



PUBLIC BUILDING COMMISSION

Minutes of the Administrative Operations Committee meeting held September 24, 2015

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbcchicago.com

The meeting of the Administrative Operations Committee of the Public Building Commission of Chicago was held in the 2nd floor Board Room at the Richard J. Daley Center on September 24, 2015 at 1:00 p.m.

The following Committee members were present:

Commissioner Arnold Randall
Commissioner Jose Maldonado

Also present were:

Felicia S. Davis
Paul Spieles
Lori Lypson
Nikki Bravo
Mary Pat Witry
Tanya Foucher-Weekley
Eileen Ryan
Lisa Giderof
Ray Giderof
Raven DeVaughn
Art Del Muro
Daryl McNabb
Molly Sullivan
Andre Wiggins, MB Real Estate
Langdon Neal, Neal and Leroy
Anne Fredd, Neal and Leroy
Angelene Hemphill

The reading of the minutes of the August 27, 2015 Administrative Operations Committee meeting which were previously distributed, was dispensed with. Upon motion duly made and seconded the minutes of said meeting were unanimously adopted.

Pursuant to Section 2.06(g) of the Open Meetings Act, a public comment period was held. No comments or statements were presented by any persons.

Executive Director Felicia S. Davis provided the AO Committee with a detailed analysis of the proposed 2016 administrative budget of \$12,375,648, which is \$579,912 or 4.5% less than the 2015 budget. The revenue sources consisted of bond lease funds and administrative fees charged on PBC projects. As bond issues have been retired, lease revenues have declined from approximately 2/3 of the budget to only \$1.5 million in 2016. Consequently there is a structural deficit in the budget between budgeted expenses and current and projected work load, and administrative costs will have to be reduced based upon the projected workload. She then summarized some of the measures that are being undertaken in the 2016 administrative budget to address the budget challenges, including: increase in employee health care contributions; implementation of reduction in force if the workload does not increase; reduction in the costs for insurance due to aggressive marketing and re-bid of the policies; and deferral of cyclical replacement of desktop personal computers and reduction in the amount budgeted for software licenses; and reduction in expenditures for office supplies. The Executive Director stated that cost savings and efficiencies would continue to be identified, and she would provide quarterly updates to the AO Committee on progress in reconciling the budget with the projected workload of the PBC.

The Committee accepted the report from the Executive Director.

The Director of Finance Daryl McNabb provided the details of the 2016 PBC Administrative Budget, totaling \$12,375,648. For the resources available for the budget, the bond lease revenue is \$25,000 less than 2015 due to the retirement of Series 1990B. The total is \$1.5 million. The direct allocation for Daley Center insurance is \$525,000, \$33,000 less than 2015. PBC is expecting to collect \$5.8 million in Administrative Fee revenue in 2016, to go along with \$3.5 million in Administrative Fee revenue collected in prior years. The compliance settlement provides a one-time revenue source of \$1 million. The Director of Finance described the WIP chart, reiterating the Executive Director's discussion of a structural deficit, the gap between the projected WIP and the level of the Administrative Budget. The Director of Finance then provided detail on the expenses for 2016, projected to be \$580,000 less than the 2015 budget. In the area of Personnel Services, the increase to the employee contribution for medical benefits and an ability to budget a lower contingency for premium increases will contribute to a \$392,000 reduction from the 2015 budget. In the area of insurance expenses, lower Daley Center insurance costs combined with the elimination of a claim reserve contingency will result in a reduction of \$157,000 from the 2015 level. Legal Fees are being budgeted at a \$225,500 increase over 2015 due to continuing coordination with the Inspector General on several issues, including compliance oversight. Ongoing legal matters such as parcel title transfer work and Human Resources matters are also contributing to the higher budgeted level. Professional services are projected to be reduced by \$106,000 from 2015 due to computer system training being brought in-house and reduction in bank fees due to the continued increase in electronic payment of vendors. The PBC's share of Daley Center operating and capital costs is staying basically flat at the 2015 level. Office supplies are seeing a \$23,000 reduction due primarily to a reduction in auto leasing costs. Computer Equipment, Maintenance and Software costs are being reduced by over \$126,000 by the deferral of cyclical replacement of desktop PCs and laptops and by a reduction in software license renewals.

