

CITY OF CHICAGO
 DEPARTMENT OF PURCHASES,
 CONTRACTS AND SUPPLIES
 ROOM 403, CITY HALL, 121 N. LaSALLE ST.

INSP Form Rev 9/07

J. E. Manzi

DATE 01/05/10
 APPROVED 4-0
 CONDITIONALLY APPROVED _____
 RETURN TO DEPT. _____
 DISAPPROVED _____

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT(S)

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with _____ for services described herein.
 (Name of Person or Firm)

This is a request for ___ (One-Time Contract Per Requisition # _____, copy attached) or ___ Term Agreement or ___ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the _____ (Attach List) Pre-Assigned Specification No. _____
 (Program Name) Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: 13431

Company, or Agency Name: J.E. Manzi & Associates

Specification #: 52245

Contract or Program Description: Construction Management for FACE Project

Mod #: _____ (Attach List, if multiple)

Frank Grimaldi Jr.
 Originator Name

773-686-6478
 Telephone

Signature

Aviation
 Department

12-16-09
 Date

Indicate SEE ATTACHED in each box below if additional space needed:

<input type="checkbox"/> PROCUREMENT HISTORY The Department of Aviation (Department) is currently engaged in completion and close-out of various bid packages issued in conjunction with the Department's Façade and Circulation Enhancement (FACE) Project. For a variety of reasons, Bid Package 1, awarded to Walsh Construction Company (Walsh) pursuant to a competitive bidding process in 2003 is over budget and behind schedule and has encountered numerous complex close-out issues and associated claims.
<input type="checkbox"/> ESTIMATED COST The estimated cost of the requirement is \$450,000. The funding source is General Aviation Revenue Bonds, which are also funding the FACE project as a whole. The estimated cost for 2010 is \$450,000 for claims management and for project close-out, which the Department anticipates will be completed in the 4 th Quarter of 2010.
<input type="checkbox"/> SCHEDULE REQUIREMENTS Given the delays and budget impacts stated above, it is imperative that the Manzi Contract continue without gaps for successful project monitoring. As stated above, project completion is scheduled for 2 nd Quarter 2010 and project close-out, including the resolution of outstanding claims, is anticipated in the 4 th Quarter of 2010.
<input type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY Manzi is uniquely qualified for the performance of the requisite services due to his nearly 40 years of knowledge and experience as a professional engineer and his long history of assisting the City of Chicago with bringing difficult, complex and troubled construction projects to satisfactory completion.
<input type="checkbox"/> OTHER The Department requires the personal performance of the services by Joseph E. Manzi. This severely limits the opportunity for MBE or WBE participation. Manzi will commit to seeking MBE and/or WBE participation in any subcontracting opportunities that may arise, but such opportunities are not anticipated at this time.

APPROVED BY: Michael R. [Signature] 12/16/09 [Signature] 01/05/10
 DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE
[Signature] 1/12/10
 Chief Procurement Officer Date



Memorandum

City of Chicago
Richard M. Daley, Mayor

Department of Aviation
Rosemarie S. Andolino
Commissioner

Chicago O'Hare International Airport
P.O. Box 66142
Chicago, Illinois 60666
(773) 686-2200
(773) 686-8333 (TTY)

O'Hare Modernization Program
P.O. Box 66848
10510 W. Zemke Road
Chicago, IL 60666
(773) 462-7300
(773) 462-8552 (Fax)

Chicago Midway International Airport
5700 South Cicero Avenue
Chicago, Illinois 60638
(773) 838-0600
(773) 838-0795 (TTY)

www.flychicago.com
www.OhareModernization.org

To: Jamie L. Rhee
Chief Procurement Officer

Attention: James McIsaac
Deputy Procurement Officer

From: Rosemarie S. Andolino (initials) 12/17/09
Rosemarie S. Andolino
Commissioner, Department of Aviation

Subject: Justification for Additional Funding for the Extension of
the Professional Services Agreement between the City and
J.E. Manzi & Associates (Non-Competitive Procurement)
Specification Number: 52245
P.O. Number: 13431

The Non-Competitive Review Board approved the award of an agreement for professional services to J.E. Manzi & Associates ("Manzi") on a non-competitive basis in November, 2006. The purpose of the agreement was to engage Manzi as the Chicago Department of Aviation's ("CDA") project manager for the completion of the Façade and Circulation Enhancement ("FACE") Project.

