

March 14, 2012

ITEM NO. 5

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH FRIEDLER CONSTRUCTION
CO. FOR BUILDING ENVELOPE IMPROVEMENTS TO ELIMINATE WATER
INFILTRATION AT DANIEL HUDSON BURNHAM APARTMENTS
(1930 W. LOYOLA AVE.)**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Friedler Construction Co. in the amount of \$1,703,800.00 for building envelope improvements to eliminate water infiltration at Daniel Hudson Burnham Apartments, a senior housing development located at 1930 West Loyola Avenue in Chicago, IL. Work will be completed by no later than two hundred forty (240) calendar days from the date set forth in the Notice to Proceed.

RECOMMENDATION SUMMARY

Funding: General Fund

Specification No:	11 - 00854
Vendor:	Friedler Construction Co. 2525 North Elston Avenue Suite D – D240 Chicago, IL 60647 (773) 489 - 1818
Contract Type:	Construction Services
Contract Amount:	\$ 1,703,800.00
Number of Vendors Solicited:	992 (including 465 M/W/DBE Firms)
Assist Agencies:	71
Date Advertised:	December 5, 2011
Pre-Bid Conference:	December 13, 2011
Site Visit:	December 13, 2011
Addendum No. 1:	December 23, 2011
Date Bids Opened:	January 6, 2012
Number of Pick-Ups/Downloads:	27 (7/20)
Number of Bids Received:	4
Advertisement Publication(s):	Chicago Sun-Times, Chicago Defender, El Dia, CHA Website, BuySpeed Online
Contract Time:	Two hundred forty (240) calendar days from the date set forth in the Notice to Proceed

M/W/DBE Participation:

Direct MBE 71.5 % WBE 0 % DBE 0 %

Section 3:

Hiring # 1 Subcontracting \$ Other Economic Opportunities

GENERAL BACKGROUND

Daniel Hudson Burnham Apartments ("Burnham Apartments") is a 181-unit senior housing building located at 1930 West Loyola in Chicago, Illinois. The building was constructed in 1984. Shortly after construction, the building began to experience water infiltration issues, and those issues have persisted over the course of the building's life. The CHA has contracted with a number of design and construction firms over the years to eliminate the problems. While the problem has been mitigated by these efforts, water infiltration has not been completely eliminated.

In 2011, the CHA engaged the architectural firm of Holabird & Root to investigate the infiltration issues. Through exploratory demolition of several exterior wall assemblies, including window assemblies, the parties discovered areas around the window assemblies that lack sufficient flashing, a water-impermeable barrier that prevents moisture from entering the interior of the building.

Prior investigations had not uncovered this issue. The prior design and construction firms believed the infiltration problems centered on the building's façade and air conditioner openings. While these investigations did lead to a reduction in water infiltration, problems still remained. These prior investigations did not focus on the window assembly itself as did Holabird & Root's investigation.

Holabird & Root, under the supervision of the CHA, designed a solution that includes additional flashing at the intersection of the window assembly and brick façade. The parties then conducted extensive water spray testing to assess the solution's effectiveness. The results indicate the solution will eliminate any remaining water infiltration.

The existing windows are at the end of their useful life. So, rather than removing the existing window assemblies, implementing the solution, then reinstalling the current windows, CHA staff believes the process should include the installation of new windows. The following is a comparison of the options:

❖ Option A

- Replace the window system in the entire building (windows, receptors, flashing and caulking)
 - Advantages
 - New window system with a 15-year warranty
 - Quicker installation process
 - Less time consuming to demolish and replace than to demolish, salvage and reinstall
 - Easier and quicker to install a new window assembly
 - Disadvantages
 - Higher construction cost: \$1,700,000
 - Long lead time for new windows

❖ Option B

- Remove existing window assemblies
- Inject expandable foam to seal any holes in the flashing
- Reinstall existing windows
- Apply new caulking
 - Advantages
 - Lower construction cost: \$1,100,000
 - Disadvantages
 - Long installation time frame
 - Higher standard of care required at demolition to salvage, and reinstall existing window assembly
 - Potential damage to existing window assembly
 - Added costs for new window replacement in the near future (next 1 to 2 years) : approximately \$1.4 M

A third option of deferring action until the existing windows are further beyond their useful life would likely lead to continuing infiltration, and an inability to lease units with the problem, only to have to replace the windows in the next two years at or above current construction pricing.

