

AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE VILLAGE OF
ORLAND PARK AND THE ORLAND TOWNSHIP HIGHWAY DEPARTMENT
REGARDING FUELING OF ORLAND TOWNSHIP HIGHWAY DEPARTMENT MOTOR
VEHICLES

This Intergovernmental Agreement (“Agreement”) is made and entered into this _____ day of _____, 2026, between the Village of Orland Park, Illinois, a home rule municipal corporation, hereinafter referred to as the "Village" and the Orland Township Highway Department, Orland Park, Illinois, a body politic and corporate, hereinafter referred to as the "Highway Department."

WHEREAS, the Village is an Illinois home rule municipal corporation under and pursuant to Article VII, Section 6, of the Illinois Constitution of 1970 and may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Highway Department is a duly organized body politic and corporate organized and existing with custody and charge of Orland Park Township roads pursuant to both the Illinois Township Code (60 ILCS 1/1-1, *et seq.*) and the Illinois Highway Code, 605 ILCS 5/6-201.8 *et seq.*; and

WHEREAS, Article VII, Section 10, of the 1970 Constitution of the State of Illinois encourages and provides for units of local government to contract and otherwise associate to exercise, combine or transfer any power of function; and

WHEREAS, the Village and Highway Department are public agencies within the meaning of the Illinois Intergovernmental Cooperation Act as provided for in Illinois Compiled Statutes, 5 ILCS 220/1, *et seq.*; and

WHEREAS, the purpose of the Intergovernmental Cooperation Act and Article 7, Section 10 of the Constitution of the State of Illinois includes fostering cooperation among units of local government in planning and providing services to their constituents; and

WHEREAS, the Village, through a public competitive bidding process, purchases gasoline and diesel motor vehicle fuel (“Fuel”) for official Village vehicles at wholesale prices based on the volume purchased; and

WHEREAS, the taxpayers of the Highway Department would benefit from an agreement whereby the Highway Department would purchase Fuel for official Highway Department vehicles at the wholesale prices paid by the Village.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants of the parties hereto, it is agreed by and between the parties as follows:

SECTION 1. Incorporation of Recitals. The foregoing recitals are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1.

SECTION 2. Authorization. The Highway Department shall be authorized to obtain Fuel for official Highway Department vehicles by utilizing the Village’s refueling facility located at the Village Public Works Site, 15655 S. Ravinia Avenue, Orland Park, Illinois,

("Village Fuel Facility") or at such other locations that the Village designates in writing. Prior to the Highway Department refueling at the Village Fuel Facility, the Highway Department shall provide the Village, in writing, a list of Highway Department vehicles that are authorized to utilize the Village Fuel Facility. The Highway Department acknowledges and agrees that it is solely responsible to ensure that only authorized vehicles utilize the Village Fuel Facility. The Highway Department's refueling shall be accomplished in accordance with the Village's written procedures established from time to time by the Village and at the sole cost and liability of the Highway Department.

SECTION 3. Reporting and Billing. The Village shall, on a monthly basis, report in writing to the Highway Department as to the gallons of Fuel used by the Highway Department ("Usage Report"). The Village's Usage Report shall include a Village invoice detailing the charges the Highway Department must pay to the Village ("Village Invoice"). The Village Invoice shall be based upon the gallons of Fuel consumed by the Highway Department in the preceding month and the Village's cost per gallon for such Fuel. The Village Invoice's "cost per gallon" charge shall include an additional "per gallon" Annual Maintenance Fund and Capital Expense Fund surcharge and an annual Administrative Fee defined in, and included herewith as Exhibit A, which is hereby incorporated by reference. The Village Invoice shall be paid by the Highway Department within twenty (20) days of receipt thereof.

SECTION 4. Notices. Any notice given under this Agreement will be in writing and will be effective upon receipt evidenced by: (a) personal delivery; (b) confirmed email transmission; (c) return receipt of postage prepaid registered or certified mail; or (d) delivery confirmation by commercial overnight carrier, unless otherwise specified in this Agreement. All communications will be sent to the addresses set forth below or to such other address designated by written notice in accordance with this section:

To the Village:
ATTN: [REDACTED]
Village of Orland Park
14700 S. Ravinia Avenue
Orland Park, Illinois 60462
E-mail: [REDACTED]

To the Highway Department:
ATTN: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
E-mail: [REDACTED]

SECTION 5. Indemnification, Hold Harmless. The Highway Department agrees to indemnify, defend, and hold harmless the Village, its officials, officers agents and employees, for any and all claims and demands, and resulting damages, costs and expenses, including reasonable attorneys' fees, of any kind or nature whatsoever arising from any services received or provided as a result of this Agreement. Said indemnification and agreement to hold harmless shall include the duty to defend against, and shall include all costs, expenses, and charges associated with any claim, demand, suit, injury, cause of action, or any other liability arising out of any services received or provided as a result of this Agreement.

