

Release Summary Sheet

Contract (PO) Number: 19577

Release Number: 7

Specification Number: 70683

Name of Contractor: D M D SERVICES, 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: \$1,177,968.80

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: 1027237

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
1/5/2010	19577	7	70683	1027237	A		1

DELIVER TO: 72-072

072-2005 30 LASALLE
30 N. LA SALLE ST.
ROOM 2500

Chicago, IL 60602

ORDERED FROM:

D M D SERVICES, INC.
32 EAST LAKE STREET

NORTHLAKE, IL 60164

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: 19577

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	#####	USD	1.00	1,177,968.80						
JOC DEPT OF ENVIRONMENT FOR THE REMOVAL OF UNDERGROUND STORAGE TANKS (UST) AND THE REMEDIATION OF CONTAMINATED SITES												
REQ# 47321; 09-DMD-005; AMFORGE/SALVATION ARMY; PO# 19577												
Dist	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR		
1	009	0C16	0722005	2169	220000	0000	16208021	000000	00000	0000	1,177,968.80	
1											SHIPMENT TOTAL:	1,177,968.80

RELEASE TOTAL: 1,177,968.80

APPROVAL:

Kimberly White 1/12/10
SIGNATURE DATE

Janice Klee 1/12/10
SIGNATURE DATE
Janice Klee 1/12/10

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.



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-DMD-005
Project Title: AmForge/Salvation Army
Estimated Cost: \$1,500,000.00
Specification Number: 19577

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

NEIGHBORHOODS



* 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 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 \$11,730, 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.



City of Chicago
Richard M. Daley, Mayor

Department of Environment

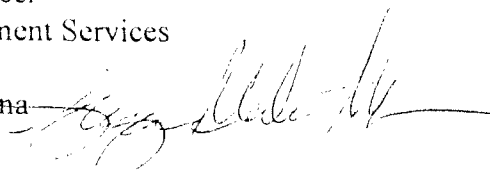
Suzanne Malec-McKenna
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<http://www.cityofchicago.org>

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

NEIGHBORHOODS





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

Date: December 29, 2009

Sub-Order Total: \$1,177,968.80

Disclosure of Retained Parties

A. 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 contractor 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: 119th Soil
 Specification, loan or other identifying number: 19577

2. Name of Contractor: DMD Services

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)
B.B.D. Trucking Company	7432 S. South Chicago Ave.	DBE	Subcontractor	\$248,000.00 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 agrees 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.

[Handwritten Signature]

 Signature

12-29-09

 Date

DOMINICK D. SILVERO

 Name (Type or Print)

SECRETARY

 Title



Subscribed and sworn to before me
 this 30th day of December 20 09

[Handwritten Signature]

 Notary Public Signature