

## Release Summary Sheet

**Contract (PO) Number:** 19576

**Release Number:** 4

**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:** \$438,546.33

**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
11/13/2009	19576	4	70683	1061734	A		1

DELIVER TO: 72-072

072-2005 DEPARTMENT OF ENVIRONMENT  
50 W WASHINGTON

Chicago, IL 60601

ORDERED FROM:

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:

PO Line	Ship Line	COMMODITY INFORMATION	QUANTITY	UOM	UNIT COST	TOTAL COST					
1	1	91813	438,546.33	USD	1.00	438,546.33					
JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF UNDERGROUND STORAGE TANKS (UST) AND THE REMEDIATION OF CONTAMINATED SITES											
REQ#46624; 09-MCD-003; PO# 19576											
Dist	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	TOTAL COST
1	009	0C16	0722005	2169	220000	0000	16208021	000000	00000	0000	438,546.33
SHIPMENT TOTAL:											438,546.33

RELEASE TOTAL: 438,546.33

APPROVAL:

*Kimberly W. Wright* 11.16.09  
SIGNATURE DATE

*Janice [Signature]* 11/18/09  
SIGNATURE DATE  
Bm "B"

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.

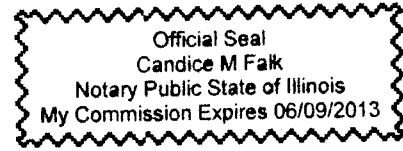
Any deliveries containing overshipments will be reflected unless otherwise authorized in this purchase.

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.



this 28<sup>th</sup> day of October 20 09

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 60602-2573  
(312) 744-3606 (Voice)  
(312) 744-6451 (TAX)  
(312) 744-3586 (TTY)

<http://www.cityofchicago.org>

MEMORANDUM

**TO:** Jamie Rhee  
Chief Procurement Officer  
Department of Procurement Services

**FROM:** Suzanne Malec-McKenna  
Commissioner

**RE:** Salvation Army Ray and Joan Kroc Corps Community Center  
JOC Request

**DATE:** October 13, 2009

The Department of Environment (DOE) is proposing the use of the JOC procurement system at the aforementioned site and is requesting the use of both DMD Services (DMD) and McDonough Demolition (McDonough). The total amount of services is estimated at \$3MM.

The project consists of environmental remediation of polychlorinated biphenyl (PCB) contaminated soil prior to development of the site by The Salvation Army (TSA) for its new Ray and Joan Kroc Corps Community Center. The levels of PCBs present onsite require management and removal by specialized construction workers and will be removed by the City prior to development. This will allow TSA to use non-specialized construction workers during building construction.

The work is requested under two Memoranda of Authorization (attached) and divided into five tasks:

1. Site preparation and concrete underground storage tank evaluation.
2. Onsite water treatment plant installation.
3. Dismantling of concrete underground storage tank and removal.
4. Removal of PCB-contaminated soil below Toxic Substances Control Act (TSCA) levels.
5. Removal of PCB-contaminated soil above TSCA levels.

Tasks 1, 2 and 3 will be issued to McDonough and Task 5 will be issued to DMD. DMD and McDonough will split work under Task 4. The estimated cost for all tasks will be evenly split between both contractors.

The reasons for using two JOC contractors is established in Attachment A - Utilizing JOC for City Construction Projects of the Memoranda of Authorization. Alderman Carrie Austin has placed a high priority for this project and expects work to begin on November 9, 2009. TSA plans to start construction in spring 2010. Please let me know if you have any questions. Thanks for your consideration.

Attachments

cc: Kimberly Worthington, Department of Environment  
Byron Whitaker, Department of Procurement Services



*[Handwritten 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

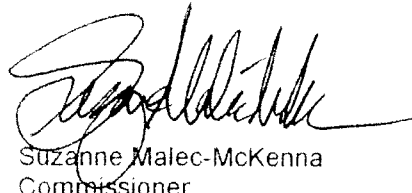
Dear Chief Procurement Officer:

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.



## 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 1<sup>st</sup> 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 2<sup>nd</sup> 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 3<sup>rd</sup> 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 4<sup>th</sup> 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 5<sup>th</sup> 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 6<sup>th</sup> 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 7<sup>th</sup> 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.