



CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 145843

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Root Brothers Mfg & Supply Company

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

10317 S. Michigan Ave.
Chicago, IL 60628
United States

C. Telephone:

773-264-5000

Fax:

773-264-6365

D. Name of contact person:

Aaron Root

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

Purchase of Twenty (20) Foot Storage Containers

Which City agency or department is requesting this EDS?

DEPT OF PROCUREMENT SERVICES

Specification Number

1188398

Contract (PO) Number

113040

Revision Number

Release Number

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Privately held business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	David Root
Title:	President/Director
Role:	Both

Officer/Director: Garrett Root
Title: Vice President/Treasurer/Director
Role: Both

Officer/Director: Aaron Root
Title: Vice President/Secretary/Director
Role: Both

2. Ownership Information

Please provide ownership information concerning each person or entity that holds, or is anticipated to hold (see next paragraph), a direct or indirect beneficial interest in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

Please disclose present owners below. Please disclose anticipated owners in an attachment submitted through the "Additional Info" tab. "Anticipated owner" means an individual or entity in existence at the time application for City action is made, which is not an applicant or owner at such time, but which the applicant expects to assume a legal status, within six months of the time the City action occurs, that would render such individual or entity an applicant or owner if they had held such legal status at the time application was made.

- Joan Root - 16.0%
- David Root - 52.0%
- Garrett Root - 8.0%
- Randall Root - 16.0%
- Aaron Root - 8.0%

Owner Details

Name	Business Address
Aaron Root	10317 S. Michigan Ave. Chicago, IL 60628 United States
David Root	10317 S. Michigan Ave. Chicago, IL 60628 United States

Garrett Root 10317 S. Michigan Ave.
Chicago, IL 60628
United States

Joan Root 10317 S. Michigan Ave.
Chicago, IL 60628
United States

Randall Root 10317 S. Michigan Ave.
Chicago, IL 60628
United States

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

A. Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS?

No

B. Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS?

No

D. Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in [Chapter 2-156 of the Municipal Code](#) ("MCC")) in the Disclosing Party?

No

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in [MCC Chapter 2-156](#)), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

1. Has the Disclosing Party retained or does it anticipate retaining any legal entities in connection with the Matter?

Yes

2. List below the names of all legal entities which are retained parties.

Name:	Advantage Structures
Anticipated/Retained:	Retained
Business Address:	10554 S. Muskegon Ave. Chicago, IL 60617 United States
Relationship:	Supplier
Fees (\$\$ or %):	\$29,000.00
Estimated/Paid:	Estimated

3. Has the Disclosing Party retained or does it anticipate retaining any persons in connection with the Matter?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under [MCC Section 2-92-415](#), substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

No

B. FURTHER CERTIFICATIONS

1. [This certification applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any [Affiliated Entity](#) has engaged, in connection

with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e. an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

I am unable to certify the above to be true

Explain :

We engaged a compliance monitor based on the requirements of an MOU with the City of Chicago and Root Brothers in 2016. The monitoring period ended in April of 2019. We remain in complete compliance with the terms of the MOU.

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

I certify the above to be true

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;
- d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC [Chapter 2-56 \(Inspector General\)](#) and [Chapter 2-156 \(Governmental Ethics\)](#).

I certify the above to be true

5. Neither the Disclosing Party, nor any [Contractor](#), nor any [Affiliated Entity](#) of either the Disclosing Party or any [Contractor](#), nor any [Agents](#) have, during the 5 years before the date of this EDS, or, with respect to a [Contractor](#), an [Affiliated Entity](#), or an [Affiliated Entity](#) of a [Contractor](#) during the 5 years before the date of such [Contractor's](#) or [Affiliated Entity's](#) contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions referenced in [MCC Subsection 2-92-320\(a\)\(4\)\(Contracts Requiring a Base Wage\)](#); [\(a\)\(5\)\(Debarment Regulations\)](#); or [\(a\)\(6\)\(Minimum Wage Ordinance\)](#).

