

April 11, 2012

ITEM NO. A1

AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN CONSTRUCTION, INC. FOR EXTERIOR FACADE IMPROVEMENTS, MECHANICAL AND PLUMBING UPGRADES, UNIT INTERIOR UPGRADES, AND BUILDING LIFE SAFETY UPGRADES AT PATRICK SULLIVAN APARTMENTS

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 Old Veteran Construction, Inc. in the amount of \$21,103,500.00 for exterior facade improvements, mechanical and plumbing upgrades, unit interior upgrades, and building life safety upgrades at Patrick Sullivan Apartments (IL2-44B). This is a Senior housing development located at 1633 West Madison Street, Chicago, IL. The work will take seven hundred sixty (760) calendar days from the date set forth in the Notice to Proceed.

RECOMMENDATION SUMMARY

Funding: General Fund

Specification Number:	IFB 11 – 00872
Date Advertised:	December 30, 2011
Pre-Bid Conference:	January 9, 2012
Site Visit:	January 9, 2012
Addendum No. 1 Issued:	February 2, 2012
Addendum No. 2 Issued:	February 9, 2012
Addendum No. 3 Issued:	February 22, 2012
Date Bids Opened:	March 1, 2012
Advertisement Publication(s):	Chicago Sun-Times, Chicago Defender, Extra, CHA website, BuySpeed Online
Number of Vendors Solicited:	725 (including 181 M/W/DBE firms)
Number of Assist Agencies:	64
Number of Pickups/Downloads:	70
Number of Bids Received:	6
Contract Type:	Construction Services
Contract Time:	Seven hundred sixty (760) calendar days from the date set forth in the Notice to Proceed
Contract Amount:	\$ 21,103,500.00

M/W/DBE Participation:

Direct MBE 43 % WBE _____ % DBE _____ %

Section 3:

Hiring # 21 Subcontracting \$ _____ Other Economic Opportunities _____

GENERAL BACKGROUND

Patrick Sullivan Apartments ("Sullivan Apartments") is a 482-unit senior housing building
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located at 1633 West Madison Street, Chicago, IL. The twenty-two story structure was built in 1964 and sits on a 3.61-acre site that includes a management/maintenance building at 35 South Paulina Street.

Over 2001-2002, the Chicago Housing Authority (“CHA”) a) replaced the roofing system, b) modernized the elevators, c) air conditioned the first floor theatre, and d) outfitted all residential units with through-wall air conditioners.

In 2002, the CHA awarded a contract for general rehabilitation work that included 1) residential unit upgrades to the kitchens and bathrooms, 2) replacement of the windows, and 3) electrical and mechanical upgrades. In 2009, the CHA attempted to address water-infiltration issues by re-securing exterior precast panels to the building and reapplying joint sealant.

The CHA staged the work over the years based on its original strategy of renovation on a system-by-system basis. In recent years, the agency’s approach to rehabilitation has evolved towards a comprehensive “gut/rehab” approach, rather than a system-by-system rehabilitation.

Building Issues

The CHA commissioned a reserve study of its Senior housing portfolio in 2007 to more systemically project and manage the Senior portfolio’s capital needs over time. At this particular building, the study identified water infiltration at several window locations during periods of heavy wind driven rains. It recommended replacing air conditioning units after ten (10) years of use in 2012. The study also recommended replacing and modernizing the domestic water booster pumps (which maintain water pressure) because the current pumps are not tied in to the emergency power generator and automatic transfer switch (“ATS”), and the building could lose water pressure in emergencies.

Despite efforts to mitigate water infiltration issues, in 2011 the CHA performed additional spray water testing which confirmed the leakage problem still existed. The tests suggested that much of the problem was in and around the building’s 43-year old precast masonry panels. The CHA contracted to re-secure all pre-cast panels, repair damaged panels, and replace deteriorated joint sealant.

However, this precast panel work still did not completely eliminate the water infiltration. Further testing revealed leakage through the windowsills. The CHA worked with its Prime Design Consultant to produce a new solution, and conducted extensive water tests of that solution. The parties observed no water infiltration. The water spray test also revealed gaps in the air conditioning units that lead to infiltration that the parties addressed in the design work.

Furthermore, the building’s plumbing system is the original, and is in need of replacement. Leaks and low water pressure plague the building’s hot and cold-water plumbing risers.

The Chicago City Council recently passed a building Life Safety and High-rise Ordinance with a 2015 compliance deadline. Designs include upgrades to the building’s life safety systems to ensure compliance with the new ordinance.

Finally, the CHA will take this opportunity to replace outworn kitchen appliances, tile and other unit interior amenities, and will assure compliance with the Americans With Disabilities Act

("ADA") and Section 504 of the Rehabilitation Act of 1973 ("504") regulations in areas not previously addressed.