SECTION 6. Entire Agreement. This Agreement and Exhibit A to this Agreement represent the entire agreement between the Village and Highway Department regarding the subject matter herein, and supersedes all prior agreements and understandings, both written and oral, regarding the subject matter herein, and no statement, promise or inducement made by

either the Village or Highway Department to the other that is not contained therein shall be binding.

SECTION 7. Term. This Agreement shall remain in full force and effect from the date hereof until it is terminated as provided for in this Section. Either party may terminate this Agreement upon delivery of a written notice to the other party as least 30 days before the intended termination date, which must coincide with the end of a calendar month. Such notice shall be either personally delivered or sent by certified mail, return receipt requested. Upon termination, the Highway Department shall pay any outstanding Village Invoices.

SECTION 8. Modification. This Agreement shall only be amended by a written instrument approved and signed by all parties hereto. Such amendment shall take effect immediately upon its execution.

SECTION 9. Governing Law. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Illinois.

SECTION 10. Assignment. The Village and Highway Department may not assign their rights and privileges or their duties and obligations under this Agreement.

SECTION 11. Savings Clause. If this Agreement is determined to be invalid by a court of competent jurisdiction, it shall terminate immediately. Should any portion or portions of this Agreement be found to be invalid, the said portion or portions shall not be construed to render the entire Agreement void but shall be severed from the Agreement upon such finding. Nothing contained herein serves to limit, alter or amend any party's duties, rights or responsibilities as set out in applicable laws or regulations.

SECTION 12. Counterparts. This Agreement may be executed in multiple, identical counterparts and all said counterparts shall, taken together, constitute this integrated Agreement.

VILLAGE OF ORLAND PARK,
an Illinois municipal corporation

By: _____
Village President

Attest:

Village Clerk

ORLAND TOWNSHIP HIGHWAY
DEPARTMENT

By: _____

Attest:

Secretary

Exhibit A

Gasoline and Diesel fuel purchased by the Orland Township Highway Department (“Highway Department”) shall be billed on a monthly basis.

The billings shall include the quantity of gallons of fuel delivered by the Village of Orland Park’s (“Village”) bulk fuel system (“Village Fuel Dispensing System”) to each authorized Highway Department user. The gallons delivered shall be multiplied by a “Cost per Gallon” charge billed to the Village by the Village’s fuel vendor to determine the “Cost of Fuel” for the Highway Department billing.

For the period beginning [REDACTED], 2026 and ending [REDACTED], 2027, the monthly billings shall also include an additional \$0.0207 cents per gallon Annual Maintenance Fund surcharge as an appropriate fair share of the permitting, inspection, operational, and licensing costs and fees associated with the Village’s Fuel Dispensing System. This per gallon surcharge will be recalculated at the beginning of the each Village fiscal year.

A \$.0145 cents per gallon Capital Expense Fund surcharge shall be assessed and billed monthly, based upon the monthly gallons delivered by the Village to the Highway Department. Said Capital Expense Fund surcharge shall be accumulated and used towards Pro-Rata costs that may be incurred by the Village for more major costly work required to repair, upgrade or rebuild the Village Fuel Dispensing System. This per gallon surcharge will be recalculated at the beginning of the each Village fiscal year.

A flat annual Administrative fee of \$300.00 shall be added to the first billing statement of each calendar year.

All users of the Village Fuel Dispensing System, including the Village, shall pay into the Capital Expense Fund based upon consumption, commencing with 2010 as the basis for aggregate consumption. Capital repairs or improvement costs exceeding the value of the Capital Expense Fund shall be borne on a Pro-Rata basis based upon consumption from [REDACTED], 2026 to the date of the capital expense, and shall be billed upon completion of the repair, payable per the terms of this Intergovernmental Agreement providing for said fuel purchases.

Billing Example:

Fuel Purchased in January 2026

Gallons Delivered:			
Gasoline	1,000 @ \$ 2.25 per gallon	\$2,250.00	
Diesel	1,000 @ \$2.15 per gallon	\$2,150.00	
Diesel – Winter	1,000 @ \$ 2.30 per gallon	\$2,300.00	
Total Fuel Costs			\$6,700.00
Annual Maintenance Fund Surcharge			
3,000 Gallons Delivered	\$.0207 per gallon	\$ 62.10	
Capital Expense Fund Surcharge			
3,000 Gallons Delivered	\$.0145 per gallon	\$ 43.50	
Administrative Fee**		\$300.00	
Total January			\$7,105.60

**Assessed on January bill only (annual charge)