



Item No. 7

December 11, 2013

APPROVAL OF CONTRACT MODIFICATIONS FOR VARIOUS CHA PROJECTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution to approve \$287,370.46 of contract modifications for various Chicago Housing Authority projects with the following contractors:

General Contractor	Project	Contract	Original Contract Value	Current Contract Value	Contract Modifications to be Approved (December Board)	% of Contract - This Change Order	Cumulative Change Order Total	All Change Orders as a Cumulative % of Original Contract	Cumulative Amount Over \$100,000?	Revised Contract Amount
Pan-Oceanic Engineering	Fire Lane Renovation @ 2960 S. Federal	11117	\$ 1,437,500.00	\$ 1,505,380.75	\$ 13,162.43	0.92%	\$ 81,043.18	5.64%	No	\$1,518,543.18
Old Veteran Construction	Mechanical & Plumbing @ Patrick Sullivan Envelope	11120	\$21,103,500.00	\$ 21,593,172.86	\$7,223.35	0.03%	\$ 496,896.21	2.35%	Yes	\$21,600,396.21
Old Veteran Construction	Life Safety & ADA Upgrades @ William Jones Apts.	11288	\$2,772,349.00	\$2,785,028.63	\$266,984.68	9.63%	\$ 279,664.31	10.09%	Yes	\$3,052,013.31
Cumulative Total					\$ 287,370.46					

The Interim Acting Vice President of Capital Construction, the Interim Acting Director of Capital Construction, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL: Ensure the Chicago Housing Authority's portfolio is safe, decent and sustainable.

FUNDING: General Fund

COMPLIANCE:

Pan Oceanic Engineering Co., Inc. - Fire Lane Renovation at 2960 South Federal Street - Contract 11117 \$1,518,543					
	REQUIREMENTS			COMMITMENTS	
	Percentage	Dollars		Percentage	Dollars
M/W/DBE	40%	\$607,417.27		99.48%	1,510,603.18
Section 3 Business Concern	10%	\$151,854.32		see comments	
	REQUIREMENTS			COMMITMENTS	
	Percentage	Total New Hires Needed	Total Section 3 Hires Required	Percentage	No. of Hires
Section 3 Hiring	30%	2	0.6	100%	2
<p>NOTES: The contract was signed and work was completed prior to the timeframe that required Section 3 Contracting on pre-VCA contracts.</p> <p>MBEs: Pan Oceanic (81.7% Self-Performing Prime), Genex Corp (16.5%), and Diaz Group (1.3%)</p> <p>The vendor was in compliance throughout the life of this contract, per their agreed upon contract terms.</p>					

Old Veteran Construction - Patrick Sullivan- Contract 11120 - \$21,600,396					
	REQUIREMENTS			COMMITMENTS	
	Percentage	Dollars		Percentage	Dollars
M/W/DBE	40%	\$8,640,158.48		54.03%	\$11,671,075.57
Section 3 Business Concern	10%	\$2,160,039.62		see comments	
	REQUIREMENTS			COMMITMENTS	
	Percentage	Total New Hires Needed	Total Section 3 Hires Required	Percentage	No. of Hires
Section 3 Hiring	30%	0	0		10
<p>Notes: HUD is aware of the lack of contracting with Section 3 Business Concerns on this contract. The contract was signed prior to the VCA, and all of their subcontracts were also executed prior to the VCA. This contract requires HUD's assistance with the union issues that are preventing OVC from meeting their requirements.</p>					

