Supplier's operations or premises, anyone directly or indirectly employed by the Supplier, and the Supplier's obligations under indemnification under this Agreement

(B) **Worker's Compensation:**

- i Shall be in accordance with the provisions of the laws of the State of Illinois, including occupational disease provisions, for all employees at the site of the project, and in case work is sublet, the Supplier shall require each of its Subcontractors similarly to provide Worker's Compensation Insurance. In case employees engaged in hazardous work under this contract at the site

PRIOR ACTION



of the project are not protected under Worker's Compensation statute. the Supplier shall provide, and shall cause each its Subcontractors to provide, adequate and suitable insurance for the protection of employees not otherwise provided

- (C) **Comprehensive Automobile Liability:**
 - i Coverage to include all Owned, Hired, Non-owned vehicles, and/or trailers and other equipment required to be licensed
 - ii Limits

Combined Single Limit	\$ 1,000,000 00
-----------------------	-----------------

- (D) **Umbrella:**
 - i Limits

Each Occurrence/Aggregate	\$ 2,000,000 00
---------------------------	-----------------

- (E) **The City of Naperville shall be named as additional insured on all insurance policies except Workmen's Compensation and Professional Liability.**

The Supplier understands and agrees that, except as to professional liability, any performance bond or insurance protection required by this contract or otherwise provided by Supplier, shall in no way limit the responsibility to indemnify, keep and save harmless, and defend the City as herein provided

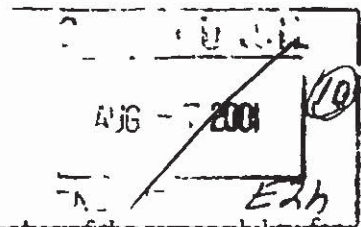
6 2 INDEMNIFICATION

- 6 2 1 The Supplier shall indemnify and hold harmless the City, its officers, employees, and its agents from any and all claims, suits, actions, costs, and fees, including attorney fees, of every nature or description arising from, growing out of, or connected with the performance of this Agreement because of any act or omission, neglect, or misconduct of the Supplier, its employees and agents, or its subcontractor(s) Except as to professional liability, such indemnification shall not be limited by reason of the enumeration of any insurance coverage herein provided

- 6 2 2 The Supplier shall indemnify and hold harmless the City or any of its officers, employees or agents from and against all liability, claims, demands, and causes of action arising out of or related to any loss, damage, injury, death, or loss or damage to property, including regulatory fines and liability, resulting from any negligent act or omission, neglect, or misconduct of the Supplier in its performance of this Agreement

- 6 2 3 The Supplier shall be responsible for any and all damages to property or persons and for any losses or costs to repair or remedy construction as a result of any negligent act or omission, neglect, or misconduct in the performance of its work and shall indemnify and hold harmless the City, its officers, agents and employees from all suits, claims, actions or damages of any nature whatsoever

PRIOR ACTION



resulting therefrom. Acceptance of the work will not relieve the Supplier of the responsibility for subsequent correction of any such error, omissions and/or negligent acts or of its liability for loss or damage resulting therefrom. Except as to professional liability, these indemnities shall not be limited by the listing of any insurance coverage.

6 2 4 The Supplier shall not be responsible for any delay in the performance or progress of the Project, or liable for any costs or damages sustained by the City resulting from such delay caused by any errors, omissions and/or negligent acts of the City or its agents, or by changes ordered in the work, or as a result of any federal, state or regulatory authority, or riot or civil commotion or by any other cause beyond the Supplier's control. In the event of such delay, the Supplier will proceed with due diligence to alleviate the delay and continue the performance of its obligations under this Agreement.

6 2 5 The Supplier shall not be responsible for any damages which may occur as a result of any modifications made to the plans of the Supplier by others without the Supplier's knowledge, or for damages which may occur because of the improper or negligent acts of third parties.

6 2 6 The City will release and hold harmless the Supplier for delays or losses experienced by the City or others which result from the discovery of concealed conditions which require additional design, disposal, mitigation or other remedial action. When such discovery warrants the need for additional services, those services will be considered additional under section 2 of this Agreement.

6 3 SUCCESSORS AND ASSIGNS

The City and the Supplier each bind themselves and their partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement. Except as above, neither the City nor the Supplier shall assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto, nor shall it be construed as giving any right or benefits hereunder to anyone other than the City and the Supplier.

6 4 FORCE MAJEURE

Neither the Supplier nor the City shall be responsible for any delay caused by any contingency beyond their control, including, but not limited to acts of God, war or insurrection, strikes or lockouts by the parties' own employees, walkouts by the parties' own employees, fires, natural calamities, riots or demands or requirements of governmental agencies.

6 5 AMENDMENTS AND MODIFICATIONS

The nature and the scope of services specified in this Agreement may only be modified by written amendment to this Agreement approved by both parties. This Agreement may be modified or amended from time to time provided, however, that no such amendment or modification shall be effective unless reduced to writing and duly authorized and signed by the authorized representative of the City and the authorized representative of the Supplier.

CITY COUNCIL
JUL 20 2004
AGENDA ITEM E2e (15)

CITY COUNCIL
AUG 11 2004
E2h

6 6 SAVINGS CLAUSE

If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect

6 7 CAPTIONS AND PARAGRAPH HEADINGS

Captions and paragraph headings are for convenience only and are not a part of this Agreement and shall not be used in construing it

6 8 NON-WAIVER OF RIGHTS

No failure of either party to exercise any power given to it hereunder or to insist upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under this agreement shall constitute a waiver of either party's right to demand exact compliance with the terms hereof

6 9 ENTIRE AGREEMENT

This Agreement sets forth all the covenants, conditions and promises between the parties. There are no covenants, promises, agreements, conditions or understandings between the parties, either oral or written, other than those contained in this Agreement

6 10 GOVERNING LAW

This Agreement shall be governed by the laws of the State of Illinois both as to interpretation and performance

6 11 NOTICE

Any notice required to be given by this Agreement shall be deemed sufficient if made in writing and sent by certified mail, return receipt requested, or personal service to

Peter T Burchard, City Manager
City of Naperville
400 S Eagle Street
Naperville, IL 60540

Russell M Hawken, President
Utility Concrete Products, Co
1801 N Van Dyke Rd
Plainfield, IL 60544

PRIOR ACTION

CITY COUNCIL	JUL 20 2004
AGENDA ITEM	<i>Edo 16</i>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives on the day and date first written above

CITY OF NAPERVILLE

SUPPLIER

AUG 12 2004	(12)
ERH	

By _____
Peter T Burchard
City Manager

By _____
[Name]
[Title]

ATTEST

ATTEST

By _____
Suzanne L. Gagner
City Clerk

By _____
[Name]
[Title]

PRIOR ACTION



Utility Concrete Products Co.

CITY COUNCIL

JUL 20 2001 801

Eze (17)

AGENDA ITEM

1 N. VanDyke Rd. Plainfield, IL 60544
 phone • 815/436-7880 630/355-3552
 fax 815/436-8068

CITY OF NAPERVILLE
 STRATEGIC ALLIANCE
 ATTACHMENT "A"
 July 16, 2001

AUG 7 2001

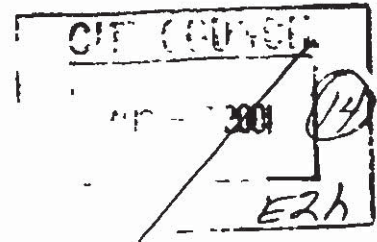
(13)

