

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT(S)

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with Aero Snow Removal (Aero) for the product and/or services described herein.

This is a request for: a 3 year Term Agreement

_____ (Attach List) Pre-Assigned Specification No _____
(Program Name) Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract # _____ Company, or Agency Name: Aero Snow Removal

Specification #: _____ Contract or Program Description: Snow Removal Services at O'Hare International Airport

Mod #: N/A (Attach List, if multiple)

WILLIAM LOUNGER 636-2250 [Signature] AVIATION 10-13-04
Originator Name Telephone Signature Department Date

Indicate **SEE ATTACHED** in each box below if additional space needed.

PROCUREMENT HISTORY

The Department at Aviation (DOA) began melting in 1998, when they awarded a non-competitive bid contract to Aero Snow Removal ("Aero"). Aero performed well during this contract which expired 4/30/04. Within the last year DOA and the Department of Procurement Services ("DPS") attempted to competitively bid this requirement twice, in July of 2003 and June of 2004. The first bid was postponed when it was determined there would be no bidders. The most recent bid was rejected as the sole bidder; Snow Management Group (SMG), proposed experimental machines that are not yet being produced.

Given the above situation, DOA is requesting a three year non-competitive contract with Aero, while DOA continues to work with DPS to identify new vendors to provide this service to the airport system. The agreement would be structured to reduce the areas of coverage provided by Aero while increasing the areas of coverage for the lowest bidder in an upcoming competitive bid. The three year contract at O'Hare International Airport will allow Aero to perform 100% (10 melters) of the snow melting in 2004/2005. This level will be reduced to 80% (8 melters) in 2005/2006 and 50% (5 melters) in 2006/2007 at O'Hare International Airport. This may allow another vendor to get melting experience at O'Hare for two years. This also will increase the level of competition amongst the different contractors within the market and will help ensure that the City receives the most competitive pricing possible for these services.

ESTIMATED COST

This will be a three year contract not to exceed \$7,000,000.00.

SCHEDULE REQUIREMENTS

This new agreement is required for the 2004-2005 snow season beginning November 1, 2004 - April 30, 2005 and running 3 years through April 2007.

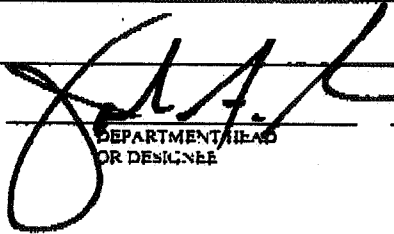
EXCLUSIVE OR UNIQUE CAPABILITY

Although there are other melters available today that meet the requirements of DCA, contractors have been unsuccessful in obtaining the equipment as it is in short supply and extremely costly. Aero Snow Removal Corporation manufactures their own melters and has been successfully operating them at ORD for six years and throughout the country even longer. As mentioned previously, three years hence should provide a much more competitive melter market.

Given the scale and scope of the snow removal operations at O'Hare International Airport, Aero is the only company that currently has the capacity, in terms of availability of equipment, experience and manpower, necessary to meet our needs.

Given O'Hare's impact on the entire air traffic system, it is essential that the quickest, safest means of snow removal is available. This means melting. While DCA has the ability to push and pile the snow and then truck it to snow dump areas, this alternative is not attractive from a safety, security or environmental standpoint. Trucking snow requires that 300 plus push/pile pieces of equipment, mostly consisting of semi trucks, traverse the airfield. This increases safety issues due to increased airfield traffic and security issues as numerous vehicles are entering and leaving the airfield. With the increased amount of aircraft traffic, due to smaller regional jets, having inexperienced truck drivers on the airfield invites a potential disaster. Environmentally, it is not good as the run-off from the piles often contains glycol that may infiltrate the ground water. In addition, due to ongoing construction, there is limited space available for dumping. Finally melting is much quicker which allows for minimal impact of gate operations. If gates are closed at O'Hare for longer periods of time such as the case with push/pile, the impact on the nation's air traffic system is immense.

() OTHER

APPROVED BY:  10-13-04
DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE



AERO SNOW REMOVAL CORP.

04 AUG - 9 AM 2:59

VIA FAX & US MAIL – 312/744-9687

August 4, 2004

Mr. Kerwen Whatley
Deputy Procurement Officer
City Hall
121 North La Salle Street, Room 403
Chicago, IL 60602

Re: Snow Melting Services for ORD

Dear Mr. Whatley:

This responds to your request for a proposal for the above referenced work. This offer contemplates that the physical removal of snow shall be done by the utilization of snow melters in lieu of trucking. Such snow melters and specified Support Equipment shall be provided for the Contract area exclusively by Aero. Please realize that the expired Contract has a similar provision that in substance designates Contractor as the exclusive Contractor for the physical removal of snow. (See Exhibit A excerpted from the expired Contract.) Following are the terms, conditions and pricing we propose. Changes to these terms and conditions may significantly impact pricing.

