

Release Summary Sheet

Contract (PO) Number: 15036

Release Number: 23

Specification Number: 51701

Name of Contractor: FHP TECTONICS CORP.

City Department: DEPT OF GENERAL SERVICES

Title of Contract: DEPT. OF GENERAL SERVICES-JOB ORDER CONTRACT
REHABILITATION OF CITY FACILITIES

Dollar Amount of Release: \$1,617,990.88

Release Description: GENERAL CONSTRUCTION-PUBLIC WORKS RELATED

Procurement Services Contact Person: LYLIANIS RODRIGUEZ

Vendor Number: 50067181

Submission Date:

**CITY OF CHICAGO
BLANKET RELEASE**

Original (Department)

SUBJECT TO SUBCONTRACTOR CERTIFICATION

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

| RELEASE DATE | PURCHASE ORDER | RELEASE NUMBER | SPECIFICATION NUMBER | VENDOR NUMBER | SITE NAME | DELIVERY DATE | PAGE NUMBER |
|--------------|----------------|----------------|----------------------|---------------|-----------|---------------|-------------|
| 4/6/2010 | 15036 | 23 | 51701 | 50067181 | A | | 1 |

DELIVER TO: 38-038

ORDERED FROM:

038-0030
30 N. LA SALLE ST.
ROOM 3700

Chicago, IL 60602-2500

FHP TECTONICS CORP.
8725 W. HIGGINS ROAD

CHICAGO, IL 60631

DELIVERY CHARGES to be PREPAID
TITLE TO PASS ON DELIVERY

CONTACT: LEE 742-3987
PO DESCRIPTION: DEPT. OF GENERAL SERVICES-JOB ORDER CONTRACT REHABILITATION OF CITY FACILITIES

BLANKET RELEASE

THIS SIGNED RELEASE IS YOUR AUTHORITY TO FURNISH THE SPECIFIED SUPPLIES AND /OR SERVICES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BLANKET AGREEMENT NUMBER: 15036

THIS PURCHASE IS FOR DEPARTMENT: 38 - DEPT OF GENERAL SERVICES

SUBMIT THE ORIGINAL INVOICE TO:

| PO Line | Ship Line | COMMODITY INFORMATION | QUANTITY | UOM | UNIT COST | TOTAL COST | | | | | | | |
|--|-----------|--|--------------|-----|-----------|--------------|------|----------|--------|-----|-------|---------------------|--------------|
| 1 | 1 | 96842 GENERAL CONSTRUCTION-PUBLIC WORKS RELATED | 1,617,990.88 | USD | 1.00 | 1,617,990.88 | | | | | | | |
| REQ# 49503; FHP-09-016.B; NEW WEST TOWN LIBRARY; N-9-002; BATCHMAN; CIP 130-14-34048 | | | | | | | | | | | | | |
| Dist | BFY | FUND | COST | CTR | APPR | ACCNT | ACTV | PROJECT | RPT | CAT | GENRL | FUTR | TOTAL COST |
| 1 | 010 | 0C21 | 0912005 | | 2386 | 220540 | 0000 | 21095151 | 000000 | | 00000 | 0000 | 500,000.00 |
| 2 | 010 | 0C19 | 0912005 | | 1925 | 220540 | 0000 | 19001151 | 000000 | | 00000 | 0000 | 1,117,990.88 |
| SHIPMENT TOTAL: | | | | | | | | | | | | 1,617,990.88 | |
| RELEASE TOTAL: | | | | | | | | | | | | 1,617,990.88 | |

APPROVAL:

SIGNATURE: *[Signature]* DATE: 4/22/10
 SIGNATURE: *[Signature]* DATE: 4/19/10
[Signature] *[Signature]*
 RE SS CFO

Payment on this order will be made upon receipt of an original vendor invoice form referencing this order.

Submit the original invoice to the department referenced above.

Mark all packages and papers with the purchase number.

Any deliveries containing overshipments will be reflected unless otherwise authorized in this purchase.

This purchase is subject to the City of Chicago General Conditions for Supplies, Work, or Professional Consulting Services; Special Conditions, Disclosure Ownership, Acceptance Page, as applicable, which are attached hereto or incorporated herein by reference.

Work Order Number: FHP-09-016.B

Contractor: FHP Tectonics, Corp.

