Date: March 13, 2006

To: Patrick A. Harney, Acting Commissioner
Department of Aviation

Attn: Valerie Walker

From: Barbara A. Lumpkin
Chief Procurement Officer

Re: Emergency Authorization Second Request
Repair of Electric Motors for Chicago Airports

Contract /Po# 11568
Requisition# 25844
Specification # 44414

Pursuant to Section 2-92-644 of the Municipal Purchasing Act, I am authorizing you to make an Emergency purchase from Palm Electric Company. Based upon information received from members of your staff, I have determined that this procurement is necessary to meet bona fide operating emergencies.

You are hereby authorized to purchase the Repair of Electric Motors in the amount of $250,000.00 as requested in your letter dated February 6, 2006. Any amount in excess of the $250,000.00 approved here will be subject to additional authorization and will be limited so as not to exceed the $250,000.00 limit established by statue.

cc:
Lourdes Nur
H. Rehman
V. Walker
3M Files
S. Lewis
File/Scan (Contract PO# 11568)
Date: February 6, 2006

To: Barbara Lumpkin
   Chief Procurement Officer

From: Patrick A. Harney
   Acting Commissioner

Subject: Request for Emergency Authorization-2ND REQUEST
   Repair of Electric Motors for Chicago Airports
   Vendor: Palm Electric
   Estimated Cost: Not to Exceed $250,000.00

The Department of Aviation (DOA) requests an emergency contract to continue the services previously authorized in emergency PO #8885 with Palm Electric. The DOA requested the first emergency contract on April 28, 2005, due to the extensive number of repairs required on over 90 motors that were out of order. The citywide blanket agreement expired 12/31/04 and was not extended, as there were financial issues the contractor had to resolve with the Federal Government.

The same issue that necessitated the original emergency request is still the case today as a new long-term citywide contract has not yet been bid and awarded. The DOA submitted its final estimates and revisions to the draft specification in April 2005. Unfortunately, delays have been caused due to pricelist issues and a lack of resources in the Department of Procurement Services ("DPS").

To date, DOA has expended approximately $150,000 and Palm Electric has outstanding work orders that will exceed the remaining balance of $20,500.00. The DOA has also now identified additional motors that will require repairs. In order to continue the uninterrupted repair of the motors and ensure that the airport’s needs are covered, we are hereby requesting the authorization of a new contract. The motors that require ongoing repairs power various equipment including sewage pumps and HVAC equipment. Motor failures could cause unsafe conditions with respect to hygiene and ventilation.
Page Two

DOA Emergency Contract Request
Vendor: Palm Electric
2/27/06

We are requesting a vendor limit not to exceed $250,000. This should cover the current work orders, as well as our monthly expenses for repairs. As we typically incur approximately $25,000 in repairs per month, we estimate the new emergency contract will ensure coverage to DOA for the next 6 months. DOA is hopeful that a new contract will be awarded by that time. I have attached a copy of the original emergency request dated April 28, 2005, together with a letter from Palm Electric agreeing to the same rates originally approved. Palm Electric’s rates were substantially lower than the other bidders who responded to our solicitation.

If you require further information regarding this request, please contact Valerie Walker at 773/ 686-3594.

Attachments: Palm Electric Letter
Proposal Page

use this page for your bid and fax to (773) 686-8235

<table>
<thead>
<tr>
<th>Labor</th>
<th>Estimated Hours</th>
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<tr>
<td>General Electric</td>
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<tr>
<td>Non-listed Mfrs*</td>
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</tbody>
</table>

* at a mark up over actual cost (not to exceed 10% mark up)

Total Bid Price $138,250

Ric Patruno 3/25/06
Bidders Signature

1-773-276-8686
Phone number

Ric Patruno
Bidders Name (print)

Palm Electric Co
Company Name (print)