

April 11, 2012

**ITEM NO. A2**

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN  
CONSTRUCTION, INC. FOR FACADE REPLACEMENT, INTERIOR  
IMPROVEMENTS, AND BUILDING LIFE SAFETY UPGRADES AT JUDGE  
FREDERICK W. SLATER 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 \$13,577,000.00 for the facade replacement, interior improvements and building life safety upgrades at Judge Frederick W. Slater Apartments (IL2-047), a Senior housing development located at 740 East 43<sup>rd</sup> Street, Chicago, IL. The work is to be completed by no later than six hundred fifty (650) calendar days from the date set forth in the Notice to Proceed as part of the Capital Maintenance Program.

**RECOMMENDATION SUMMARY**

Funding: General Fund

|                               |  |
|-------------------------------|--|
| Specification Number:         | IFB 11 – 00865   |
| Date Advertised:              | December 16, 2011  |
| Pre-Bid Conference:           | December 28, 2011  |
| Site Visit:                   | December 28, 2011  |
| Addendum No. 1 Issued:        | January 23, 2012   |
| Addendum No. 2 Issued:        | January 27, 2012   |
| Addendum No. 3 Issued:        | February 8, 2012   |
| Date Bids Opened:             | February 17, 2012  |
| Advertisement Publication(s): | Chicago Sun-Times, Chicago Defender, Extra, CHA website, BuySpeed Online               |
| Number of Vendors Solicited:  | 827 (including 194 MBE firms and 83 WBE firms)   |
| Number of Assist Agencies:    | 64   |
| Number of Pick-ups:           | 73 (including 10 MBE firms and 5 WBE firms)  |
| Number of Bids Received:      | 8 (including 1 MBE firm)   |
| Contract Type:                | Construction Services  |
| Contract Time:                | Six hundred fifty (650) calendar days from the date set forth in the Notice to Proceed |
| Contract Amount:              | \$ 13,577,000.00   |

**M/W/DBE Participation:**

Direct MBE 41 % WBE \_\_\_\_\_ % DBE \_\_\_\_\_ %

**Section 3:**

Hiring # 13 Subcontracting \$ \_\_\_\_\_ Other Economic Opportunities \_\_\_\_\_

## **GENERAL BACKGROUND**

Judge Frederick W. Slater Apartments (“Slater Apartments”) is a 204-unit Senior housing building located at 740 East 43<sup>rd</sup> Street, Chicago, IL. It is a fifteen-story structure completed by the fall of 1967, situated on a 4.2 acre site.

Previous work at this building over the past decade included (a) a roof replacement (2001), (b) elevator modifications (2001), (c) minor masonry repairs to the building’s exterior, (d) interior housing unit renovations (2001), (e) installation of new energy efficient boilers (2010) , and (f) Americans with Disabilities Act (“ADA”) improvements, resulting in eleven (11) mobility units and two (2) sensory units (2010).

The Chicago Housing Authority (“CHA”) commissioned a capital reserve study to comprehensively assess this and other buildings’ capital needs in 2007. The study represented an evolution of the CHA approach to comprehensive management of its newly improved assets with the goal of optimally deploring the agency’s resources over the agency’s housing portfolio more efficiently.

As to this specific building, the study disclosed deteriorating masonry panels on the façade. The building’s pre-cast masonry panels are forty-five (45) years-old and are reaching the end of their useful life. Problems include missing material, severe cracks, failed caulk, exposed reinforcing steel, displacement due to the steel’s deterioration, and hollow areas due to rusting of the steel.

The façade also includes masonry brick that has likewise suffered severe deterioration. Again, problems include failed caulk and grout between bricks, cracked bricks, caulked weep holes (which inhibit the building’s water infiltration system), and severely rusted metal shelf angles and lintels (which support the building’s brick façade in and around windows and doors). Structural concrete beams are deteriorating, with spalled (i.e. chipping or flaking) concrete surfaces. Problems likewise exist with the balconies. The balconies’ floor slabs are sagging.