CONTRACT AREAS:

To be described in the Contract documents. Our proposal assumes the Contract Areas will include all gates and ramps that we serviced last season. We will be available to service any Non-Contract Areas if requested by the City. Whenever the City decides to do physical removal of snow for Contract Areas, Aero shall be the exclusive melting services provider. For Non-Contract Areas, the City shall have the option, but not the obligation to utilize Aero's services.

CONTRACT AND BACK-UP EQUIPMENT – SNOW MELTERS:

Contractor shall provide, upon request by the City, up to ten (10) 600 ton/hr. snow melters for melting snow in the Contract Areas. Additionally, Contractor shall make available two (2) back-up 600 ton/hr. snow melters for the purpose of replacing any inoperable Contract snow melter that cannot be promptly repaired and returned to service. Contractor shall have the option, but not the obligation to provide the two (2) back-up melters whenever the ten (10) Contract units are operational. Whenever the City elects to call-out the snow melters, the City shall call out a minimum of two (2) units and the appropriate Support Equipment as defined in this document.

AERO SNOW REMOVAL CORP. (ILL.)**CONTRACT AND BACK-UP EQUIPMENT – PAYLOADERS:**

Contractor shall provide up to twenty (20) payloaders (4-7 cy) with operators for the purpose of loading the ten (10) Contract snow melters. Two (2) payloaders shall be assigned to each melter to load it with snow and, as needed, to prepare the snow for loading. Additionally, Contractor shall make available an adequate number of back-up payloaders (4-7 cy) for the purpose of replacing any inoperable Contract payloaders that cannot be promptly repaired and returned to service.

CONTRACT AND BACK-UP EQUIPMENT – TRUCK/TRACTORS:

Contractor shall provide up to ten (10) Contract truck/tractors with driver/melter operators (Local 150) for the purpose of towing, monitoring and operating the melters. Additionally, Contractor shall make available an adequate number of back-up truck/tractors for the purpose of replacing any inoperable Contract truck/tractors that cannot be promptly repaired and returned to service.

CONTRACT AND BACK-UP EQUIPMENT – SUPERVISORY VEHICLES:

Contractor shall provide supervisory vehicles with supervisors. Said vehicles shall be equipped with two-way communication equipment to ensure proper coordination between the supervisors, the melter driver/operators and DOA representatives. Additionally, Contractor shall make available an adequate number of back-up supervisory vehicles for the purpose of replacing any inoperable Contract supervisory vehicles that cannot be promptly repaired and returned to service. Contractor shall provide, based on the number of melters called out by the City, a number of supervisory vehicles in accordance with the following schedule:

NUMBER OF MELTERS CALLED OUT	NUMBER OF SUPERVISORY VEHICLES TO BE PROVIDED
2 – 4	2
5 – 8	3
9 – 10	4

TERM:

The term shall be for three (3) Snow Seasons (2004/05, 2005/06, 2006/07). A “Snow Season” or “Season” shall commence November 1 of any calendar year and shall run through the last day of April of the succeeding calendar year.

AERO SNOW REMOVAL CORP. (ILL.)**TERMINATION:**

No termination except for nonperformance, or lack of funding for the physical removal of snow. (Trucking or melting). Accordingly, the articles "Termination" and "Termination for Convenience" in the expired Contract shall not be applicable. With respect to non-performance, please consider the following language:

"Termination: If the City determines that Contractor's performance of the Services does not materially conform to the performance standards and requirements set forth in the Contract, the City may give Contractor written notice that sets forth in reasonable detail the manner in which Contractor's performance materially fails to conform to those standards and requirements. If Contractor fails to bring its performance into material conformity with those standards and requirements during the snow event that next follows the expiration of 30 days after the date of the delivery of the City's notice, the City may terminate this Agreement by delivering a second written notice to Contractor."

FUEL COST ADJUSTMENTS:

In the event the cost of fuel utilized by the snow melters utilized under this Contract increases during the term of this Contract or any extensions thereof above the July 29, 2004 price, \$1.31 (as listed in The Journal of Commerce, Fuel Oil Midwest, Chicago, Reseller Rack Prices, Low Sulfur Diesel), the Contractor shall be entitled to an hourly price increase for the 600 ton/hr. snow melters equal to \$7.80 per operational hour per one cent increase.