Old Veteran Construction - William Jones - Contract 11288- \$3,052,013					
	<u>REQUIREMENTS</u>			<u>COMMITMENTS</u>	
	<u>Percentage</u>	<u>Dollars</u>		<u>Percentage</u>	<u>Dollars</u>
<u>M/W/DBE</u>	<u>40%</u>	<u>\$1,220,805.32</u>		<u>82.48%</u>	<u>2,517,229.31</u>
<u>Section 3 Business Concern</u>	<u>10%</u>	<u>\$305,201.33</u>		<u>9.17%</u>	<u>280,000.00</u>
	<u>REQUIREMENTS</u>			<u>COMMITMENTS</u>	
	<u>Percentage</u>	<u>Total New Hires Needed</u>	<u>Total Section 3 Hires Required</u>	<u>Percentage</u>	<u>No. of Hires</u>
<u>Section 3 Hiring</u>	<u>30%</u>	<u>2</u>	<u>0.6</u>	<u>100%</u>	<u>2</u>
<u>NOTES: Section 3 Business Concern is S & A Cleaning</u>					
<u>2 Section 3 Hires: 2 Laborers</u>					
<u>NOTE: OVC is exploring other economic opportunities and adding additional Section 3 contractors throughout the life of this contract, in order to remain compliant.</u>					
<u>M/W/DBEs: OVC (57.2%), Drive Construction (9.3%), Autumn Construction (6.2%), Ram Fire Protection (6.8%), Espinoza Decorating (2.9%)</u>					

GENERAL BACKGROUND /EXPLANATION

The Significant Actions Policy states, in part: “Board approval must be obtained prior to CHA incurring liabilities in excess of \$100,000. Modernization activities, change orders, or cumulative change orders in excess of 5% of the contract amount or \$100,000, whichever is greater, must receive Board approval.”

The following general contractors have an existing contract with the CHA where the total value of the contract modifications has exceeded \$100,000, triggering the Policy. Modernization activities, change orders, or cumulative change orders in excess of 5% of the contract amount or \$100,000, whichever is greater, must receive Board approval.” The listed contract modifications are required to address the following issues:

FIRE LANE RENOVATION- 2960 S. FEDERAL				
GENERAL CONTRACTOR	CONTRACT NO.	DESCRIPTION OF WORK	AMOUNT	REASON FOR MODIFICATION
PAN-OCEANIC ENGINEERING	11117	RELOCATE ONE SITE LIGHT POLE ON THE EAST SIDE OF THE EAST FIRE LANE TO REPAIR DAMAGE TO SEWER.	\$13,162.43	DISCOVERED CONDITION
CUMULATIVE TOTAL FOR CONTRACT 11117			\$ 13,162.43	

MECHANICAL & PLUMBING @ PATRICK SULLIVAN ENVELOPE				
GENERAL CONTRACTOR	CONTRACT NO.	DESCRIPTION OF WORK	AMOUNT	REASON FOR MODIFICATION
Old Veteran	11120	Repair the in-slab conduit that was cut on 2 floors in units 2008N & 1608N when coring for the new plumbing risers.	\$7,223.35	Discovered Condition
CUMULATIVE TOTAL FOR CONTRACT 11120			\$ 7,223.35	
LIFE SAFTEY AND ADA UPGRADES @ WILLIAM JONES APARTMENTS				
GENERAL CONTRACTOR	CONTRACT NO.	DESCRIPTION OF WORK	AMOUNT	REASON FOR MODIFICATION
Old Veteran	11288	Relocate the Area of Rescue from the south balcony to the interior of both stair wells, by taking over the pantry of apartments 1 and 10 at floors 2-13 as required by DOB for permit.	\$266,984.68	Code Compliance
CUMULATIVE TOTAL FOR CONTRACT 11288			\$ 226,984.68	
CUMULATIVE TOTAL FOR CONTRACT 11117, 11120 AND CONTRACT 11288			\$ 287,370.46	

The Capital Construction Department has verified that the amounts proposed to perform the work by the contractors are within an acceptable range of the CHA's Independent Cost Estimates.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Interim Acting Vice President of Capital Construction and the Interim Acting Director of Capital Construction concur with the recommendation to approve \$287,370.46 of contract modifications for the various above-referenced Chicago Housing Authority projects with the contractor.

The CEO/President also recommends the approval of these contract modifications.

RESOLUTION NO. 2013-CHA-119

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated December 11, 2013 entitled "APPROVAL OF CONTRACT MODIFICATIONS FOR VARIOUS CHA PROJECTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby approves \$287,370.46 of contract modifications for various Chicago Housing Authority projects with the following contractor:

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Cumulative Total					\$ 287,370.46					

This item is subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 and insurance requirements.

