



August 12, 2015

Item No. 14

AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN CONSTRUCTION, INC. FOR GENERAL CONTRACTOR SERVICES AT THE FANNIE EMANUEL SENIOR APARTMENTS AND TO ASSIGN THE CONTRACT TO FANNIE EMANUEL SENIOR HOUSING LIMITED PARTNERSHIP

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at the Fannie Emanuel Senior Apartments and to assign the contract from the Chicago Housing Authority to Fannie Emanuel Housing Development, LLC.

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 GOAL:

Supports CHA's Plan Forward strategies:

Goal #1: Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities.

Strategy 2: Complete and ensure the success of mixed-income communities and other developments on CHA owned land.

Goal #2: Ensure that CHA's housing portfolio is safe, decent and sustainable.

Strategy 2: To increase effectiveness and ensure sustainability of its portfolio.

Goal #3: Expand services to more residents, targeted to their needs, and at critical milestones in their lives.

Strategy 2: Provide a high quality of life for residents that are vulnerable or unlikely to move from public housing.

FUNDING:

No Funding is requested per this board item. Project funding will consist of tax credit equity, private financing and a CHA loan to be authorized under a separate Board item.

SOLICITATION SUMMARY

Request for Proposal No.: RFP 92

Contract Type:

Construction

Publications: Chicago Sun-Times, Extra, CHA website, Strategic Sourcing

Pre-Proposal Date: 2/5/2015

Addendums: 2

Solicitation Due Date: 3/6/2015

Solicitation Release Date: 1/23/2015

Days Advertised: 42 Days

Section 3 Business Concern: 34

Addendum Dates: 2/18/2015 and 2/25/2015

Number of Proposals Received: 3

Option Period: Not applicable

Vendor List: 34 Section 3 Business Concerns, 25 Supplier notifications and Strategic Sourcing Construction
Commodity Codes: 912 and 913

Respondents: 3

M/W/DBE Respondents: 2

Contract Term: Fourteen (14) month construction period, from the date set forth in the Notice to Proceed.

COMPLIANCE INFORMATION	New Hires Needed	Required	Proposed
M/W/DBE Participation		40%	50.4% (\$19,689,387)
Section 3 Hiring No. (30% of new hires)	43	13	19
Section 3 Business Concern		10%	16% (\$6,222,517)
Other Economic Opportunity/Notes:	Section 3 Job Titles: 4, Laborers; 3, Carpenters; 1 Electrician; 1, Plumbers; 1, Brick layer; 2, Landscaper; 1 Security, 1 Roofer; 5, Final Cleaners.		

GENERAL BACKGROUND /EXPLANATION

Fannie Emanuel is a CHA owned, senior high-rise building located at 3916 W. Washington St. in the West Garfield Park community on the city’s west side in the 28th Ward. It is a twenty (20) story high masonry building built in 1963 with one hundred and eighty one (181) one (1) bedroom units. The building was closed in 2007 due to significant mechanical system problems.

The CHA, acting as the developer, will redevelop this property and return one hundred and eighty one (181) public housing opportunities to the CHA’s leasing portfolio. This project includes the gut rehabilitation of the existing building and renovation of the 2.5 acre site.

The CHA intends to transfer ownership of the Property to the Fannie Emanuel Senior Housing Limited Partnership (the "Owner"). The Owner will be comprised of a Limited Partner (99.99%) represented by a private tax credit investor, a Special Limited Partner (.001%), which is an affiliate of the Limited Partner, and a General Partner (.009%) represented by Fannie Emanuel Housing Development, LLC, of which CHA is the sole member. Upon closing of the transfer of the Property to the Owner, the CHA will assign the subject construction contract to the Owner. Upon the transfer of the property to the Owner, CHA will assign the subject construction contract to the Owner.

The Department of Procurement and Contracts, in cooperation with Capital Construction Department (CCD) staff and the cross-functional evaluation team interviewed (Oral Presentation) representatives of Old Veteran Construction, Inc. (OVC), Walsh Construction Company, and Powers and Sons Construction Company. This interview presentation (Oral Presentation) and discussion was in accordance with the RFP proposal document and evaluation criteria. The scope of work, team composition and experience, schedule and other project matters were discussed. There was support for OVC's high-rise capital improvement experience, masonry trade expertise, strong subcontractor team's expertise, and experience with the project's specialized Variable Refrigerant Flow (VRF) mechanical system and the exterior metal panel system. Based on the RFP evaluation point criteria, OVC had the highest score.

Based on the foregoing, it is in the best interest of the CHA to enter into a contract with Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at Fannie Emanuel Senior Apartments and to assign the contract to Fannie Emanuel Senior Housing Limited Partnership.

CONCLUSION

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.

The Chief Property Officer concurs with the recommendation to enter into a contract with Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at Fannie Emanuel Senior Apartments and to assign the contract to Fannie Emanuel Senior Housing Limited Partnership.

The Acting Chief Executive Officer recommends approval to enter into a contract with Old Veteran Construction, Inc. for the amount of \$39,089,027 for General Contractor Services at Fannie Emanuel Senior Apartments and to assign the contract to Fannie Emanuel Senior Housing Limited Partnership.

This award is subject to the Contractor's compliance with CHA's M/W/DBE, Section 3, bonding and insurance requirements.

RESOLUTION NO. 2015-CHA –

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 entitled “AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN CONSTRUCTION, INC. FOR GENERAL CONTRACTOR SERVICES AT FANNIE EMANUEL SENIOR APARTMENTS AND TO ASSIGN THE CONTRACT TO FANNIE EMANUEL SENIOR HOUSING LIMITED PARTNERSHIP.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners (“Board”) authorizes the Acting Chief Executive Officer or his to designee to execute a firm fixed fee contract with Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at Fannie Emanuel Senior Apartments, a vacant senior high-rise building located at 3916 W. Washington Street, for a 14 month construction period from the date set forth in the Notice to Proceed, and assign the contract to Fannie Emanuel Senior Housing Limited Partnership.

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

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