RECOMMENDATION

For these reasons, CHA staff recommends Option A below:

- Recommended engineering option to eliminate water infiltration (see Holabird & Root *Water Infiltration Investigation Report*, dated 8/11/2011)
- Quicker demolition and installation process
- Minimize disturbance and inconvenience to the residents
- Extend useful life of the building
- Eliminate Slip Hazards
- Increase the value of the property
- Meets Plan for Transformation objective of introducing private sector real estate principles to CHA projects

The work will include, but not be limited to the following:

- removing all existing windows;
- installing a new window system to include windows, receptors, flashing and caulking;
- removing all existing air conditioning units;
- re-installing existing air conditioning units using new shims, gaskets and sealants; and
- restoring interior finishes damaged during demolition and construction.

The construction duration will be eight (8) months. It will involve phasing but no relocation of the residents. During phasing, the General Contractor will a) work in occupied units, b) work in tiers from top to bottom, c) work on multiple tiers at a time, and d) perform the majority of the work from the exterior of the building. The General Contractor will coordinate construction activities with the Private Property Manager on a tier-by-tier basis to keep the residents aware of the work performed in their units.

PROCUREMENT HISTORY

The CHA advertised Invitation for Bid (IFB) No. 11 – 00854 on December 5, 2011. The IFB was advertised in the Chicago Sun-Times, the Chicago Defender, Extra, on the CHA website and on BuySpeed Online. The Pre-Bid meeting and the Site Visit were held on December 13, 2011. One (1) addendum was issued for this solicitation on December 23, 2011 to respond to Requests for Information, and distribute several updated Bid Form pages. The CHA received and opened four (4) bids on January 6, 2012.

After performing an initial review of the bid submittal materials, the Department of Procurement and Contacts (Procurement) and the Capital Construction Department (CCD) held a pre-award survey/clarification meeting with the apparent low bidder, Friedler Construction Co. The representatives of that firm responded to questions on the thoroughness of their bid, how they developed their Division Costs, the amount of work they planned to self-perform, the method they would use to remove old windows and install new models, and how they would handle work in occupied units. A Compliance Specialist reviewed the firm's compliance materials in detail.

Friedler Construction Co.'s past experience includes satisfactory completion of general modification projects at Cabrini Row Homes and Phase 1 of Dearborn Homes. The total value of their business with the CHA since 2007 is \$ 44,226,592. In recent General Contractor (GC) Performance Evaluations, Friedler earned a 2.0 on a 3.0 evaluation scale. This is a "Satisfactory" evaluation score. Their financial history shows an excellent Dun & Bradstreet score with a healthy set of financials. The contractor has committed to at least one (1) total Section 3 hire as an admin/field clerk and is committed to working with the CHA to increase the number.

Having completed its review of the bid materials of the apparent low bidder, the staff of the Capital Construction Department ("CCD") and Asset Management ("AM") recommend that Friedler Construction Co. be awarded a contract for this work. Procurement has completed its own review of the bid materials and CCD's and AM's recommendation and has determined that Friedler Construction Co. is the lowest responsive and responsible bidder at \$1,703,800.00.

CONCLUSION

Based on the foregoing, the CCD and AM recommend that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Friedler Construction Co. in the amount of \$1,703,800.00 for building envelope improvements to eliminate water infiltration at Daniel Hudson Burnham Apartments, a Senior housing development located at 1930 West Loyola Avenue in Chicago, IL. Work is to be completed by no later than two hundred forty (240) calendar days from the date set forth in the Notice to Proceed.

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

RESOLUTION NO. 2012-CHA-21

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 14, 2012 entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH FRIEDLER CONSTRUCTION CO. FOR BUILDING ENVELOPE IMPROVEMENTS TO ELIMINATE WATER INFILTRATION AT DANIEL HUDSON BURNHAM APARTMENTS (1930 W. LOYOLA AVE.)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Friedler Construction Co. in the amount of \$1,703,800.00 for building envelope improvements to eliminate water infiltration at Daniel Hudson Burnham Apartments, a senior housing development located at 1930 West Loyola Avenue in Chicago, IL. Work is to be completed by no later than two hundred forty (240) calendar days from the date set forth in the Notice to Proceed.

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

