Release Summary Sheet

Contract (PO) Number: 19576

Release Number: 5

Specification Number: 70683

Name of Contractor: MCDONAGH DEMOLITION, INC.

City Department: DEPARTMENT OF ENVIRONMENT

Title of Contract: JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF

UNDERGROUND STORAGE TANKS (UST) AND THE REMEDIATION

OF CONTAMINATED SITES

Dollar Amount of Release: \$611,730.33

Release Description: JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF

UNDERGROUND STORAGE TANKS (UST) AND THE REMEDIATION

OF CONTAMINATED SITES

Procurement Services Contact Person: LYLIANIS RODRIGUEZ

Vendor Number: 1061734

Submission Date:

CITY OF CHICAGO **BLANKET RELEASE**

Original (Department)

Furnish the supplies and/or services described below in conformance with conditions set forth herein and in your offer

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CONTACT: 744-7203										
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Attachment A Utilizing JOC for City Construction Projects

The Department of Environment is proposing to use the JOC procurement system for the Am Forge Site for a number of reasons.

Project Overview: The Project will consist of Environmental Remediation for approximately \$5 million dollars that DOE proposes to be completed in multiple phases.

The 1st reason is cost savings from the design aspect. DOE has spent over \$200,000.00 for investigations and engineering plans in an attempt to develop 100% design documents. DOE has been unsuccessful in achieving 100% design due to the nature and extent of contamination at the Site. Using JOC allows us to walk the site with the contractor and explain what is needed without having fixed quantities and definitive boundaries of contaminated areas. The contractor will use the applicable work tasks out of the construction task catalog which are fixed price and then we can review the work tasks and quantities before we issue the work. Another cost savings aspect of the JOC system is that if the scope of work changes for any reason we may get a credit back from the contractor for work not completed.

The 2nd reason DOE proposes to use JOC is <u>the flexibility</u> to complete the project in multiple phases without incurring high change order costs if the phasing plan changes. One such example is that complete delineation of contaminated material cannot be determined until remediation of existing known material occurs. We believe the change order cost under traditional bid would be higher than Job Order Contracting. Under traditional bid, the Contractor can artificially inflate his costs. The traditional bid Contractor can submit a claim for additional cost as their bid would have been higher if they had known what the final plan was. That additional cost under traditional bid is negotiated, a process that usually favors the Contractor. By utilizing JOC, DOE has the flexibility to change plans without incurring high change order costs as JOC credits give back dollar for dollar and additional work is fixed price as opposed to a negotiated cost. Using the JOC system, we can better control the change order process for unforeseen conditions.

The 3rd reason is the Contractor's Adjustment Factors are Fixed. Also included in the Contractor's Adjustment Factor is project size, location and complexity. Even if additional cost for moving materials off is warranted, JOC is a fixed price system which will minimize the cost of moving and dumping of the materials. The fixed price system for moving materials was applied to the JOC project for a DGS project JB5-001.A in which the Contractor had to move all materials up to the 8th floor of City Hall. The Contractor originally tried to submit a price for moving material at \$11,780, but after applying the JOC principles, the cost for moving material was reduced to \$1,641. Therefore, we believe the JOC process will help to minimize overall project cost due to such a complex site.

The 4th reason DOE proposes to use both JOC contractors on this site is because of the size. DOE will be breaking this project up in multiple phases. The two contractors have different adjustment factors for the Non Pre Priced items so DOE has chosen to use DMD to do all the haul off of debris because DMD has a lower adjustment factor. The other cost savings is going to be with the hauling and dumping of the materials. Under traditional bid the contractor can change whatever they want. DOE has specifically deleted the hazardous material dump fees from the construction task catalog so the contractor will be required to submit the actual dump tickets and associated invoices so that DOE will only have to pay actual dump tickets plus the adjustment factor.

The 5th reason DOE proposes to use JOC is the ability to exceed the M/WBE goals. Under traditional bid, the Contractor will show a plan for meeting the M/WBE goals, but if during the course of the Contract they start falling short of those goals, it is difficult to hold the Contractor accountable for what they submitted with their bid. Since Job Order Contracting is a performance-based procurement system. The Contractor understands that if they fall short of their goals on this project, future work will be impacted. Therefore, in order to receive future work on DOE's Contract, the Contractor has an incentive to meet or exceed all requirements and goals for the Contract. Furthermore, the JOC Contractor has agreed to identify those areas in which they intend to utilize M/WBE subcontractors and suppliers on each individual phase. The JOC Contractor will also identify ethnicities that are to be used. All this information will be provided to DOE and DPS prior to the issuance of the Sub Order Release. The JOC Contractor understands that not meeting these goals will impact this and future work.