PRODUCT	PRICE
2" Collar	\$70 00
4" Collar	\$75 00
6" Collar	\$103 00
12" Collar	\$117 00
Cover for MH Type B Opening	\$1 477 00
Manhole Type "A"	\$3 790 50
Manhole Type "E"	\$5,513 50
Manhole Type "G"	\$6 153 50
Manhole Type "X"	\$10 917 00
4'-0" x 4'-0" x 4'-0" Manhole	\$863 00
75-500 KVA Pad/Vault	\$1 116 50
750-1000 KVA Pad/Vault	\$1 522 50
1500 KVA Pad/Vault	\$1,522 50
Universal Pad/Vault for all 3-Phase URD Transformers	T30
9'-0" X 4'-0" X 3'-0" Sidewalk Splicebox	\$1,665 00
8'-2" x 8'-2" x 6'-2" Vista Switch Box	\$7 841 00
8'-2" x 6'-2" x 6'-2" Vista Switch Box Lid Only	\$3 299 00
Concrete Slabs for Reinforcement	Vanes
Consultation	Vanes
Additional Materials and/or Services Required to facilitate the installation of DPU Electrical Ductbanks & associated projects	Vanes

NOTES.

- MH Type "A" "E" "G" and "X" include 2 - 12" Collars / MH
- 4x4x4 Manhole includes (1) 12" Collar
- Delivery and unloading at ground level is included. Crane service is available for the installing contractor @ \$175 00 / Hour

Get the Precast Advantage!



Attachment B

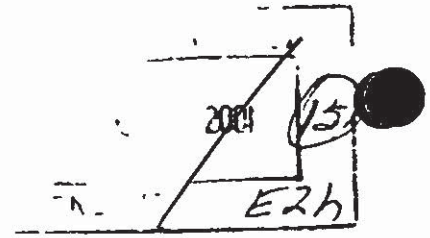
Sourced Vendors

The following vendors were investigated by staff as potential suppliers. They were unable to meet the city's needs.

- Dyer Vault, Gary, IN
- Hartford Concrete Products, Hartford City, IN
- APS Concrete Products, Milwaukee, WI
- Aurora Concrete Products, North Aurora, IL
- Continental Pipe, Chicago, IL
- Kieft Brothers, Elmhurst, IL
- Welch Brothers, Elgin, IL
- Concrete Specialties Company, Elgin, IL
- Eller & Willey Block Company, Dixon, IL
- Modern Building Materials, Kenosha, WI
- Waukesha Concrete Products, Waukesha, WI
- Component Pre-cast, West Chicago, IL
- Dicicco Company, Chicago Heights, IL
- Morrison Brothers, Dubuque, IA
- Sibley Concrete Products, Sibley, IA
- Eik River Concrete Products, Maple Grove, MN
- Hannibal Concrete Products, Hannibal, MO
- Wieser Concrete Products, Maiden Rock, WI
- Neenah Foundry, Neenah, WI
- Elmhurst-Chicago Stone, Elmhurst, IL
- Norwalk Tank Company, Joliet, IL
- Rockford Cement Products, Rockford, IL
- Cary Concrete Products, Cary, IL
- Concast, Zumbrota, MN
- Hanson Concrete Products, Apple Valley, MN

Attachment C

Contractor/Alliance Price Comparison



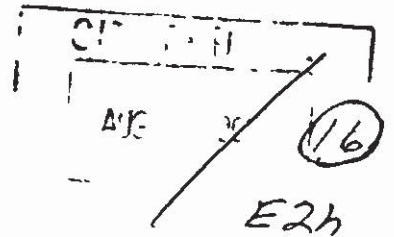
Product	Alliance Price	Contractor Price	Savings
2" Collar	\$70 00	\$85 00	18%
4" Collar	\$75 00	\$90 00	17%
6" Collar	\$103 00	\$115 00	10%
12" Collar	\$117 00	\$130 00	10%
Manhole Type "A"	\$3,790 50	\$5,260 00	28%
Manhole Type "E"	\$5,513 50	\$9,060 00	39%
Manhole Type "G"	\$6,153 50	\$10,005 00	38%
Manhole Type "X"	\$10 911 00	\$16,000 00	32%
4'-0" x 4'-0" x 4'-0" Manhole	\$863 00	\$1,560 00	45%
75-500 KVA Pad/Vault	\$1,116 50	\$2 130 00	48%
750-1000 KVA Pad/Vault	\$1,522 50	\$2 620 00	42%
1500 KVA Pad/Vault	\$1,522 50	\$2,675 00	43%



