



CHIEF PROCUREMENT OFFICE

Art Moore, Capital Development Board

Reference #: 250-510-019

EMERGENCY PURCHASE STATEMENT / NOTICE OF AWARD

Agency: Capital Development Board Point of Contact: Penny Varnava

Location of Emergency: 2121 W. Taylor, Chicago - Chicago Medical District Complex

Vendor: The Stone Group, Inc. (34397)

Address: 228 N. Washtenaw City: Chicago State: IL Zip: 60612

Emergency Purchase Details

Emergency Category (select the appropriate option(s) from the checklist below):

- Involving threat to public health or public safety
- Immediate expenditure is necessary for repairs to State property to protect against further loss or damage
- To prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues
- To insure integrity of State records

Describe the scope of the emergency. Show justification for the need of an emergency contract, the selection of the vendor, and explain why the need for work cannot be met through a competitive process:

Central Management Services ("CMS") owns and operates the facility at 2121 W. Taylor, in the heart of the Chicago Medical Center Complex. The building is 5 stories and approximately 180,000 sf. The primary tenants are the University of Illinois Chicago (UIC) and the Illinois Department of Public Health (IDPH). Both tenants operate labs in the facility and perform critical testing. IDPH operates their Chicago Lab at this facility and currently staffs 140 employees, 65 who are dedicated specifically to COVID-19 testing. The lab is running 24/7 to handle the COVID workload as well as operate as a Biological Safety Level (BSL) 3 lab that conducts testing for the newborn screening program and Homeland Security. In general, BSL-3 labs conduct extremely specific testing and work is strictly controlled and registered with the appropriate Government Agencies.

A request for upgrades to the HVAC system has been on the CMS capital projects list for many years. However, the facility now is at a critical point with the boilers and need immediate replacement of both boilers to keep the building operational this winter. Currently there are two low pressure, 15 PSI, fire tube style, natural gas fired boilers. They are connected to a softened, feed-water system that pumps into boilers when steam is needed. The steam supplies the buildings 4 main air handlers. During heating season, the boilers deliver steam to heat the building's domestic hot water system which supplies the restrooms and sinks in both UIC and IDPH labs. The system exhausts 100% of building air and supply 100% of outside air all year long. Both boilers are original and more than 50 years old. CMS has spent tens of thousands of dollars over the years to keep them operational, but one has completely failed. The concern is that that the other boiler will not get us through another heating season. In the past several years, CMS has replaced boiler controls, safeties and tubes but these were bandages and it is evident that the boiler is fatigued and can fail at any time. Because of the critical functions performed at this facility, both boilers are critical in order to have redundancy in the system.

Without dependable, operational boilers, CMS Engineers will not be able to heat the building. When the boilers have failed over the past few years, air handler coils, reheat coils, and domestic water pipes froze and ruptured. Fire suppression piping froze and ruptured causing major damage resulting in more than \$200,000 in repairs. If the one operational boiler fails, CMS will need to close the facility which would result in shut down of IDPH and UIC labs and all associated testing.

CMS began the process of working with a mechanical contractor on replacement in June of 2020. The quote was more than \$650,000 to replace one boiler. CMS facility managers and engineers met with the vendor on several occasions to discuss all options, including repair over replacement. Communication between the vendor and CMS staff was often delayed because of staffing issues during the current COVID-19 crisis, but the vendor's opinion was that repair was not an option. CMS is requesting CDB's assistance with project design and replacement of both boilers under an emergency project. Because of the critical operations at this facility, it is imperative that we prevent any type of facility shut down.



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This project began through the emergency selection of an Architect/Engineer ("A/E"); this exempts the selection from a 14-day solicitation required through Qualifications-Based Selection ("QBS"). Considering the time frames needed for the selection, negotiation and execution of an A/E contract followed by bidding and award procedures, testing and repair work to the existing failed boiler, followed by the design and installation of the replacement boilers under the existing processes would likely not begin for several months. For this reason, emergency purchases are necessary to protect against the threat to public health and safety and to prevent or minimize serious disruption in critical State services as quickly as possible.

The Stone Group, Inc., located in Chicago, IL was selected to replace both boilers because they provided the lowest responsive and responsible quote and can respond immediately to this request for emergency services. Several firms were invited to provide quotes, based on their availability, expertise, experience and location.

