

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DAH*

DATE: January 10, 2011 (B of T) Date: January 20, 2011

TITLE: Text Amendments to the Lombard Village Code – Registration Process and Insurance Requirements

SUBMITTED BY: Department of Community Development *NA*

BACKGROUND/POLICY IMPLICATIONS:

The Department of Community Development transmits for your consideration an ordinance amending Title 15, Chapter 150, Section 150.143 of the Lombard Village Code in regard to adding a contractor registration process and removing insurance requirements as it relates to naming the Village as an additional insured.

Staff recommends approval of this request.

Please place this item on the January 20, 2011 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X *DAH* _____ Date 1/13/11

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

DATE: January 20, 2011

**SUBJECT: TEXT AMENDMENTS TO SECTION 150.143 – CONTRACTOR
REGISTRATION AND LICENSING AMENDMENTS**

As part of an ongoing effort to review existing policies and programs for cost effectiveness and efficiency, staff has undertaken a review of the processes associated with the collection of contractor information and the processes currently required by the Village to perform work. The result of this effort are proposed amendments to Section 150.143 of the Lombard Building Code establishing parameters for a contractor registration process and eliminating the need for selected additional insured requirements.

BACKGROUND

Currently the Village collects contractor insurance information for many contractors doing business in the Village. At present staff spends a fair amount of time reviewing licensing information and ensuring that the Village of Lombard is listed as an additional insured on the respective certificates of insurance. While the Village has required the proper insurance certificates as a prerequisite to issuing a building permit, the research time and costs associated with the insurance form processing has been borne by the Village and not the submitting entity.

The vast majority of neighboring communities require contractor registration or licensing as a prerequisite to work in the community and require a small processing fee to process the paperwork. Such fees generally range between \$50 and \$100 per contractor and are generally set up as a one time fee for the year.

Lombard has not charged contractors for such activities, meaning that the general public has been picking up this service cost for the private contractor businesses. Staff is proposing changing the process to establish a registration process with a processing fee of \$75.00 per calendar year. If a contractor seeks approval of a registration after July 1, the fee would be \$37.50.

The registration process will also benefit residents as it will provide a tool for the Village to make available a list of all registered contractors in the community, as staff frequently gets this request. Complete contractor information can also be made available to residents if an issue arises with their respective project. Lastly, the Village often has contractors calling staff asking for our registration forms and our costs for registration. Using the past policy and approach of “development paying its own way”, staff is proposing amendments to require completion of a registration form when they submit their insurance forms. The amendments also update code provisions to recognize State Statute exemption provisions.

To offset the cost of the registration for the contractors, staff is also suggesting that the “additional insured” requirement that the Village has previously required be eliminated as the additional insurance has been costly for contractors and as the Village has levels of tort immunity protection, such insurance really is not needed. Insurance requirements would still be necessary for Village projects. This will eliminate a generally unnecessary additional cost and burden to contractors. Most importantly, it will allow the turn around time on some permits to be decreased, as staff can attest that the additional insurance requirements has been an issue in the past and it has held up permits from being issued.

Ultimately, the proposed amendments are intended to be generally revenue neutral to contractors, provide additional cost recovery to the Village, provide an additional service to residents and will likely reduce permit issuance times.

RECOMMENDATION

Attached is a draft ordinance for consideration amending Section 150.143 adding the registration process and removing insurance requirements. Please place this item on the January 20, 2011 Board Agenda. Staff recommends approval of the proposed amendments.

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 15, CHAPTER 150, SECTION 150.143 OF
THE LOMBARD VILLAGE CODE IN REGARD TO CONTRACTOR
REGISTRATION AND INSURANCE REQUIREMENTS**

WHEREAS, the President and Board of Trustees of the Village of Lombard have heretofore adopted the Building Code of the Village of Lombard, otherwise known as Title 15, Chapter 150 of the Code of Lombard, Illinois; and,

WHEREAS, the purpose of the Building Code is to regulate and control the design, construction, size, use of materials, and occupancy of buildings and to provide minimum standards to protect life safety, health, and welfare and maintenance of all buildings and structures in the village.

WHEREAS, the Village finds it to be in its best interest to periodically review the Building Code to ensure that the provisions set forth therein meet the intent of the code while ensuring that the established provisions are meeting the needs of residents, tenants, property owners and contractors working in the Village; and

WHEREAS, the Village finds it to be in its best interest to memorialize its contractor requirements by establishing a contractor registration process; and,

WHEREAS, the Village finds that the registration and insurance requirements as expressed within Section 150.143 should be adjusted to reflect State Statute exemption provisions and remove requirements naming the Village as additional insured except for projects with work to be performed on Village owned property.

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois as follows:

SECTION 1: That Title 15, Chapter 150, Section 150.143, **INSURANCE REQUIRED**, of the Lombard Village Code is hereby amended to read in its entirety as follows:

§ 150.143 CONTRACTOR REGISTRATION AND INSURANCE REQUIRED REQUIREMENTS.

For purposes of this subsection, a contractor is defined as any person or firm performing work as a general contractor, carpenter, electrician, communications contractor, plumber, sewer and water contractor, excavator, concrete contractor, roofer, heating ventilation and air conditioning (HVAC) contractor, masonry contractor, iron or steel contractor, lawn sprinkler contractor, fire sprinkler contractor, fire alarm contractor, paver and elevator contractor.

- A) All contractors, as defined in Subsection A above, performing work within the Village shall be required to apply for and receive contractor registration approval from the Village's Community Development Department, Building Division, prior to receiving a building permit and/or commencing contractor activities. Approved registrations shall be effective for the entire calendar year in which the registration is approved. Contractors shall keep their registration in good standing throughout the year in which they are performing contractor services within the Village. A contractor registration fee of \$75.00 shall be required for each calendar year in which the respective contractor is working within the Village, with said fee payable upon submittal of the contractor registration application form. If a contractor submits a contractor registration application form after July 1 of a given year, the registration fee will be one-half of the full registration fee.
- B) Excavators, plumbers, sewer contractors, building movers, and wrecking Along with a completed contractor registration form, all contractors must place on file with the Community Development Department, Building Division, an insurance policy to meet or exceed the following: \$300,000 single limit manufacturers and contractors general liability naming the village as an insured. The insurance requirement provisions shall not apply to any contractors who are required to be licensed and/or regulated pursuant to the preemption powers of the State of Illinois in the Illinois Compiled Statutes.

SECTION 3: This ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this ____ day of _____, 2011.

First reading waived by action of the Board of Trustees this ____ day of _____, 2011.

Ordinance No. _____

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Passed on second reading this ____ day of _____, 2011, pursuant to a roll call vote as follows:

Ayes: _____

Nays: _____

Absent: _____

Approved by me this _____ day of _____, 2011.

William J. Mueller, Village President

ATTEST:

Brigitte O'Brien, Village Clerk

Published in pamphlet from this ____ day of _____, 2011.

Brigitte O'Brien,
Village Clerk