The Director of Finance then presented the Daley Center budget for 2016. The operating and maintenance budget is projected to be \$15,763,726, a 2.1% reduction from the 2015 budget. The primary reason for the decrease is a \$330,000 reduction in cleaning expense due to the re-bid of the cleaning contract as well as changes to the scope and frequency of cleaning the facility. There is also a decrease of \$155,000 in cost of services resold due to the tenant steam reconciliation from 2014 being applied. These savings are mitigated by a \$146,000 increase in security costs due to contractual wage increases and additional maintenance costs of new security equipment installed throughout the building. There is also \$116,000 in additional lobby signage costs for 2016. The capital budget of \$2,150,000 for 2016 includes upgrades to elevators, the façade access system, the concourse/CTA entrance and boiler #1 as well as security enhancements and a replacement of the entry ramp barrier.

The Committee accepted the reports from the Director of Finance.

The Chief Operating Officer Lori Lypson reported on Task Order Awards to Specialty Consultants for the following services and projects:

1. Material Testing Services
Dunne ES Technology Academy Modernization - Demo site prep
Flood Testing Laboratories, Inc. (WBE) \$1,127.20

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| 2. Material Testing Services
Jamieson Elementary School Annex
ECS Midwest, LLC | \$129,757.00 |
| 3. Commissioning Services
Albany Park Branch Library
E Cube, Inc. | \$37,526.00 |

The Chief Operating Officer also reported on the bid opening for Underground Low Voltage Services Project. PBC received bids from three of the eligible contractors; John Burns Construction Company, City Lights, Ltd. and Spaan Tech, Inc. and will recommend award at the October 1, 2015 Board meeting.

The Committee accepted the reports from the Chief Operating Officer.

Next, the Director of Risk Management reported on the following appointments for Insurance Brokerage Services:

1. Mesirow Financial Insurance Services to provide property/casualty and health benefits insurance brokerage services in an amount not to exceed \$116,000 per year for a three year period with two additional one-year renewal options. Mesirow offered significant value-added services as part of their M/WBE plan including access to certificate tracking software along with administrative support and safety consulting for projects and their proposal resulted in a 7% reduction in the service fee (65% less than the incumbent proposal).
2. CS Insurance Strategies to provide insurance brokerage services for crime, bonds and Directors & Officers coverage in an amount not to exceed \$6,000 per year for a period of three years with two additional one-year renewal options. CS Insurance Strategies, the current provider of these services and is a certified Minority –owned Business Enterprise

The Committee accepted the reports from the Director or Risk Management.

The Chief Development Officer Paul Spieles provided a recommendation to approve proposed amendments to professional services agreements with the following firms:

Edwards Elementary School Annex	STL Architects Inc. (MBE)	NTE: \$250,000.00
Compliance Software Program Wide	LCP Tracker	\$60,000.00

The Chief Development Officer advised the committee regarding the following proposed Change Orders.

Dunne Technology Academy/Scope A Coonley Elementary School Addition	Powers and Sons K.R. Miller Contractors, Inc.	\$141,341.37 (\$282,141.39) credit
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The Chief Development Officer also advised the committee that 19 field orders were issued involving 9 projects.

05311 Southeast Area Elementary School

Contractor: C1564 Sollitt Oakley Joint Venture

Current Contract Value: \$30,027,665.00/ Current Commission's Contingency: \$625,000.00

006 9/3/2015 \$ N/A Structural steel acoustical decking NRC rating revisions
(Other)

Total: \$ N/A

05660 Southwest Area School

Contractor: C1565 K.R. Miller Contractors Inc.