Project Title: West Town Branch Library Finishes

Date: March 23, 2010

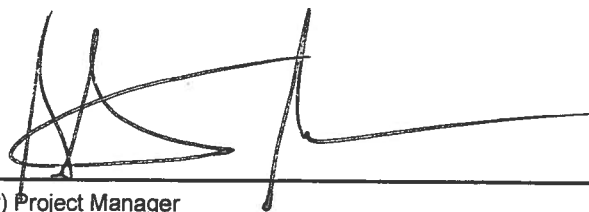
Subcontractor and M/WBE Estimate

Following is the proposed list of minority owned, woman owned and non-minority subcontractors and material suppliers proposed for the above Work Order. **This estimate is submitted with our final Work Order Proposal in the amount of 1,617,990.88.**

| Contractor | Duties | Trade | M/WBE Status | Total \$ | M/WBE \$ | % of Project |
|--------------------------------------|--------------------------------|-------|--------------|------------|------------|--------------|
| All American Exterior Solutions | Roofing / Louver wall | S | N | 39,900.00 | N/A | N/A |
| American Steelworks Inc. | Steel Canopy | S | W | 13,251.00 | 13,251.00 | 0.82 |
| Ashlaur Construction Company, Inc. | Finished Carpentry | S | M | 91,349.00 | 91,349.00 | 5.65 |
| Brongiel Plumbing | Plumbing | S | N | 21,583.00 | N/A | N/A |
| Cable Communications, Inc. | Electrical | S | W | 237,796.00 | 237,796.00 | 14.70 |
| FHP Tectonics, Corp. | General Contractor | S | N | 402,533.26 | N/A | N/A |
| Floor Systems of Chicago | Portland Floor | S | N | 17,780.00 | N/A | N/A |
| Great Lakes Plumbing and Heating Co. | Fire Sprinkler | S | N | 7,120.00 | N/A | N/A |
| KBI Custom Case, Inc. | Casework / Cabinets | M | W | 159,872.00 | 95,923.20 | 5.93 |
| Lake Shore Glass & Mirror Co., Inc. | Storefront | S | N | 41,700.00 | N/A | N/A |
| Market Contractors | Casework Install/ Lockers/ Met | S | M | 72,809.12 | 72,809.12 | 4.50 |
| Moreno and Sons, Inc. | Library Book Shelving | S | M | 131,475.00 | 131,475.00 | 8.13 |
| Production Distribution Companies | Electrical Supply | M | M | 35,000.00 | 21,000.00 | 1.30 |
| QC Enterprises, Inc. | Flooring | S | W | 141,222.50 | 141,222.50 | 8.73 |
| State Mechanical Services | Mechanical | S | N | 199,700.00 | N/A | N/A |
| Valor Technologies, Inc. | Demo | S | N | 4,900.00 | N/A | N/A |

Trades - S: Subcontractor; M: Material Supplier
 M/WBE's - M: Minority; W: Women; N: Non M/WBE

| | | | | | |
|--|-------------------|--------------|---|--------------|------------------|
| Total MBE Subcontractor Participation Scheduled | 295,633.12 | 18.27 | } | 19.57 | MBE Total |
| Total MBE Supplier Participation Scheduled | 21,000.00 | 1.30 | | | |
| Total WBE Subcontractor Participation Scheduled | 392,269.50 | 24.24 | } | 30.17 | WBE Total |
| Total WBE Supplier Participation Scheduled | 95,923.20 | 5.93 | | | |
| Total M/WBE Participation Scheduled | 804,825.82 | 49.74 | | | |

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

(Contractor) Project Manager



City of Chicago
Richard M. Daley, Mayor
 Department of General Services

Judy D. Martinez
 Commissioner

Suite 300
 30 North LaSalle Street
 Chicago, Illinois 60602-2586
 (312) 742-3124
 (312) 744-9883 (FAX)
<http://www.cityofchicago.org>

April 05 2010

Ms. Jamie L. Rhee
 Chief Procurement Officer
 Department of Procurement Services
 City Hall, Room 403
 121 North LaSalle Street
 Chicago, IL 60602

Attn: Carolyn Johnson
 JOC Manager

Re: JOC Project Number: FHP-09-016.B / N-09-002

Project Title: New West Town Library

Address: 1615 W. Chicago Ave.