Past rehabilitation efforts did not include replacing the building’s original plumbing system. Given its age and deterioration, this Board request includes authorization to comprehensively update and replace plumbing risers and stacks.

Furthermore, the City’s recently enacted Life Safety and High-rise Ordinance requires improvements to this and other buildings by the end of 2015. Designs include elements, which bring the building into compliance with this new ordinance.

Finally, some of the common areas (ground floor offices and building entrances) are being completed to enhance accessibility.

## **PROPOSED SCOPE OF WORK**

The CHA's Asset Management and Capital Construction Departments worked together to develop the following scope of work to address Property Management's immediate concerns and any other issues that might arise over the near term, including updating systems and areas that are now a decade old. For instance, the building's windows and air conditioning units are nearing the end of their useful lives and will call for replacement over the next several years. This approach attempts to address the building's needs as comprehensively as possible with minimal discomfort to the building's residents.

The proposed scope of work includes, but is not limited to, the following:

### **Exterior**

- Replace the exterior precast wall panels.
  - Install new exterior windows.
  - Install new air conditioning window units.
- Replace the exterior masonry face brick and repair the concrete beams.
- Replace the balcony slabs and install new structural support.
- Replace the roof system.

### **Mechanical/Electrical/Plumbing ("MEP")**

- Replace all existing plumbing and heating risers including copper piping, existing valves, horizontal waste lines, and installation of cleanouts at each stack line
- Replace existing vertical hydronic heating supply and return risers, branch steel piping, isolation valves.

### **Life Safety / Fire Prevention**

- Install a two-way voice communication system as required by the Chicago Life Safety and High-rise Ordinance.
- Install an elevator recall system.
- Replace the existing smoke detectors and tie them into the fire alarm panel.

### **Architectural**

- Repair interior units including the painting and patching of all walls impacted by chase riser work, as well as installing new flooring, paint, kitchen cabinets and bathroom fixtures.
- Renovate ground floor office areas and building entrances to enhance accessibility.

### **Phasing**

- The CHA will complete the work in twelve (12) phases.
- The building includes thirty-six (36) tiers of units, and the contractor will work on three (3) unoccupied tiers at a time. Sufficient vacancies exist to enable this approach.
- The residents will be relocated into completed tiers as they are finished.

The CHA staff has considered two (2) possible approaches, replace vs. repair, for each of the four (4) major areas of concern:

## **Precast Panel Deterioration**

### *Option A (replace the existing precast panels)*

- The precast panel deterioration is so wide spread that repair of the panels would not be cost effective.
- Permanent fix with minimal maintenance, and provides an improved appearance.

### *Option B (repair)*

- Rout out all cracks, expose the rebar back to sound material, clean the rebar, replace any rebar that is too deteriorated and replace the concrete face with epoxy grout.
- At locations where there is missing material, steel rebar would have to be exposed until sound steel is found and in some areas replaced.
- In areas where the panels sound hollow, the face of the panels would have to be exposed back to sound material, enough material would have to be removed around the rebar to allow bonding with new material.

The Capital Construction Department recommends replacing the existing precast panels (Option A).

## **Face Brick**

### *Option A (new face brick)*

- Due to the extensive amount of brick that would have to be removed to replace the rusted shelf angles and steel lintels, as well as the amount of required tuck-pointing and spalled brick replacement, it would be more cost effective to replace the entire brick facade.
- This completely eliminates the safety hazard of failing facade materials.
- It improves the appearance of the building while avoiding additional brick maintenance in the future.

### *Option B (repair face brick)*

- Most deficiencies in the brick are due to failed caulk and grout, and cracked brick.
- Repair of the existing face brick facade would require tuck-pointing and replacement of spalled and cracked brick.
- The shelf angles and steel lintels are extremely rusted and would have to be replaced.

The Capital Construction Department recommends new face brick (Option A).