I certify the above to be true

6. Neither the Disclosing Party, nor any [Affiliated Entity](#) or [Contractor](#), or any of their employees, officials, [agents](#) or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of [720 ILCS 5/33E-3](#);
- bid-rotating in violation of [720 ILCS 5/33E-4](#); or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

7. Neither the Disclosing Party nor any [Affiliated Entity](#) is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

I certify the above to be true

8. [FOR APPLICANT ONLY]

- i. Neither the Applicant nor any "controlling person" [[see MCC Chapter 1-23, Article I](#) for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency" ; and
- ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If [MCC Chapter 1-23, Article I](#) applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

I certify the above to be true

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the [federal System for Award Management](#) ("SAM")

I certify the above to be true

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/ subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

11. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$25 per recipient, or (iii) a political contribution otherwise duly reported as required by law.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies, as defined in [MCC Section 2-32-455\(b\)](#), the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in [MCC Chapter 2-156](#) have the same meanings if used in this Part D.

1. In accordance with [MCC Section 2-156-110](#): To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

No

SECTION VII - FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics Ordinance, [MCC Chapter 2-156](#), imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to MCC Article I of [Chapter 1-23](#) (imposing PERMANENT INELIGIBILITY for certain specified offenses), the

information provided herein regarding eligibility must be kept current for a longer period, as required by [MCC Chapter 1-23](#) and [Section 2-154-020](#).

I acknowledge and consent to the above

APPENDIX A - FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under [MCC Section 2-154-015](#), the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

APPENDIX B - BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It

is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Pursuant to [MCC Section 2-154-010](#), is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to [MCC Section 2-92-416??](#)

No

APPENDIX C-PROHIBITION ON WAGE & SALARY HISTORY SCREENING

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in [MCC Section 2-92-385](#). That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to [MCC Section 2-92-385](#), I hereby certify that the Applicant is in compliance with [MCC Section 2-92-385\(b\)\(1\)](#) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

This certification shall serve as the affidavit required by [MCC Section 2-92-385\(c\)\(1\)](#).

Yes

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

Root Brothers Mfg. & Supply Co. is a SDAV (Service Disabled American Veteran) certified company. The certification is by the NVBDC (National Veteran Business Development Council). It expires February 10, 2020.

List of vendor attachments uploaded by City staff

None.

List of attachments uploaded by vendor

NVBDC/SDAV Certification
Root-CoC MOU 29JUN2016

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 11/20/2019

Aaron Root
President
Root Brothers Mfg & Supply Company

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.



CERTIFICATE No. F0625201800438

National Veteran Business Development Council

CERTIFICATION

is hereby granted to:

Root Brothers Manufacturing & Supply Co.

The National Veteran Business Development Council certifies that the named entity has met all criteria established to be recognized as a Service Disabled Veteran Owned Business (SDVOB)

Given this Date: 2-10-2019
Expiration Date: 2-10-2020

Keith King, President



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into on the date of the last affixed signature to this Agreement between Root Brothers Manufacturing and Supply Co., Inc. (“Root”) and the Chief Procurement Officer of the City of Chicago (“City”) on behalf of the City and its Department of Procurement Services (“DPS”) (collectively, the “Parties”).

WHEREAS, in a report dated May 24, 2012 (the “OIG Report”), the City of Chicago Office of the Inspector General (“OIG”) concluded that Root failed to comply with City of Chicago rules concerning Minority-owned Business Enterprise and Women-owned Business Enterprise (“MBE/WBE”) participation in that its employees submitted fraudulent, and sometimes forged, compliance records, and also overstated MBE/WBE participation amounts; and

WHEREAS, the investigation of Root in connection with the OIG Report revealed that Loretta Dicke, Corporate Secretary of Root, was responsible for creating and enacting the fraudulent scheme, which continued for some time under the direction of Charlene Neace, an administrative assistant at Root, after Dicke’s departure from Root; and

WHEREAS, in the OIG Report, the OIG recommended that DPS enter into a deferred debarment agreement with Root that includes a provision prohibiting Neace from participating in any aspect of City procurement compliance and seek damages against Root based on their MBE/WBE participation shortfall; and

WHEREAS, in July 2012, Root responded to DPS’s request for a response to the OIG report; and

WHEREAS, thereafter, DPS investigated Root’s claim that it owed no monetary penalties. Root provided lists of payments to various MBE/WBE vendors, canceled checks, and explanations on how it wanted to allocate those payments amongst various City contracts as indirect participation. Throughout 2013, DPS attempted to make sense of Root’s submissions and even engaged the services of professional accountants to determine Root’s MBE/WBE compliance. During this time period and into 2014, DPS made several requests that Root clarify and provide sufficient backup documentation for its MBE/WBE utilization claims; and

