AUTHORIZATION TO EXECUTE AN AMENDMENT 2 TO CONTRACT NO. 11304 TO INCREASE THE NOT-TO-EXCEED AMOUNT AND MODIFY ORGANIZATIONAL STAFFING WITH GILBANE BUILDING COMPANY FOR AUTHORITY-WIDE PROGRAM/CONSTRUCTION MANAGEMENT SERVICES

To the Honorable Board of Commissioners:

RECOMMENDATION
It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute Amendment No. 2 to Contract No. 11304 (the "Contract") with Gilbane Building Company to modify organizational staffing and increase the not-to-exceed amount of the option year by $1,721,181, for the new not-to-exceed amount of $5,805,115 for the first option year. The new aggregate total compensation amount of the Contract for the base year and option year 1 will be an amount not-to-exceed $9,878,698.

The Deputy Chief of the Capital Construction Department, 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 MISSION
Ensure CHA’s portfolio is safe, decent and sustainable.

FUNDING
General Fund - FY2014-15

M/W/DBE Participation and Section 3

<table>
<thead>
<tr>
<th></th>
<th>Requirement</th>
<th>Required</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>M/W/DBE Participation</td>
<td>20%</td>
<td>$1,975,739.60</td>
<td>$5,083,764</td>
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<tr>
<td>Section 3 Hiring No. (30% of new hires)</td>
<td>30%</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Section 3 Business Concern</td>
<td>3%</td>
<td>$174,153.45</td>
<td>$477,032</td>
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<td>Section 3 Other Economic Opportunities</td>
<td>Gilbane is currently providing a paid internship to a Section 3 resident. The intern is receiving valuable experience while assisting Gilbane with invoice processing and documenting waivers from General Contractors. This will assist Gilbane with meeting deadlines and team goals, as well as providing the intern with valuable office experience.</td>
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GENERAL BACKGROUND /EXPLANATION
The purpose of Program/Construction Management (P/CM) Services is to augment Capital Construction Department ("CCD") staffing needs to support and manage the Authority's Plan Forward. The P/CM history:

2000: Decentralized construction management model with Project level construction management (CM) services provided by individual Owner’s Representatives (ORs) on a project by project basis and Program level CM services provided by a Managing Owner’s Representative. (MOR).

2003: McKissack & McKissack awarded MOR contract through competitive RFP.

2006: CHA pursued a hybrid (CHA and Non-CHA Staff) outsourcing strategy that combined program and project management levels:
• Program Planning through project closeout
• Integrate program and project level controls systems
• Standardized project management practices across all projects
• Greater flexibility for managing variable annual work load
• Partnership for Transformation (a joint venture of McKissack & McKissack, Rise and URS) was awarded the Program and Construction Management (P/CM) services contract through a competitive Request for Proposal (RFP).

2010: Partnership for Transformation awarded P/CM contract through competitive RFP, for one (1) year base term and two (2) one (1) year options.

2013: Gilbane Building Company (“Gilbane”) awarded P/CM contract through competitive RFP, for 1 year base term, and two 1 year options.

2014: CHA Executed option year 1 with Gilbane Building Company.

CONTRACTUAL CONSIDERATIONS
CHA executed contract number 11304 with Gilbane Building Company (“Gilbane”) on July 10, 2013 for a one year base period with two one year renewal options. In July 2014 Option year 1 was exercised and was for a not-to-exceed amount of $4,083,934, which will expire on July 9, 2015.

Gilbane will continue to support the Authority's Plan Forward, through Capital Planning, Capital Maintenance needs, compliance with various Chicago Building Department codes/ordinances, Quality Assurance and Quality Control, Design Sustainable projects, follow best construction practices to meet programmatic needs of the Capital Program, construction safety, as well as oversight of construction activities for both Mixed-Income and Unit Acquisition Program, a role that was previously performed by the CHA's court appointed receiver, Habitat. Gilbane has become an integral part of the CCD management team and has provided satisfactory service during its base year, and the continuation of their construction management services continues to be important to the timely achievement of the CHA’s Plan Forward.
Gilbane and CHA have reviewed Gilbane's staffing levels and have agreed to adjust them accordingly based on the revised number of projected projects. For the base year, the staffing level increased from 21 to 24 requiring an increase in the Contract not-to-exceed amount for the base term from $3,963,823 to $4,073,583. During the June Board process it was indicated further analysis was underway for the staffing requirements that will be needed for Option Year 1 and an amendment for the Option Year would be presented at a future board meeting, and is outlined below.

The staffing level originally proposed in the Option Year 1 proposal was 21, Gilbane is currently providing 23. The new proposed staffing level is 36, to reflect the increase in the number of projects and required services projected for the next year. Without an increase in funding, the CHA will be in jeopardy of missing critical construction deadlines due to insufficient capacity for project management services.

CCD staff has reviewed the proposed costs, completed the analysis and has determined that the proposed costs are in accordance with industry standards. The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (Department of Housing and Urban Development) procurement laws.

Based on the foregoing, it is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute Amendment No. 2 to Contract No. 11304 with Gilbane Building Company in the not-to-exceed amount of $1,721,181 for Option Year 1, including $1,686,181 in modifications to originally proposed staffing levels, and an increase in the not-to-exceed amount for reimbursables of $35,000, for the period of 12/1/14 to 7/9/15, to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract will be an amount not-to-exceed $9,878,698 for the base year and option year 1.

The Deputy Chief of Construction concurs with the recommendation to execute Amendment No. 2 to modify organizational staffing and the Contract's option year 1 term not-to-exceed amount to Contract No. 11304 with Gilbane Building Company.

The CEO/President recommends the approval to execute Amendment No. 2 to Contract No. 11304 with Gilbane Building Company in the not-to-exceed amount of $1,721,181 for Option Year 1, including $1,686,181 in modifications to originally proposed staffing levels, and an increase in the not-to-exceed amount for reimbursables of $35,000, for the period of 12/1/14 to 7/9/15, to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract for the base year and option year 1 will be an amount not-to-exceed $9,878,698.
RESOLUTION NO. 2014-CHA-120

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated December 10, 2014 entitled “AUTHORIZATION TO EXECUTE AMENDMENT 2 TO CONTRACT NO. 11304 TO INCREASE THE NOT-TO-EXCEED AMOUNT AND MODIFY ORGANIZATIONAL STAFFING WITH GILBANE BUILDING COMPANY FOR AUTHORITY-WIDE PROGRAM/CONSTRUCTION MANAGEMENT SERVICES”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Amendment No. 2 to Contract No. 11304 with Gilbane Building Company in the not-to-exceed amount of $1,721,181 for Option Year 1, including not-to-exceed $1,686,181 in modifications to originally proposed staffing levels, and an increase in the not-to-exceed amount for reimbursables of $35,000, for the period of 12/1/14 to 7/9/15, to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract for the base year and option year 1 will be an amount not-to-exceed $9,878,698.

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

APPROVED
DEC 16 2014
Board of Commissioners

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