Estimated Cost: 1,650,350.70

Specification Number: 51701

Funding Source: 010-OC19-091-2005-1925-0540-19001-151
 010-OC21-091-2005-2386-0540-21095-151

Handwritten initials

Dear Ms. Rhee:

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 Project Manager Mike Batchman at (312) 744-1107 and all other inquiries to Mary Capecci at 744-6748

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

Sincerely,

Handwritten signature of Judy D. Martinez

Judy D. Martinez
 Commissioner

APPROVED:

Handwritten signature of Jamie L. Rhee

Jamie L. Rhee
 Chief Procurement Officer

Approved:

Thomas W. Vukovich

Mary Capecci

Arthur Andros

Handwritten initials: TW, MC, AA

2010 APR - 8 - 11 9:30





**The Department of General Services
Attachment A**

Utilizing JOC For City Construction Projects

Goldblatts Building
1615 W. Chicago Ave.

Project No: FHP-09-016.B

For all Proposed JOC Projects, Please complete Items 1 and 2 below. As appropriate, Complete items 3,4 and 5. Attach to MOA (JOC Approval Letter)

1. Please describe the major features of this project.

Phase II renovation project to construct New West Town Library.

Approx 19000 SF

All work to be done per the Issue for Construction drawings - dated 12/11/2009

Remodel the interior of the existing building to accommodate proposed library build out. This will be a multi Phase project. To expedite the construction schedule, we are separating this project out in phases. This will include complete demo, new Mechanical, Electrical, Plumbing, Studs, Drywall, all Finishes and Fixtures and creating a new entrance for the facility.

This project was originally submitted as a Four Phase project which has been consolidated into Three total phases.

Phase 1 Demo - Structural Modifications

Phase 2 Mechanical, Electrical, Plumbing Interior Build out & Room Finishes

Phase 3 Security Improvements, Signage & Change Orders

2. Please explain why this project could not be bid using the city's traditional bid process and the need to use JOC Procurement system.

This work was originally approved to use JOC via a March 2009 MOA.

3. If the project is a one trade project, please provide an explanation of why it would not be in the city's best interest to do the project using DGS trades or existing term agreements.

Multiple trades will be required to perform this work.

4. If it is anticipated that over 25% of the project will consist of Non Pre-Priced items, please provide an explanation on why JOC should be used.

NPP items will not exceed 25%.

5. **If some elements of the proposed JOC Project scope of work are covered by city term agreements, these elements should be removed from the JOC Project.**

Work being performed is not covered in any city term contracts.

6. **Why Contractor was Selected?**

F.H. Paschen is performing work under the second phase of a multiple phased project.

The Department of General Services is proposing to use the JOC procurement system for the New West Town Branch Library at the Goldblatt's building for a number of reasons.

Project Overview: The Project will consist of Interior Renovations Project is approximately \$5 million dollar remodel that DGS proposes to be completed in multiple phases.

The 1st reason DGS proposes to use JOC is the flexibility to complete the project in multiple phases without incurring high change order costs if the phasing plan changes. One such example is the relocation of existing employees working inside the building. There are personnel that are going to be displaced during the course of the project. Some may be moved across the floor while others may be moved to different areas of the building. If the relocation plan is changed during the course of the project, we believe the change order cost under traditional bid would be higher than Job Order Contracting. Under traditional bid, the Contractor can claim their bid was submitted for relocating people to a certain area. If that relocation area changes, 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, DGS 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. Also, the work being done will include tying into existing Electrical, Mechanical, and Plumbing systems. Using the JOC system, we can better control the change order process for unforeseen conditions.

The 2nd reason DGS proposes to use JOC is the location of the Contractor's staging area is in such a place that it will be difficult for the Contractor to remove materials as well as bring new material to the site. Under traditional bidding, the Contractor's will increase their base bid for the purpose of covering the additional cost associated with such a difficult staging area. With the JOC procurement system, the cost of moving materials is included in the Contractor's Adjustment Factor. Also included in the Contractor's Adjustment Factor is project size, location and complexity. Even if additional cost for moving material is warranted, JOC is a fixed price system which will minimize the cost of moving materials. The fixed price system for moving materials was applied to the JOC project for 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 staging area.

The 3rd reason DGS 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 as DGS has several other JOC Contractors available. Therefore, in order to receive future work on a six year 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 DGS 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 4th reason DGS proposes to use JOC is the cost savings associated with completing the project quicker. Using JOC allows DGS to issue the work quicker and less labor on the front end of the project.

The 5th reason DGS proposes to use JOC is the client (Mary Dempsey from Libraries) has requested the project be procured with JOC for the quick procurement process and the ability to start work sooner. 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 DGS greater control on the amount of money being spent on each phase of the project.