Describe the scope of work or services provided to include special limitations, conditions and incorporated documents:

The scope of services provides for the decommissioning and demolition of the existing failed boilers and the purchase and installation of five (5) 150 HP modular steam low pressure boilers as designed by the Architect/Engineer of record. Incorporated documents include the March 2009 Standard Documents for Construction & Supplement, the design and specifications provided by the Architect/Engineer of record and quote provided by The Stone Group, Inc. on April 12, 2021. Construction Services provided under this procurement should not exceed \$955,000.00, without prior authorization from the Capital Development Board in consultation with the Chief Procurement Office. Final Actual Costs will be reported upon project completion and project close-out.

In accordance with 30 ILCS 500/50-35, all contractors, and each subcontractor to be used whose contract/subcontract exceeds an annual value of \$50,000, shall submit financial disclosures and certifications as a material term of the contract. In accordance with section 00 21 50 of the Standard Documents for Construction, the General Contractor shall perform no less than 20% of work with its own staff. Each other trade shall perform no less than 40% of work with its own staff. Work with own staff includes direct labor and supervision, as well as material purchases where the material is installed by the contractor.

Was authorization to proceed verbally given? Yes No, receipt of this signed Notice authorizes the vendor to begin work

If Yes is checked above, explain who authorized the work, when, under what conditions or limitations and for what scope.

Expected Start Date: Apr 14, 2021 Estimated End Date: Jul 12, 2021

Amount of this expenditure is: \$955,000.00 Actual or Estimated: Estimated



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Signatures

I am making this statement and providing it to the CPO Office, the Auditor General, and the Procurement Policy Board in compliance with the Illinois Procurement Code and within 10 days after award of the contract.

I have authorized the emergency procurement in accordance with the requirements of the Illinois Procurement Code (30 ILCS 500) and the applicable administrative rule. I know and understand the contents of this statement and all statements herein are true and correct to the best of my knowledge.

Agency Signature: **Chris Miles** Digitally signed by Chris Miles Date: 2021.04.14 09:44:42 -05'00' Title: Executive II

SPO/CPO Signature: **GERALD STEVEN BURLINGHAM** Digitally signed by GERALD STEVEN BURLINGHAM Date: 2021.04.14 10:23:22 -05'00' Date: Apr 14, 2021



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Reference #: 250-510-019

EMERGENCY PURCHASE EXTENSION

Agency: Capital Development Board Point of Contact: Penny Varnava

Location of Emergency: 2121 W. Taylor, Chicago - Chicago Medical District Complex

Vendor: The Stone Group, Inc. (34397)

Address: 228 N. Washtenaw City: Chicago State: IL Zip: 60612

Extension Justification

Original Emergency Term Start Date: Apr 14, 2021 Original Emergency Term End Date: Jul 12, 2021

Amount of original: \$955,000.00 Actual or Estimated: Estimated

Extension Hearing Date: May 20, 2021 Requested Extension End Date: Oct 31, 2021

Amount of extension expenditure: N/A - Time Only Actual or Estimated: _____

Describe the scope of the original emergency (supply, service, etc.):

The scope of work remains the same and provides for the decommissioning and demolition of the existing failed boilers and the purchase and installation of five (5) 150 HP modular steam low pressure boilers as designed by the Architect/Engineer of record.

Describe the scope of the extension (supply, service, etc.). Show justification for extending the original emergency contract, and explain why the extension need cannot be met through a competitive process:

The Stone Group was issued an Award/Authorization to Proceed on April 14, 2021. A pre-construction meeting was held on site on April 15, 2021. The boiler submittal process has been completed and approved and boiler purchase orders are being issued with the expectation for on-site delivery in mid-July. Environmental remediation is scheduled to start on May 10, 2021 upon completion of site logistics and access agreement. CDB is requesting consideration to extend the emergency purchase through October 31, 2021 to align with the Architect/Engineer's contract end date, and current construction schedule, and to allow for the replacement of both boilers and all ancillary components and formal close-out of the project. CDB requires The Stone Group, Inc.'s continued participation to provide boiler replacement work, as they are familiar with the site, scope of work, and can continue to work in an expedited manner.