**CONTRACTOR ASSIGNMENT AND CALL-OUT PROCEDURE,
STANDBY TIME – OPERATIONAL TIME:**

The Department of Aviation has developed an overall master plan for snow melting operations at O'Hare Airport which will be available after award of this Contract. Within this plan, the Department of Aviation division has the responsibility and criteria for calling out snow melting equipment based on both anticipated and existing weather conditions.

When a Contractor call-out is made by the Commissioner of the Department of Aviation or his designated representative, the Contractor is obligated to be at the location(s) designated by DOA ("Staging Areas") at O'Hare Airport within three (3) hours of the call-out. If a Contractor cannot meet the three (3) hour time limit at the time of call-out, then it must notify the Operations Unit at O'Hare Airport of these special circumstances immediately. If this three (3) hour limit is not met, a letter of explanation may be requested by Operations. Contractor response is very critical to public safety at O'Hare Airport; any failure to respond by a Contractor will be promptly reported and documented by DOA.

AERO SNOW REMOVAL CORP. (ILL.)

If the Commissioner of the Department of Aviation (DOA), or his designated representative, call out snow melters, a minimum of: (a) two (2) snow melters, (b) four (4) payloaders, (c) two (2) tractors with driver/operators, (d) two (2) supervisory vehicles with supervisors will be called out (b, c and d herein called "Support Equipment"). Likewise, whenever DOA orders commencement of snow melting operations, a minimum of two (2) snow melters with the above listed Support Equipment will be activated and placed on Operational Time. This procedure is materially the same as practiced last season under the expired Contract. When the Contractor's equipment arrives at the designated Staging Area(s) in response to a call-out by the City, the City may place the equipment either on Standby Time or Operational Time.

If the City places the equipment on Standby Time upon its arrival, the City may remove at any time thereafter, said equipment from Standby Time and place it in Operational Time. Once snow melting operations are completed, the activated snow melters will be released and not returned to Standby Time. To recommence snow melting operations, the City will follow the call-out procedures described above.

Standby Time is defined as the period commencing when Contractor's equipment arrives at the designated Staging Area and ending when the City orders Contractor to initiate snow melting operations in any Contract Area specified by the City or discharged. Operational Time is defined as the time period commencing when the City orders the start of snow melting operations and ending when such operations are completed and the snow melters and Support Equipment are discharged by the City.

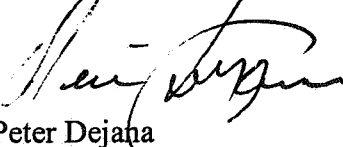
Payment for Standby and Operational Time shall be in accordance with the hourly rates, terms and conditions set forth in Exhibit B.

This proposal is valid until August 20, 2004.

Thank you for your interest in our services and your consideration of this offer.

Sincerely,

AERO SNOW REMOVAL CORP. (ILL.)



Peter Dejana
President

Encl.

EXHIBIT A

DETAILED SPECIFICATIONS

SCOPE OF WORK

During past snow seasons, the City of Chicago has utilized the services of Contractors to provide physical removal of snow from the air side areas at O'Hare International and Midway Airports by hauling said snow to disposal sites with dump trucks for natural melting. Because of environmental, safety, security and other concerns, the City of Chicago shall, during the term of this Contract, utilize the Snowmelters specified herein in lieu of dump trucks for the physical removal of snow from the air side areas of O'Hare and Midway Airports.

Accordingly, the Contractor shall provide to the City of Chicago, Department of Aviation, O'Hare International and Midway Airports the rental and operation of specified mobile self-watering steam limiting ability Snowmelters (i.e., capable of melting 600 tons (112 million BTU's per hour) of snow per hour under "snow call-out" conditions or as directed by the Department of Aviation). An independent testing company will confirm each model Snowmelter's capacity and BTU strength.

Submittals shall be in accordance with the General and Special Conditions and as specified within these Detailed Specifications.

OPTIONAL EQUIPMENT

When directed by the Commissioner, under this Contract the Contractor shall provide, as available, the following optional equipment at O'Hare and Midway Airports:

- A. Under 100 tons/hr Snowmelters
- B. 150 tons/hr Snowmelters
- C. 350 tons/hr Snowmelters
- D. High Lift Loaders w/operators 2-4 cy

DISPOSAL OF WATER

At O'Hare International Airport, the Contractor is allowed under normal conditions, to dispose of water resulting from its snow melting operations into Lake O'Hare. In the event that the lake's water level reaches to such a maximum level or height that it is unable to receive any further quantity of water, then the Contractor shall not be allowed to dispose of water into Lake O'Hare. In this event water will be disposed of into the nearest existing storm sewer system. There will be no transport of water involved.