At the time of Manzi's retention, the projected date of substantial completion of the FACE Project was June, 2009, and the cost for completion had not been determined, as the contractor on the project, Walsh Construction Company, maintained that it had substantial claims that it expected to be compensated for. Manzi is a licensed professional engineer, and has a substantial record of bringing troubled municipal projects to satisfactory conclusions. Over the past twenty years, he has been engaged by the City, the CTA and the Chicago Park District to bring such projects as the Harold Washington Library, Terminal 5, Millennium Park and the renovation of Soldier Field to closure. Because of his knowledge of public construction and experience with complex and problem projects, the CDA maintained that Manzi was uniquely qualified to bring the FACE Project to completion, and the Non-Competitive Review Board agreed.

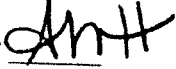
CDA's then-Commissioner, Nuria Fernandez, directed Manzi to bring the FACE Project to substantial completion by October 31, 2008, and fix the final cost of the Project. The Project achieved substantial completion on



September 30, 2008. Walsh filed a claim for approximately \$68,000,000. Manzi negotiated a settlement at approximately \$37,000,000, which CDA approved and which has since been memorialized by a change order that fixed the cost of project completion at roughly \$167,000,000.

The reason for the current extension and additional funding is that in the course of inspecting Walsh's work as the Project moved towards substantial completion, CDA's construction management team, under Manzi's supervision, discovered that Walsh and its subcontractors had furnished the City with defective welds and substandard steel. CDA, Walsh, Manzi and the project architect/engineer, Murphy/Jahn, undertook an extensive testing program to assess the status of the as-built structure. As multiple problems were discovered and varying remedies identified, Walsh, at its own cost, has been engaged in remedial work on the Project. That remedial work is on-going, and is now scheduled for completion in June, 2010. The canopy portion of the Project will then be completely repainted during the summer of 2010 so that final completion of the project can be achieved by September, 2010. The additional funding is to compensate Manzi through final completion and close-out of the Project.

At this point in the Project, Manzi's knowledge is nearly irreplaceable, and his role in bringing the investigation and remediation effort on the Project to a successful close is critical. If CDA were to retain another project manager, the cost would be vastly more than what is being requested, as the replacement manager would need to learn the whole of the diagnostic and remedial work that has been undertaken in order to be able to determine that the Project has been completed according to the City's requirements. Moreover, without Manzi, there is a significant risk that the Project would not be completed in 2010, and certainly not completed by September 2010, as is anticipated. For these reasons, CDA believes that the approval by the Non-Competitive Review Board of this request is both justified and essential.

Reviewed By: Angela Manning, Managing Deputy Commissioner 

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

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Request that negotiations be conducted only with JE. Manzi & Associates for the product and/or services described herein.
(Name of Person or Firm)

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or Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the
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Contract #: _____ Company, or Agency Name: _____

Specification #: _____ Contract or Program Description: _____
Mod #: _____ (Attach List, if multiple)

Jan Arnold (773) 696-3740 Jan Arnold DOA 10/30/06
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

PROCUREMENT HISTORY

The Department of Aviation (Department) is currently engaged in completing various bid packages issued in conjunction with the Department's Façade and Circulation Enhancement (FACE) Project. For a variety of reasons, Bid Package 1, which was awarded to Walsh Construction Company (Walsh) pursuant to a competitive bidding process in 2003, is over-budget and behind schedule. SEE ATTACHED

ESTIMATED COST

The estimated cost of the requirement is \$1,000,000. The funding source is General Aviation Revenue Bonds, which are also funding the FACE project as a whole. The estimated cost for the remainder of 2006 is \$50,000; \$400,000 for 2007; \$400,000 for 2008; and \$150,000 for project close-out, which the Department anticipates will be completed in 2009. SEE ATTACHED

SCHEDULE REQUIREMENTS

Given the delays and budget impacts stated above, it is imperative that Manzi return to the project as soon as possible. The time frame for the completion of the services will be dictated by the requirements of the project. As stated above, project completion is scheduled for summer, 2008, and project close-out, including the resolution of outstanding claims, is anticipated in 2009.

EXCLUSIVE OR UNIQUE CAPABILITY

Manzi is uniquely qualified for the performance of the requisite services due to his nearly 40 years of knowledge and experience as a professional engineer (for details, see the attached resume), and his long history of assisting the City of Chicago with bringing difficult, complex and troubled construction projects to satisfactory completion. SEE ATTACHED

OTHER

The Department requires the personal performance of the services by Joseph E. Manzi. This severely limits the opportunity for MBE or WBE participation. Manzi will commit to seeking MBE and/or WBE participation in any subcontracting opportunities that may arise, but such opportunities are not anticipated at this time

APPROVED BY: Kevin J. [Signature] 10/30/06
DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE