

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

RELEASE DATE	PURCHASE ORDER	RELEASE NUMBER	SPECIFICATION NUMBER	VENDOR NUMBER	SITE NAME	DELIVERY DATE	PAGE NUMBER
1/14/2010	19576	5	70683	1061734	A		1

DELIVER TO: 72-072

ORDERED FROM:

072-2005 DEPARTMENT OF ENVIRONMENT
50 W WASHINGTON

Chicago, IL 60601

MCDONAGH DEMOLITION, INC.
1269 W LE MOYNE

CHICAGO, IL 60642

DELIVERY CHARGES to be PREPAID
TITLE TO PASS ON DELIVERY

CONTACT: 744-7203

PO DESCRIPTION: JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF UNDERGROUND STORAGE TANKS (UST)
AND THE REMEDIATION OF CONTAMINATED SITES
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: 19576

THIS PURCHASE IS FOR DEPARTMENT: 72 - DEPARTMENT OF ENVIRONMENT

SUBMIT THE ORIGINAL INVOICE TO:

JAN 19 PM 4:14

PO Line	Ship Line	COMMODITY INFORMATION	QUANTITY	UOM	UNIT COST	TOTAL COST																							
1	1	91813 JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF UNDERGROUND STORAGE TANKS (UST) AND THE REMEDIATION OF CONTAMINATED SITES REQ# 47325; 09-MCD-003A; AMFORGE/SALVATION ARMY; PO# 19576	611,730.33	USD	1.00	611,730.33																							
<table border="1"> <thead> <tr> <th>Dist</th> <th>BFY</th> <th>FUND</th> <th>COST CTR</th> <th>APPR</th> <th>ACCNT</th> <th>ACTV</th> <th>PROJECT</th> <th>RPT CAT</th> <th>GENRL</th> <th>FUTR</th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>009</td> <td>0C16</td> <td>0722005</td> <td>2169</td> <td>220000</td> <td>0000</td> <td>16208021</td> <td>000000</td> <td>00000</td> <td>0000</td> <td>611,730.33</td> </tr> </tbody> </table>						Dist	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR		1	009	0C16	0722005	2169	220000	0000	16208021	000000	00000	0000	611,730.33
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SHIPMENT TOTAL:						611,730.33																							
RELEASE TOTAL:						611,730.33																							

APPROVAL:

SIGNATURE

DATE

Kimberly Whitfield 1-14-10

SIGNATURE

DATE

James [Signature] 1/20/10

[Signature] 1/20/10

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.

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 the flexibility 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.

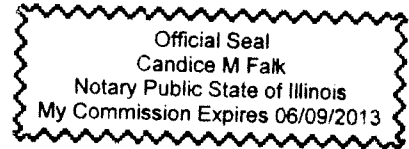
The 5th reason DOE proposes to use JOC is the ability to exceed the M/WBE goals. Under traditional bid, the Contractor will show a plan for meeting the M/WBE goals, but if during the course of the Contract they start falling short of those goals, it is difficult to hold the Contractor accountable for 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 cost savings associated with completing the project quicker. 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 Mayor's Office and Alderman Austin (Head of the Finance Committee) has requested the project be procured quickly. The JOC process will give DOE the ability to start work by November 9, 2009. 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.

this 10 day of January 2010

Candice M. Falk
Notary Public Signature





City of Chicago
Richard M. Daley, Mayor

Department of Environment

Suzanne Malec-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, IL 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:

Jamie Rhee
Chief Procurement Officer

cc

Kimberly Worthington, DOE

Team Leader, DOE

* CONTRACTOR MUST MEET OR EXCEED
DBE GOALS FOR THIS PROJECT.

NEIGHBORHOODS