Furthermore, the Contractor may not be allowed to dispose of water into Lake O'Hare if environmental concerns or any other reason beyond the City's control prohibits the disposal of such water into Lake O'Hare. The Contractor may propose any other appropriate means and methods for the disposal of such water to the Commissioner's approval.

AERO SNOW REMOVAL CORP. (ILL.)**EXHIBIT B****SNOW MELTING EQUIPMENT
FOR CHICAGO O'HARE INTERNATIONAL****Portable Hopper Type, Self-Watering
With Steam Limiting Ability****Rates For Initial Three (3) Year Term**

<u>EQUIPMENT DESCRIPTION</u>	<u>STANDBY HOURLY RATE</u>	<u>OPERATIONAL HOURLY RATE</u>
600 ton/hr. Snow Melter (112 million BTUs per hour)	\$150	\$4,795
Truck/Tractor with Driver/Melter Operator	148	148
Payloader with Operator (4-7 cy)	234	234
Supervisory Vehicle with Supervisor	147	147

Note: All equipment except Snow Melters will be subject to a minimum compensation of eight (8) hours per call-out. Snow Melters, on a per unit basis, will be subject, as appropriate, to one of the following minimums per call-out:

All equipment, except Snow Melters, will be subject to an eight (8) hour minimum per call-out. Snow Melters, on an individual basis, will be subject to one of the following minimums per call-out.

- a. In the event a melter is placed on Standby Time and discharged without ever going Operational, a minimum of eight (8) hours will be charged, at the appropriate Standby rate.
- b. In the event that the melter is placed on Operational Time, a minimum of four (4) hours Operational Time will be charged at the Operational rate, plus a charge for any Standby hours accrued prior to going Operational at the appropriate Standby rate.

CPAC PROJECT CHECKLIST

For CPAC Team Use Only	
Date Received	
Date Returned	
Date Accepted	

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE TEAM LEADER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED INCLUDING THE SUPPLEMENTAL CHECKLIST REQUIRED BY THE SPECIFIC CPAC TEAM. ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

PROJECT 10/13/04
 Date: _____
 ID No (Spec, RX, Project): _____
 Department: AVIATION
 Bureau: Airfield Operations
 Contract No (if known): _____
 Project Title/Description: Snow melting service for Chicago Airport System

Contact Person: DAVE BOWMAN
 Tel: 696-7881 Fax: 696-6255 E-mail: DBOWMAN
 Project Manager: Bill Leary
 Tel: 696-4500 Fax: _____ E-mail: Gradywick
 Estimated Value \$ 9,000,000

SCOPE STATEMENT

attached is a detailed scope of services and/or specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR A TEAM TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE ALL TEAM SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT TEAM.

The following is a general description of what would be included in a Scope of Services or Specification:
 A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply)

Competitive Bid RFO/RFP/RFS/RFI Sole Source Term Agreement One Shot
 Mod/Amendment Time Extension Additional Funding Small Order S/O Emergency

FORMS

F-25* (add line item) F-10* (special approvals) SSRB** (sole source approval)
 F-25* (new term agreement) PX (one-shot requisition) OBM Authorization
 F-27* (time extension) AFR# (all purpose request form)
 F-25* (change vendor item)

* Sole source requests must include vendor quotes/proposal and MBE/WBE compliance requirements

FUNDING

City: Corporate Bond Enterprise Grant* Other
 State: IDOT/Transit IDOT/Highway Grant* Other
 Federal: FHWA FTA FAA Grant* Other
 Funding Strip(s): (04) 740 85 4005 0157 0157

* Attach copy of any applicable grant agreement terms and conditions

TIME FRAME

Date Needed: 11/1/04 Requested Contract Term (y-m-d): 11/1/04 - 4/30/07

PRE BID/SUBMITTAL REQUIREMENTS

Requesting Pre Bid/Submittal Conference? Yes No Requesting Conference be Mandatory? Yes No
 Requesting Site Visit? Yes No Requesting Site Visit be Mandatory? Yes No

AERO SNOW REMOVAL CORP.

CPAC PROJECT CHECKLIST

ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

Required Attachments: Scope of Services, including location, description of project, services required, deliverables, and other information as required

N/A

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

Pre-Qualification Category No. _____ Category Description: _____

For Pre-Qualification Program, attach list of suggested firms to be solicited

Other Agency Concurrence Required: None State Federal Other (fill in) _____

AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents: Yes No

N/A

Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications.