The 6th reason DOE proposes to use JOC is the <u>cost savings associated with completing the project quicker</u>. Using JOC allows DOE to issue the work quicker and less labor on the front end of the project.

The 7th reason DOE proposes to use JOC is the <u>Mayor's Office and Alderman Austin (Head of the Finance Committee) has requested</u> the project be procured quickly. The JOC process will give DOE the ability to start work <u>by November 9, 2009</u>. As the project begins, there are many unforeseen conditions which may arise, and the JOC system allows the flexibility of procuring additional work in a more timely fashion. The line item detail that the JOC system uses gives DOE greater control on the amount of money being spent on each phase of the project.



City of Chicago Department of Environment 30 North LaSalle Street Chicago, IL 60602

Date: January 06, 2010

Sub-Order Total: \$611,730.33

Disclosure of Retained Parties

Definitions and Disclosure Requirements

- 1. As used herein, the term "Contractor" means a person or entity who has any contract lease with the City of Chicago
- 2. Pursant to Executive Order 97-1, every city contract and lease must be accompanied by a disclosure statement Providing certain information and attorneys, lobbyists, accountants, consultants, subcontractors, and other persons Whom the contractor has retained or expects to retain with respect to the contract or lease. In particular, the contactor must disclose the name of each such person, his or her business address, the nature of the relationship, and the amount of fees paid or estimated to be paid.
- 3. The Contractor is not required to disclose employees who are paid solely through the Contractor's regular payroll.
 4. "Lobbyist" means any person (a) who for compensation or on behalf of any person other than himself undertakes to influence any legislative or administration action, or (b) any part or whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

B. Certification

Contractor hereby certifies as follows:

1. This Disclosure relates to the following transaction:

Project name: 09-MCD-003.A

Amforge Building/Salvation Army

Specification, loan or other identifying number:

19576

2. Name of Contractor:

McDonagh Demolition Inc

3. EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained by the Contractor with respect to or in connection with the contract or lease is listed below (attach additional pages if necessary):

Name	BUSINESS ADDRESS	DBE or Non	RelationShip (attorney,lobbyist, subcontractor,etc.)	FEE(indicate whether paid \$ or estimated)	
Martinez Frog's Inc	5815 Burr Oak Ave Berkeley, IL, 60163	DBE	Subcontractor	\$200,625.00 Est.	
Quantum Crossings, LLC	111 E Wacker Drive Suite 990	DBE	Subcontractor	\$7,675.00 Est.	
McDonagh Demolition	1269 W. LeMoyne Chicago, IL, 60622	Non	Subcontractor	\$403,430.33 Est.	

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED

- 4. The Contractor Understands and agrees that the city may rely on the information provided herein and that providing any false incomplete or inaccurance information shall constitute default under the contract and may result in termination of the contract or lease
- 5. The Contractor understands and agress that in any case in which the Contractor is uncertain whether a disclosure is required under the Executive order, the Contractor must either ask the city whether disclosure is required or make the disclosure.

Under the Penalties of perjury, I certify that I am authorized to execute this Disclosure on behalf of the Contractor that the information disclosed herein is true and complete, and that no relevant information has been withheld.

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Signature

Name (Type or Print

Date Diosiclont

Title

Subscribed and sworn to before me

. this (c) day of Surveyo (c)

COMOLICO M. Falk
Notary Public Signature

Official Seal Candice M Falk Notary Public State of Illinois My Commission Expires 06/09/2013



City of Chicago Richard M. Daley, Mayor

Department of Environment

Suzanne Malee-McKenna Commissioner

Twenty-fifth Floor 30 North LaSalle Street Chicago, Illinois 60602-2575 (312) 744-7606 (Voice) (312) 744-6451 (FAX) (312) 744-3586 (TTY)

http://www.cityofchicago.org

October 09 2009

Jamie Rhee Chief Procurement Officer Department of Procurement Services City Hall, Room 403 121 North LaSalle Street Chicago, II 60602

Attn:

Carolyn Johnson

JOC Manager

Re:

JOC Project Number: 09-MCD-003

Project Title:

AmForge/Salvation Army

Estimated Cost:

\$1,500,000.00

Specification Number: 19576

Dear Chief Procurement Officer:

We request that the above referenced project be contracted under the Job Order Contracting (JOC) Method. Attachment A describes the scope of work and the appropriateness for using JOC for this project.

Please direct all technical inquiries to David Graham at (312) 744-3639.

If you concur with our recommendation, please sign below and return a copy for our files.

Sincerely.

Suzanne Malec-McKenna

Commissioner

Attachment

*APPROVED

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Jamie Rhee

Chief Procurement Officer

Kimberly Worthington, DOE

Team Leader, DOE

CONTRACTOR MUST MEET ON EXCEED DBE GOALS FOR THIS PROJECT.

\EIGHBORHOODS