WHEREAS, after much explanation and feedback on drafts of supplemental Root submissions on the part of DPS, in February 2015, Root submitted five letters discussing its MBE/WBE compliance and requesting final contract closeout on Contract Nos. 11134, 11227, 12191, 3221, and 10952 (the “Contracts”). Root did not submit letters regarding Contract Nos. 9685, T26495, 1562, and 14697, which are also awaiting final contract closeout. The letters included waiver requests for Root’s MBE/WBE participation shortfalls and backup documentation in support of Root’s calculations of its MBE/WBE achievement, all of which was

achieved with indirect participation. Root also provided a letter in support of its Good Faith Efforts to meet the MBE/WBE goals on all its contracts; and

WHEREAS, DPS attempted to reconcile Root's calculations and backup documentation with DPS's calculations of Root's MBE/WBE compliance on the Contracts. However, several issues complicated the matter, including: (1) The nature of indirect participation, which allows a contractor to purchase goods and services from MBE/WBE firms outside of the performance of a City contract and have that utilization count towards MBE/WBE participation on any City contract, resulting in confusion when a contractor attempts to split up the dollars spent amongst numerous contracts, as Root did here; and (2) Root's counting of goods purchased from a certified firm, while making payments for those goods to a non-certified firm, as MBE participation. Thus, like the professional auditing team that previously attempted to reconcile Root's calculations and backup with its own calculations, DPS was unable to verify Root's participation numbers; and

WHEREAS, between the nine contracts Root had with the City that were either discussed in the OIG Report or were awarded within the 2002-2007 period (all of which are inactive, i.e., are awaiting closeout), the City calculated Root's participation shortfall as \$2,007,386.80, while Root's submissions indicate an overage of \$1,634,488.29 (which takes into account its participation achieved in two additional active contracts); and

WHEREAS, Root acknowledges the assertions made in the OIG Report and admits to the fraudulent conduct but asserts that it has taken appropriate corrective actions; and

WHEREAS, the City recognizes and appreciates Root's current efforts to ensure strict compliance with all contract and compliance requirements and rules, including its continued implementation of a compliance program, agreement to retain a third party consultant to monitor Root's compliance on City contracts, and good faith efforts to comply with its MBE/WBE participation commitments; and

WHEREAS, Root and the City desire to amicably resolve this matter in the best interests of Root and of the City and its taxpayers; and

WHEREAS, Root and the City wish to avoid the expense and uncertain outcome of any litigation over this matter;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises contained in this MOU, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the Parties, and in lieu of commencement of debarment, and to resolve this matter, the Parties agree as follows:

1. **Definitions:**

- A. **Root:** Root refers to Root Brothers Manufacturing and Supply Co., Inc., which was alleged to have engaged in misconduct in an OIG report dated May 24, 2012, and includes, without limitation, Root, in its current form and in any earlier business organization form, and any other form it may take in the future and, whether individually, collectively, or jointly, with any of their respective successors, and any current, or future assigns, agents, officers, directors, partners, employees, shareholders, divisions, corporate or other organizational parents, subsidiaries and affiliates.
- B. **City:** The “City” or “City of Chicago” includes, without limitation, the City of Chicago, an Illinois municipal corporation, and any of its current, or future assigns, agents, attorneys, executors, administrators, representatives, officers, officials, directors, employees, divisions, corporate or other organizational parents, agencies, bureaus, offices, departments.
- C. **Chief Procurement Officer:** The Chief Procurement Officer, also known as the Purchasing Agent, is that position established and defined by Section 2-92-010 of the MUNICIPAL CODE OF THE CITY OF CHICAGO and in 65 ILCS 5/8-10-15, *et seq.*

2. **Terms of the MOU:** Upon the effective date of this MOU, which shall be July 15, 2016, the City and Root agree that they will be subject to the following terms:

- A. Root agrees that Charlene Neace will not participate in and will not perform any work of any kind on any existing or future contracts with the City nor participate in any work on any bid or submission to the City. After 10 years from the date of this MOU, Charlene Neace may perform City-related work; provided however, that such work shall not include any work on any bid to the City or on City contract compliance.
- B. In the event, or at such time as Charlene Neace ceases to be affiliated with Root as of the date of this Agreement, Root agrees to report this cessation to the Chief Procurement Officer and the Corporation Counsel. Root agrees to report information known to it as to the name, location, and position of Charlene Neace’s subsequent employment, and to use best efforts to report any future employment thereafter of Charlene Neace, including any consulting, subcontracting, or independent contracting work, to the Chief Procurement Officer and to the Corporation Counsel.
- C. Root agrees to continue to implement, enforce, and update its Compliance

Program that was established in 2007 and require that all employees complete Compliance Program training.