## **Balconies**

### *Option A (new balconies)*

- New balcony slabs would tie into the existing structure and be supported with column supports at outermost corner and at mid-span of unsupported edge.
- Removing and replacing the balconies is recommended since repairs have been made to the balconies in the past (application of thin concrete topping slab, addition of steel tube column at outermost, unsupported corner) and they have simply added more weight to the existing slabs and relocated the point of sagging to the center of the outmost edge.

### *Option B (repair balconies)*

- Repair of the existing balconies would require the following:
  - Temporarily jacking the existing slab.
  - Removal of the existing topping slab.
  - Shimming the existing columns and adding new columns at the mid-point of the long exposed edge.

- New concrete topping slab to provide positive drainage away from the building.

The Capital Construction Department recommends new balconies (Option A).

## **Roof**

### *Option A (new roof)*

- The roof is approximately twelve (12) years old.
- The remaining life of the roof is estimated at four (4) years.
- The new roof warranty would extend for the next fifteen (15) years.

### *Option B (repair the roof)*

- Due to the impact caused by the facade replacement, a four (4) foot wide swath at the perimeter of the roof would have to be replaced.
- New flashing would be required at perimeter of roof.

Due to the extent of the renovation work and anticipated life of the roof, the Capital Construction Department recommends that the roof system be replaced (Option A).

## **Fire Sprinkler System**

The projected scope of work includes installing fire sprinklers throughout this building.

## **Benefits Gained from the Proposed Scope of Work**

- Corrects existing applicable Chicago Municipal Code Violations;
- Corrects potential hazards to public and resident safety;
- Brings overall building and MEP/HVAC systems up to current Building and Life Safety Codes and Standards relative to high-rise buildings;
- Improves energy efficiency of all existing units;
- Improves overall building envelope;
- Extends useful life of the building;
- Increases the value of the property;
- Improves overall quality and rent ability of existing units; and
- Meets the Plan for Transformation objective of introducing private sector real estate principles to CHA projects.

## **PROCUREMENT HISTORY**

The CHA advertised Invitation for Bid 11 – 00865 on December 16, 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 December 28, 2011.

The CHA issued three (3) addendums for this solicitation. Addendum No. 1, issued on January 23, 2012, moved the bid due date from January 26, 2012 to February 13, 2012. Addendum No. 2, issued January 27, 2012, answered Requests for Information, and distributed revised Bid Fee (“BF”) pages, selected revised technical specifications, selected revised drawings, the “as-built drawings, and a hazardous materials report. That Addendum also moved the bid due date to February 17, 2012. Addendum No. 3, issued February 8, 2012, replaced the BF pages, the Davis-Bacon wage report and selected drawings. The CHA received and opened eight (8) bids on February 17, 2012.

After analyzing the bid submittal materials, the Department of Procurement and Contracts ("Procurement"), 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 costs, and the amount of work they planned to self-perform. Old Veteran described which sub-contractors will perform portions of the work. A CHA Compliance Specialist also 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 receive a contract award for this work. Procurement has completed its own review of the bid materials and staff's recommendation, and has determined that Old Veteran is the lowest responsive and responsible bidder at \$13,577,000.00.

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 \$13,577,000.00 for the facade replacement and interior improvements at Judge Frederick W. Slater Apartments (IL2-047), a Senior housing development located at 740 East 43<sup>rd</sup> Street, Chicago, IL. The work is to be completed by no later than six hundred fifty (650) calendar days from the date set forth in the Notice to Proceed as part of the Capital Maintenance Program.

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-24**

**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 FACADE REPLACEMENT, INTERIOR IMPROVEMENTS, AND BUILDING LIFE SAFETY UPGRADES AT JUDGE FREDERICK W. SLATER APARTMENTS";

**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 Old Veteran Construction, Inc. in the amount of \$13,577,000.00 for the facade replacement, interior improvements, and building life safety upgrades at Judge Frederick W. Slater Apartments (IL2-047), a Senior housing development located at 740 East 43<sup>rd</sup> Street, Chicago, IL. The work is to be completed by no later than six hundred fifty (650) calendar days from the date set forth in the Notice to Proceed as part of the Capital Maintenance Program.

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