PRIOR ACTION

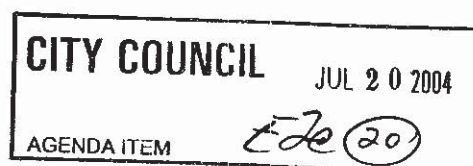
Attachment D

Engineering Examples



October 2000 Reliable Contracting & Equipment Company came to UCP regarding two phases of a Steam Tunnel project at the University of Illinois, Chicago. UCP was asked to manufacture 2,132 lineal feet of precast concrete tunnel by the first of December after the original specialty manufacturer of the tunnel units, Trenwa, Inc., was unable to meet the production and delivery deadlines. Our engineering and manufacturing people were able to design and fabricate the forms per the specification required by the owner's engineer, expedite the production schedule, and deliver the product to the jobsite as required by the University of Illinois' delivery schedule. The Chicago area contracting community depends on UCP to provide economical, timely solutions to their concrete construction problems.

March 2000 Commonwealth Edison Company came to UCP regarding a new Transmission Substation that was being built on Diversey Avenue in Chicago. It was imperative that the station be in service the first of June. If the transmission lines were not completed on schedule, all other planned system maintenance would be impossible to complete before the anticipated summer peak loads with the possible penalties imposed by the City of Chicago. Due to the aggressive schedule, ComEd was looking for a faster and more cost-effective way to complete some of the work. After reviewing the plans, UCP and ComEd decided to consider precasting twelve support structures (pothead) foundations. UCP was once again able to develop the precast application of a normally field-poured structure, design and fabricate the forms, and expedite our pouring schedule to meet the project deadline. UCP was ready to ship and install all twelve of the support structures on the specified delivery date. In addition to these structures, UCP was also able to relieve some potential problems for ComEd by manufacturing and installing three manholes around existing energized 138kV pipe-type cable line. UCP designed a manhole with a 2'-0" wide by 4'-0" high arch located in the front and rear of the manhole (resembling a doghouse opening). The floor of the manhole had a 2'-0" void in the center, with exposed rebar bent up on each side of the floor opening to provide a clear space between the manhole and the existing pipe during the installation. After the manholes were installed, the reinforcing was bent into place and concrete was poured to complete the floor of the manhole. The total installation time for all three manholes was less than four hours. This saved weeks of time allowing the field crew to concentrate on other portions of the job, and in turn, helped ComEd to meet their June deadline. Our partnering with ComEd in developing innovative solutions to difficult construction projects has established our reputation as the preferred source for precast concrete products.





Naperville



April 29, 2004

Mr. Russell Hawkins
Utility Concrete Products Company
1801 N Van Dyke Rd
Plainfield IL 60544

Re: Alliance Agreement Price Adjustment

Dear Mr. Hawkins:

The Alliance Agreement allows a price adjustment on the anniversary date for utility manholes, vaults, and related products. The price adjustment will be based on the Producer Price Index, as reported by the U.S. Department of Labor, Bureau of Labor Statistics' Intermediate Materials, Supplies and Components (IMSC) and Material and Components (M&C) indices.

The Alliance Agreement will have a price increase adjustment of 2.25 percent, as established by UCP and the City of Naperville. The price adjustment will affect purchase orders placed since April 1, 2004. The unit price listing attached to this letter displays the adjusted prices of the original agreement. This increase was arrived by figuring the increase for the IMSC and M&C indices for the Alliance's anniversary date from its effective date

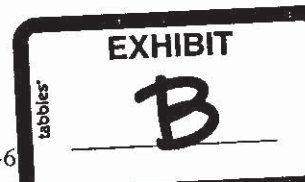
$$\begin{array}{rcl}
 \text{IMS\&C} & \frac{133.7 - 130}{130} = 0.028 & \text{M\&C} \quad \frac{153.6 - 151.1}{151.1} = 0.0165 \\
 & & \\
 & \frac{0.028 + 0.0165}{2} = 0.0225 &
 \end{array}$$

If you have any questions you can contact me at 630-420-6051.