- D. Root agrees to retain the firm of Taft Stettinius & Hollister to provide compliance monitoring services, the costs of which shall be paid by Root. Root agrees that the monitor will be charged with confirming that Root has and is implementing its Compliance Program, that Charlene Neace's activities do not involve City contracts, and that Root is in compliance in its reporting of MBE/WBE participation to the City. Root agrees that: the monitor will have the requisite knowledge of the City of Chicago MBE/WBE policies and regulations and the skills to understand the details of the indirect participation methodology; the monitor will report to the City upon its initial review and thereafter on a quarterly basis; the monitoring period will end twenty-one months after its first report; the monitor will be charged with examining only those matters dealing with the City of Chicago and will agree to hold all of the business information it examines confidential; and if the monitor believes that some procedure or act is not in compliance with the City's rules and regulations, it will first inform Root of the reasons for that conclusion; if Root and the monitor are unable to resolve the issue, the monitor may seek confidential guidance from DPS, which will not reflect adversely upon Root if DPS concurs with the monitor and corrective action is taken.
- E. Root agrees that the City shall have the option of reviewing Root's implementation of its Compliance Program, six months and one year after the execution of this MOU.
- F. On or before July 31, 2016, Root agrees to make payment to the City, via cashier's check made out to the City of Chicago, in the amount of Fifty Thousand Dollars (\$50,000.00), to be used to fund training for contractors on MBE/WBE compliance and reporting. The check shall be mailed to:

City of Chicago Department of Procurement Services
Attn: Jamie Rhee
121 North LaSalle Street, Room 806
Chicago, IL 60602

- G. Root agrees that, should the City find that it has violated any of the terms of this MOU, it may be subject to debarment.

- 3. **Fees and Costs:** Each of the Parties shall bear its own costs and expenses of any type in any way directly or indirectly related to the May 24, 2012 OIG Report, and to this MOU, including, but not limited to, attorney fees and litigation costs, if any.

4. **Advice of Counsel:** The Parties each warrant and represent that each has relied upon its own judgment and on the advice of its own attorney, and not on any statement or representation of any other person or party. Each Party further warrants that the terms of this MOU have been interpreted, completely read and explained to that party, and that these terms are fully understood and voluntarily accepted by the Party.
5. **Entire Agreement and Future Modification:** This MOU, along with the documents referenced herein, constitutes the entire agreement between the City and Root, individually and collectively, for all of the matters covered by this MOU and embodies the entire understanding of the City and Root, individually and collectively, for all of the matters covered by this MOU. Any modification or amendment of this MOU must be in writing, must be signed and dated by authorized representatives of the City and Root. All prior representations and agreements, whether oral or in writing, have been merged into and replaced by this MOU.
6. **Governing Law:** This MOU is entered into in the State of Illinois, Cook County, City of Chicago, and shall be governed, construed, and interpreted in accordance with the laws of the State of Illinois, except, however, that the law of conflicts of the State of Illinois, or of any other State or jurisdiction, shall not apply to this MOU.
7. **Construction:** The terms contained herein shall not be construed against a party merely because that party is, or was, the principal drafter.
8. **Binding Effect:** This MOU shall be binding upon, and inure to the benefit of, the City and Root, collectively and individually, and their respective successor(s), heir(s), executor(s) representative(s), assign(s), agents, officers, partners, employees, directors, and permitted assigns as defined in Paragraph One (1) above.
9. **No Third Party Beneficiaries; Assignments:** This MOU is entered into solely for the benefit of the City and Root, collectively and individually, as defined above in Paragraph One (1) above and is not intended to create, nor shall it be construed to create, any rights or obligations for the benefit of, or enforceable by, any other person, directly, or derivatively in the name of any other party. Neither the City nor Root shall assign, in whole or in part, this MOU, or any right, obligation, or responsibility under this MOU, without the prior approval of the other party, which shall not be unreasonably withheld or delayed.
10. **Acceptance of Terms:** In entering into this MOU, the City and Root, as defined

in Paragraph One (1) above, each represents that they fully understand and voluntarily accept individually and collectively the terms of this MOU.