Risk Management:

Current Insurance Requirements prepared/approved by Risk Management: Yes No

Will work be performed within 50 feet of CTA or ATS structure or property? Yes No

Will work be performed airside? Yes No

CAPITAL EQUIPMENT (VEHICLES) SUPPLEMENTAL CHECKLIST

Required Attachments:

Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories.

Special Provisions (Delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bid Submittal Information, etc.)

Delivery Location(s)

Technical Literature

Drawings, if any

Part Number List (Manufacturer, or Dealer, or Other Source: _____)

Copy of current Price List(s)/Catalog(s)

Form F-10 or other authorization document

Any other exhibits and attachments

COMMODITIES SUPPLEMENTAL CHECKLIST

Required attachments:

Copies of price lists, catalogs, drawings, variations of part numbers

Any other exhibits or attachments

CONSTRUCTION SUPPLEMENTAL CHECKLIST (LARGE & SMALL)

Required attachments: Copy of Draft (80% Completion)

Copy of Draft (80% Completion) Contract Documents and Detailed Specifications

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

N

CPAC PROJECT CHECKLIST

N/A

DELEGATE AGENCY SUPPLEMENTAL CHECKLIST

Required attachments:

Attach Scope of Services that includes the following information 1) Program background & objectives; 2) Type of services for which proposals are sought; 3) Location and time line for delivery of services; 4) Qualifications, skills, and/or experience necessary; 5) Special licenses or certifications required; 6) Evaluation process (if known).

Other Attachments (please submit all that apply)

1. Copy of grant application and/or grant agreement
2. Evidence of award authority (DAAC agenda with agency name highlighted; City Council ordinance with agency name highlighted; or OBM letter)
3. Modification information (Copy of Form F-8A; screen print of EPS AWDS table)

Does program require Executive Order 91-1 clearance? Yes No
 Is boilerplate from Law available or in production? Yes No
 Would your department benefit from technical assistance? Yes No

HARDWARE/SOFTWARE SUPPLEMENTAL CHECKLIST

ITSC (approved by BIS)

OBM (approved by Budget form/memo)

N/A

Attach any documentation indicating any previous purchase activity to assist in the procurement process
 Grant document attached

PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

Detailed scope of services as described on page 1.

The Schedule of Compensation

Deliverables

Request for individual contract services (if applicable)

The appropriate EPS form

* If this is a Telecommunications/Utilities project, please also address the following:

Has the project been reviewed by DGS? Yes No
 Attach copy of DGS Recommendation; Reservation(s); or participate under current contract.
 Does the project include software? Yes No
 If yes, is signed ITSC form attached? Yes No
 Does the location involve:
 A public way? Yes No
 Any concession in the City's facilities? Yes No
 Is it anticipated City Council approval of the project or contract will be required? Yes No

N/A

CPAC PROJECT CHECKLIST

SMALL ORDERS SUPPLEMENTAL CHECKLIST

Yes No

- 1. Special Approval Form/Justification Letter.
e.g. (Emergency Contract, Telecommunication Back-up documents, Proposals, EPS Form F-10, etc.).
- 2. Suggested Vendor.
- 3. Commodity Code, Manufacturer, Catalog Information, Model No., Quantity, Unit Cost/Measure, Color etc.
- 4. Detailed Specification or Scope of Work.

ATTACHMENT REQUIRED FOR EACH SMALL ORDERS PROCUREMENT TYPE

(Check Appropriate Group)

1. ONE SHOT (PN)

- YES () NO () Detailed Specifications
- YES () NO () Suggested Vendor
- YES () NO () Support Documentation

3. EMERGENCY CONTRACT

- YES () NO () Justification Letter
- YES () NO () Vendor Proposal
- YES () NO () Pre-assigned Requisition (RX)

N/A

4. TELEPHONE/FAX BIDS

- YES () NO () Justification Letter

2. SOLE SOURCE REQUIREMENTS

- YES () NO () Vendor Proposal
- YES () NO () Disclosure Affidavit
- YES () NO () Letter of Exclusive or Unique Capability
- YES () NO () Support Documentation from Vendor/Manufacturer.
- YES () NO () Signature(s) of Originator or Departmental Head/Designee.

WORK SERVICES & FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

Required Attachments: Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detail), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations, contract term and extension options, contractor qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standard, and price lists, catalogs, technical drawings and other exhibits and attachments as appropriate.

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property?

Yes No

Will services be performed on or near a waterway?

Yes No

Will services require the handling of hazardous/biowaste material?

Yes No

Will services require the blocking of streets or sidewalks in any way?
Which may affect public safety?

Yes No

TU: Kerwin

4 pages + cover

AERO CPAC checklist

Per Duke Bowman
10-14-04
WILL ENTER
Reg#
later