MEMORANDUM

To: F.H. Paschen

From: Burke Burns & Pinelli, Ltd.

Date: January 17, 2023

Re: Village of Elmwood Park/Job Order Contract

You have asked us to look into the issue of whether school districts, park districts and non-home-rule units of government may purchase construction services from Paschen through its Job Order Contract ("JOC") with the Village of Elmwood Park ("Village").

Brief Answer: Yes, any government unit – including school districts, park districts, municipalities, counties and non-home-rule units of government – located within the State of Illinois may participate in the JOC by contacting Paschen or the Village to schedule a meeting about initiating a job order request through the Elmwood Park JOC.

This memorandum will set forth the statutory and contractual authorities that allow these units of government to take advantage of the JOC and some examples of Illinois local government units entering into joint purchasing agreements with one another.

I Background

In 2020, the Village solicited bids for construction services through the JOC. The Village awarded the JOC to Paschen on May 4, 2020. The JOC has a base term of two years, with the option to extend the JOC for three additional two-year terms, for a total of six years.

II Authority

The Illinois Constitution grants very broad powers to all local governments, including school districts, park districts and non-home-rule units, to cooperate with each other, with the State of Illinois, other states, the federal government, and private parties to provide public services. ILL. CONST. 1970 Art. VII, &10.

Article VII, Section 10 of the Illinois Constitution states:

Units of local government and school districts may contract or otherwise associate among themselves, with the state, with other states and their units of local government and school districts and with the United States to obtain or share services and to exercise, combine, or transfer any power or function in any manner not prohibited by law or by ordinance. Units of local government and school districts may contract as

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otherwise associated with individuals, associations and corporations in any manner not prohibited by law or by ordinance.

In addition, the Illinois Government Joint Purchasing Act ("Joint Purchasing Act") expressly allows any government unit to purchase services jointly with one or more other government units. 30 ILCS §525/2(a). The Illinois Joint Purchasing Act defines government unit as the State of Illinois, any State agency, officers of the State of Illinois, any public authority which has the power to tax, or any other public entity created by statute. 30 ILCS §525/1. This definition includes school districts and park districts, which are created by statute pursuant to 105 ILCS \$5/11E et seq. and 70 ILCS 1205/2-1 et seq. It also includes municipalities and counties, which have the power to tax pursuant to 65 ILCS §5/8-3-1 and 55 ILCS 5/5-1024 respectively. Joint purchases may be made by any agreement of governmental units. 30 ILCS §525/3. All joint purchases must be by competitive bid. §525/2(a). However, only one of the government units is required to conduct a bid. §525/3. The Joint Purchasing Act supersedes all other acts under which a governmental unit operates regarding purchasing and purchasing procedures. §525/2(a). Accordingly, the joint purchasing opportunities presented by the Joint Purchasing Act are available to all government units within the State of Illinois.

Each government unit must in some way approve participating in joint purchasing. In addition, each government unit's procurement official must have authorization to award the job order being let pursuant to the JOC. This authorization may be accomplished in different ways. For example, some government units require authorization by its city council or board of trustees of a specific job order purchase, while others may allow their procurement official to award purchase orders without additional authorization where the dollar value is under a certain amount or an appropriation has already been made.

Once the governmental unit has approval, the only other issue is to ensure that the existing JOC itself does not include any restrictions on such joint purchases. Here, the JOC executed by the Village of Elmwood Park on May 4, 2020, includes a provision that expressly allows any unit of government to purchase work under the JOC pursuant to a licensing fee (Art. III, Sec. 10, Cooperative Purchasing). The JOC was executed according to the required competitive bidding process under the Illinois Procurement Code. Thus, there should be no restrictions here for an Illinois unit of government, including school districts, park districts and non-home-rule units of government from participating in the existing Village JOC.

III Examples of Local Governments Participating in Joint Purchasing Agreements with One Another. (* - denotes a non-home-rule unit of government)

A. Aurora JOC

Aurora DuPage County Tinley Park
Buffalo Grove Park District Northbrook Fox Valley Park District
Elgin Orland Park Downers Grove

Naperville Riverside* Geneva*

Downers Grove Park District Schaumburg Indian Prairie SD 204

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B. Elmwood Park JOC

Aurora Orland Park Leyden Township Elgin Riverside* Winnetka Park District

Cook County Schaumburg Libertyville*
DuPage County Tinley Park Naperville

Lakemoor* Hodgkins
Northbrook Bridgeview

C. Lakemoor JOC

Homewood Elgin

Winnetka Park District Carol Stream Fire Protection District

River Grove LaGrange Park*
Brookfield Zoo Libertyville*

DuPage County

D. Sourcewell JOC

Glenview Carol Stream Glen Ellyn Hanover Park

E. NCPA JOC

Schaumburg Central Lake County Joint Action Water Agency Troy CCSD 30C

Buffalo Grove LaGrange Park* East Maine SD 63

Northbrook Huntley Western Springs SD 101

Elgin Lincolnwood SD 74 Libertyville*

Roselle* LaGrange SD 105 Winnetka Park District

Hanover Park Downers Grove National Museum of National Art

F. Naperville JOC

Naperville Lakemoor* Palatine Park District
Aurora Glenbard Waste Water Authority Bloomingdale SD 13
Tinley Park Park Forest Plainfield Village
Homer Township Carol Stream Oak Forest

Riverside* Huntley Warrenville Fire Protection District

Elgin Homewood La Grange Park

Downers Grove Orland Park Cary*

Buffalo Grove Hanover Park Thorn Creek Basin Sanitary District

North Central College Bloomingdale Village of Lisle Clarendon Hills*

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IV. Summary

The construction services offered through the competitively bid JOC are available to any government unit in the state of Illinois, including local municipalities, counties, school districts and park districts. Though Illinois law and the JOC itself authorize each of these units to procure services from the JOC, it is incumbent on each unit to obtain its own internal authorization to participate in a joint purchasing agreement as well as to comply with its own purchasing procedures. Paschen's JOC with the Village offers government units in Illinois an efficient and cost-effective avenue to complete construction projects of all sizes.