Accordingly, the Capital Construction Department recommends the following scope of work for Sullivan Apartments, including, but not limited to, the following:

Exterior

- Replacing windows in all residential units; the proposed windows are commercial grade ADA compliant aluminum windows.
- Replacing sealant around all air conditioning units to correct water infiltration.
- Seal coating (waterproofing) existing masonry.

Mechanical/Electrical/Plumbing ("MEP")

- Replacing all existing galvanized plumbing risers to include domestic hot and cold water risers, horizontal vent lines and installation of cleanouts at each stack line.
- Upgrading the booster pumps to operate in emergencies.
- The proposed new pumps will be tied in to the emergency panel and automatic transfer switch ("ATS") to ensure the residents have domestic water at all times.

Life Safety / Fire Prevention

- Installation of elevator recall systems.
- Installation of a sprinkler system.
- Upgrade the smoke detector and fire alarm systems – replace any faulty equipment.

Interiors

- In the Common Areas, vinyl floor tiles have been installed over the original layer of tiles.
 - This creates a condition where flooring delaminates, creating the need for replacement.
 - At the same time, glue holding down the tile contains asbestos materials and needs to be abated in accordance with applicable laws.
- Repair all existing residential units to include new kitchen, kitchen appliances, new vinyl flooring and new windows blinds, and install new air conditioning units.

Construction Period

- Construction is occur to over twenty-four (24) months and will be divided into phases.

Impact on the Residents During Construction

The CHA will seek to minimize the impact on residents once work begins. The CHA would relocate residents from the first two (2) tiers and commence construction therein. The residents will return to the tiers once the contractor completes the work. The General Contractor will coordinate construction activities with the Private Property Manager and Resident Services on a tier-by-tier basis to keep the residents aware of the status of work being performed and anticipated move dates.

Summary of Benefits

- Make the building water tight and eliminate potential hazards (mold, asbestos, slip and

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fall hazards);

- Bring the mechanical and plumbing systems up to current codes and industry standards;
- Make the building ADA/504 compliant;
- The building will be compliant with the 2015 Life Safety and High-rise Ordinance;
- Increase the value of the property;
- Extend the useful life of the building;
- Improve overall quality of life for the residents; and
- Increase the ability to fully rent the building.

PROCUREMENT HISTORY

The CHA advertised Invitation for Bid (“IFB”) 11 – 00872 on December 30, 2011. Advertisements ran in the Chicago Sun-Times, the Chicago Defender, Extra, on the CHA website, and on BuySpeed Online. The Pre-Bid Conference and Site Visit were held on January 9, 2012.

Three (3) addendums were issued for this solicitation. Addendum No. 1, issued on February 2, 2012, moved the bid opening date from February 7, 2012 to February 27, 2012. Addendum No. 2, issued February 9, 2012, responded to Requests for Information, issued revised Bid Fee (“BF”) pages, distributed a complete set of revised drawings and selected revised technical specification sections. Addendum No. 3, issued February 22, 2012, moved the bid opening date a second time to March 1, 2012 and provided a clarification on substitution requests. The CHA received and opened six (6) bids on March 1, 2012.

After analyzing the bid submittal materials, the Department of Procurement and Contracts (“Procurement”), the Asset Management Department (“Asset Management”) and the Capital Construction Department (“CCD”) held a pre-award survey/clarification meeting with the apparent low bidder, Old Veteran Construction, Inc. (“Old Veteran”). The representatives of that firm responded to questions on the thoroughness of their bid, how they developed their Division Costs, and the amount of work they planned to self-perform. Old Veteran reviewed which sub-contractors would perform portions of the work. A Compliance Specialist reviewed the firm’s compliance materials in detail and requested updates to Old Veteran’s information.

Having performed a thorough review of the bid materials of the apparent low bidder, the CCD staff recommends that Old Veteran be awarded a contract for this work. Procurement has completed its own review of the bid materials and CCD’s recommendation, and has determined that Old Veteran is the lowest responsive and responsible bidder at \$21,103,500.00.

Based on the foregoing, the Capital Construction Department recommends that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction, Inc. in the amount of \$21,103,500.00 for exterior facade improvements, mechanical and plumbing upgrades, unit interior upgrades, and building life safety upgrades at Patrick Sullivan Apartments (IL2-44B). The work will take seven hundred sixty (760) 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-23

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated April 11, 2012 entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN CONSTRUCTION, INC. FOR EXTERIOR FACADE IMPROVEMENTS, MECHANICAL AND PLUMBING UPGRADES, UNIT INTERIOR UPGRADES, AND BUILDING LIFE SAFETY UPGRADES AT PATRICK SULLIVAN APARTMENTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction, Inc. in the amount of \$21,103,500.00 for exterior facade improvements, mechanical and plumbing upgrades, unit interior upgrades, and building life safety upgrades at Patrick Sullivan Apartments (IL2-44B). This is a Senior housing development located at 1633 West Madison Street, Chicago, IL. The work will take seven hundred sixty (760) calendar days from the date set forth in the Notice to Proceed.

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