Sincerely,

Christopher Rossman, CPPB
Senior Buyer

Attachment: Unit Price List
cc: Allan Poole
Mark Curran



UTILITY CONCRETE PRODUCTS
 STRATEGIC ALLIANCE
 PRICE LIST
 APRIL 29, 2004

CITY COUNCIL JUL 20 2004
 AGENDA ITEM *Ede* (22)

PRODUCT	PRICE
2" Collar	\$71.50
4" Collar	\$76.50
6" Collar	\$105.50
12" Collar	\$119.50
Cover for MH Type B Opening	\$1,510 00
Manhole Type A	\$3,876 00
Manhole Type E	\$5,637 00
Manhole Type G	\$6,292 00
Manhole Type X	\$11,156 50
4' X 4' X 4' Manhole	\$882 50
75-500 KVA Pad/Vault	\$1,141.50
750-1000 KVA pad/Vault	\$1,557 00
1500 KVA Pad/Vault	\$1,557 00
9' X 4' X 3' Sidewalk Splice Box	\$1,702 50
8'-2" X 6'-2" X 6'-2" Vista Switch Box	\$8,017.50
8'-2" X 6'-2" X 6'-2" Vista Switch Box Lid Only	\$3,373.00

Notes

- 1 MH Types A, E, G and X include (2) 12" collars/ MH
2. 4 X 4 X 4 manholes include (1) 12 collar
3. Delivery and unloading at ground level is included. Crane service is available for the installing contractor at \$175 00 / hour.

UNITED CONCRETE PRODUCTS

	1/18/2005	3/6/2006	1/18/2007	1/18/2008	1/21/2009	1/26/2010
	contract price		7.50%	5.37%	1.29%	-0.85%
		Change in design				
A manhole	\$3,876.00	\$4,385.00	\$4,713.88	\$4,967.01	\$5,031.08	\$4,988.32
E manhole	\$5,637.00	\$6,145.00	\$6,605.88	\$6,960.61	\$7,050.40	\$6,990.47
G manhole	\$6,292.00	\$6,900.00	\$7,417.50	\$7,815.82	\$7,916.64	\$7,849.35
X manhole	\$11,156.50	\$11,695.00	\$12,572.13	\$13,247.25	\$13,418.14	\$13,304.09
4 x 4 x 4 manhole	\$882.50		\$948.69	\$999.63	\$1,012.53	\$1,003.92
75-150 kVA pad vault	\$1,141.50		\$1,227.11	\$1,293.01	\$1,309.69	\$1,298.56
225-1000 kva pad vault	\$1,557.00		\$1,673.78	\$1,763.66	\$1,786.41	\$1,771.23
1500 kVA pad vault	\$1,557.00		\$1,673.78	\$1,763.66	\$1,786.41	\$1,771.23
8'-2" x 6'-2" x 6'-2" vista switch box	\$8,017.50		\$8,618.81	\$9,081.64	\$9,198.80	\$9,120.61

PRIORITY ACTION

UTILITY CONCRETE PRODUCTS

STRATEGIC ALLIANCE

ANTICIPATED QUANTITY LIST

MARCH 1, 2010

PRODUCT	QUANTITY
Manhole type A	30
Manhole type E	30
Manhole type G	30
Manhole type X	14
4' X 4' X 4' Manhole	2
75-500 KVA Pad/Vault	2
250-1000 KVA Pad/Vault	2
1500 KVA Pad/Vault	2
8'-2" x 6'2" x 6'2" Vista vault	2

Notes:

1. Manhole Types A,E,G, and X include (2) 12" collars per manhole
2. 4 x 4 x 4 manholes include (1) 12" collar per manhole
3. Delivery and unloading at ground level is included. Crane service is available for the installing contractor at \$175.00 / hour.

Attachment 3