11. **Joint Cooperation:** The City and Root, along with their agents, attorneys (subject to any limitations of attorney/client privilege and work product that may be lawfully asserted), employees, officers, directors, partners, successors in interest, or any other assigns as allowed by this MOU, agree to fully cooperate regarding the terms of this MOU and to take all reasonable additional actions that are consistent with, and that may be reasonably necessary or appropriate to give full force and effect to, the basic terms and intent of this MOU.

12. **Covenants And Warranties:** The City and Root each mutually covenant and warrant that each is a lawfully created legal entity authorized to exist and operate in the State of Illinois and in its state of incorporation if incorporated in a state other than Illinois. The City and Root each further mutually covenant and warrant that each is authorized to enter into this binding agreement and that each party is executing on its behalf and is authorized to sign and individually or collectively bind each party to this MOU. The City and Root further represent to one another, and mutually covenant and warrant, that they have full power and authority to enter into this MOU to carry out all of their obligations. The City and Root further represent to one another, and mutually covenant and warrant, that they are fully authorized by any and all necessary third parties (whether or not such parties or the requirement of authorization is disclosed) and to carry out all of their obligations herein, subject only to the entry of an order of dismissal by a court of proper jurisdiction and venue. The parties further represent that (i) all necessary corporate action has been duly taken to authorize the execution and delivery of this MOU, and (ii) that this MOU has been duly executed and delivered.

13. **Confidentiality:** The contents of this MOU are confidential and shall remain so to the extent permitted by law, unless all Parties to this MOU consent to disclosure of its terms in writing; provided, however, that 1) Root shall be permitted, without first obtaining consent of the City of Chicago, to disclose the existence and terms of this MOU where necessary to respond to solicitations for proposals of work by, or as required in certifications required to be made to, federal, state or local government agencies or as part of a government contracting or completion process, or where required by law, rule or regulation or to disclose such information in response to any inquiry or inspection by any federal or state regulatory agency, board or commission or to current or potential lenders, investors, acquirers, or other parties with similar interests in the business of Root, however, Root shall provide notice to the City within 5 (five) days of such disclosure, and 2) the City of Chicago shall be permitted, without first obtaining consent of Root, to disclose the existence and terms of this MOU where necessary to lawfully respond to requests for information made pursuant to the Illinois

Freedom of Information Act, any lawful process, any request from the City of Chicago City Council or any of its members, or where required by law, rule, or regulation.

14. **Counterparts:** This MOU may be executed by each of the parties to this MOU in identical original counterparts, with the same effect as if all of the parties had signed the same copy and with each counterpart constituting the entire MOU. Facsimile or PDF signatures will be deemed to have the same force and effect as original signatures, subject to receiving an original, signed MOU, which must be provided within five (5) working days of the date of the last signature to this MOU.

15. **Enforceability and Severability:** The terms and provisions of this MOU shall be deemed severable, so that, if any term or provision herein is deemed invalid or enforceable, that term or provision shall be deemed deleted or modified so as to make that term or provision and/or this MOU be valid and enforceable to the fullest extent permitted by applicable law.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding as of the date last written below.

**For the
CITY OF CHICAGO**

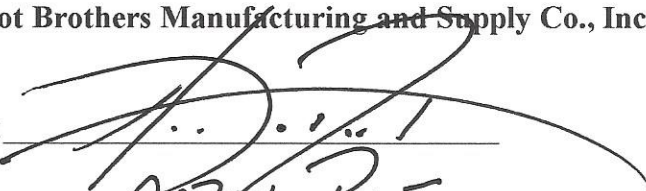
By: _____

Name: Jamie L. Rhee

Title: Chief Procurement Officer

Date: _____

**For
Root Brothers Manufacturing and Supply Co., Inc.**

By: 

Name: AARON ROOT

Title: VP-Sales

Date: 29 JUNE 2016