Project: Current Contract Value: 35,987,000.00 / Current Commission's Contingency Balance: \$1,100,000.00

005 9/3/2015 \$ 1,524.00 Food prep and servery finish revisions (Client Directed)
006 9/3/2015 \$ N/A Revise project milestone #1 date from October 1, to November
2, 2015 due to project time impacts associated with regulatory
review and inclement weather conditions. Maintain the
substantial completion of December 16, 2016 (Other)

Total: \$ 1,524.00

05740 Lincoln Elementary School Annex

Project: Contractor: C1561 Blinderman/Meccor Joint Venture

Current Contract Value: \$14,020,000.00 / Current Commission's Contingency Balance: \$408,482.00

056 8/27/2015 \$ 20,000.00 Revise routing of 3rd floor existing conduits at new elevator
(Differing Site Conditions)

057 8/27/2015 \$ N/A

Revisions to the auditorium lift enclosure (E/O Type B)

058 8/27/2015 \$ 4,000.00

Revise the framing around new existing building window air
conditioning units at various locations (E/O Type B)

059 9/3/2015 \$ 4,000.00

Provide power for window air conditioning unit in
Room 107 and relocate power receptacles for window air
conditioning units in various rooms (E/O Type B)

060 9/17/2015 \$ 4,000.00

Furnish and install a bypass valve, associated piping,
insulation and controls for chilled water to maintain
minimum flow through the evaporator (E/O Type B)

Total: \$ 32,600.00

05770 Edwards Elementary School Annex & Renovations

Project: Contractor: PS2036 Berglund Construction

Current Contract Value: \$17,135,730.00 / Current Commission's Contingency Balance: \$100,000.00

007R 9/10/2015 \$ 9,000.00 Remove and dispose of existing plaster at 1st floor ceiling
(Other)

Total: \$ 9,000.00

05750 Canty Elementary School Annex

Project: Contractor: C1568 Friedler Construction

Current Contract Value: 13,300,000.00 / Current Commission's Contingency Balance: \$250,000.00

003 9/17/2015 \$ 9,680.00 Provide additional structural steel engineering for the steel
connections between the beams and columns at the 2nd floor
and roof (E/O Type B)

Total: \$ 9,680.00

19110 Mt. Greenwood Elementary School Modular

Project: Contractor: C1569 O.C.A. Construction, Inc.

Current Contract Value: \$2,287,900.00 / Current Commission's Contingency Balance: \$50,000.00

006 9/3/2015	\$ 1,530.00	Furnish and install ADA push plates omitted from the contract documents (E/O B List)
Total:	\$ 1,530.00	

05900 CPS 2015 Air Conditioner Project - Region A

Project: Contractor: C1570A Broadway Electric

Current Contract Value: \$1,702,000.00 / Current Commission's Contingency Balance: 46,624.00

008 9/14/2015	\$ 5,856.81	At Portage Park, electrical modifications to main distribution panel and main service panel (Differing Site Conditions)
009 8/6/2015	\$ 2,783.00	At Beubien, provide and install one new window shade where existing AC panels were removed and windows re-glazed (E/O Type B)
Total:	\$ 8,639.81	

05900 CPS 2015 Air Conditioner Project - Region B

Project: Contractor: C1570B Broadway Electric

Current Contract Value: \$1,357,800.00 / Current Commission's Contingency Balance: \$15,626.00

005 8/27/2015	\$ 7,412.00	Breaker revisions at Hanson Park (E/O Type B)
007 9/3/2015	\$ 4,400.00	At Galileo, revise existing ceiling grid to accommodate flow of air and replace existing unit in Room 306 (E/O Type B)
Total:	\$ 11,812.00	

05900 CPS 2015 Air Conditioner Project - Region C

Contractor: C1570C Blinderman Construction

Current Contract Value: \$1,797,631.00 / Current Commission's Contingency Balance: \$26,640.27

005 8/27/2015	\$ 1,968.92	At Ashburn, properly handle and dispose of existing door at basement electrical room (Client Directed)
006 8/27/2015	\$ 366.37	At Marquette, provide revisions to the wiring for new AC feeds in Room 111 (E/O Type B)
007 8/28/2015	\$ 1,325.00	At Ashburn, provide temporary power for the existing sump pump at basement (Client Directed)
008 8/27/2015	\$ 1,266.98	At Parker, survey circuits at existing electrical panel and furnish and install new cable and associated switch for new AC unit (Differing Site Condition)
Total:	\$ 4,927.27	

The Committee accepted the reports from the Chief Development Officer.

The meeting was adjourned.