Term of emergency procurement shall not exceed 90 days. Contract may be extended beyond 90 days if CPO determines additional time is necessary; however, prior to execution of extension, CPO must hold a public hearing and provide written description

Signatures

I am requesting an extension of the requested emergency contract. I know and understand the contents of this statement and all statements herein are true and correct to the best of my knowledge.

Agency Signature: Chris Miles Digitally signed by Chris Miles
Date: 2021.05.05 10:05:23 -05'00' Title: Executive II

State of Illinois Chief Procurement Office for the Capital Development Board

NOTICE OF HEARING

 X Emergency Extension

The Office of the Chief Procurement Officer will hold a public hearing to hear testimony and receive comments on the proposed contract(s) as described below.

Details of the proposed contract, justification for the Agency to contract in this way and the hearing procedure can be found at www.purchase.state.il.us/. Click "Illinois Bid" and enter Procurement Bulletin Reference # in the search box.

HEARING DETAILS

DATE: Thursday, May 20, 2021
TIME: 3:00 p.m.
LOCATIONS: via WebEx from multiple locations.

For those who wish to attend this hearing via WebEx teleconference, please call in to the number below: Phone: 1-312-535-8110

Access Code: 133 303 8513

HEARING CONTACT PERSON

NAME: Gerald Burlingham
TITLE: State Purchasing Officer, Illinois Capital Development Board
ADDRESS: 401 S. Spring St., Springfield, IL 62706
PHONE: 217-836-0185
FAX: 217-558-1399
E-MAIL: gerald.burlingham@Illinois.gov

TESTIMONY

Anyone wishing to testify—please notify the HEARING CONTACT PERSON of desire to testify in advance if possible.

PROPOSED CONTRACT(S) SUBJECT OF THIS HEARING

Agency: Illinois Capital Development Board

Vendor: The Stone Group.

Brief Descriptions:

The Office of the Chief Procurement Officer for the Capital Development Board will hold a public hearing to hear testimony and receive comments on the proposed contract extensions for construction services from The Stone Group, Inc. This is related to the emergency boiler replacement at CMS Laboratory-Chicago Medical District Complex CDB #250-510-019



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Hearing Disposition

Hearing Date: Hearing Location:

The State posted to the Illinois Procurement Bulletin a description of the State's need, the justification for emergency extension, and information regarding opportunity to submit comments and testify at a public hearing.

Notice of the hearing was posted to the Illinois Procurement Bulletin at least (14) days in advance of hearing and was also posted outside the hearing room no less than two business days prior to the hearing. The hearing was held to hear testimony and receive comments on extending the procurement.

Hearing Narrative:

A hearing was conducted with the following individuals attending via WebEx: Jerry Burlingham, CPO-SPO; Chris Miles, CDB Emergency Coordinator; Penny Varnava, CDB Project Manager (PM); Andrea Bauer, CDB - Regional 1 Manager.

The PM provided a current status and information supporting the extension request.

The scope of work remains the same which provides for the decommissioning and demolition of the existing failed boilers and the purchase and installation of five (5) 150 HP modular steam low pressure boilers as designed by the Architect/Engineer of record.

A pre-construction meeting was held on site on April 15, 2021. The boiler submittal process was completed and approved and boiler and burner purchase orders have been issued.

Material delivery to the site is on schedule and expected to arrive in mid-July 2021.

Asbestos remediation is scheduled to begin on the evening of May 20, 2021.

Upon completion, the sequenced demolition of Boiler #1 will begin with the demolition of Boiler #2 following.

As this is an occupied facility operating 24/7, coordination with the agency is ongoing.

CDB is requesting consideration to extend The Stone Groups emergency contract through October 31, 2021 to align with the Architect/Engineer's contract end date and to allow for the replacement of both boilers and all ancillary components and formal close-out of the project.

SPO Burlingham concurs and recommends approval to extend The Stone Group's contract to October 31, 2021.



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Signatures

Hearing Officer recommends approval of the extension request.

Hearing Officer Signature: GERALD STEVEN BURLINGHAM Digitally signed by GERALD STEVEN BURLINGHAM Date: 2021.05.20 15:13:10 -05'00' Date: May 20, 2021

After a complete review of the circumstances relating to the need for extending the existing emergency contract, CPO approval is given to extend for a period not to exceed calendar days.

CPO Signature: Arthur L Moore Digitally signed by Arthur L Moore Date: 2021.05.21 12:24:29 -05'00' Date: May 21, 2021