



PUBLIC BUILDING COMMISSION
MINUTES OF THE ADMINISTRATIVE OPERATIONS COMMITTEE MEETING HELD SEPTEMBER 21, 2017

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbccchicago.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 21, 2017 at 1:00 pm.

The following Committee members were present:

Chairman Jose Maldonado
Commissioner Arnold L. Randall
Commissioner Olga Camargo

Also present were:

Carina E. Sánchez
Raven DeV Vaughn
Ray Giderof
Mary Pat Witry
Bryant Payne
Patrice Doyle
Lisa Giderof
Tanya Foucher-Weekley
Liz Granato
James Borkman
Lori Lypson
Erin O'Keefe
Beth Scanlan
Jenny Miller, Cannon Design
Andre Wiggins, MB Real Estate
Langdon Neal, Neal & Leroy
Anne Fredd, Neal & Leroy

The reading of the minutes of the August 31, 2017 Administrative Operations Committee meeting, which was previously distributed, was dispensed with. Upon motion duly made and seconded the minutes 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.

The Executive Director provided a report on the procurement underway for the Design Build Services at the new South Side High School Project. The Executive Director also provided an introduction to the proposed PBC 2018 Administrative Budget and the Richard J. Daley Center Operating and Capital Budget.

The Executive Director stated that the PBC is a non-taxing body that generates its own revenue and that the two main sources of revenue are bond lease funds and the administrative fee charged on PBC projects. The bond lease funds generate \$1.5M annually and will expire in 2019. The Executive Director reported that the frequency for charging clients for the PBC's administrative fee installments (from 3 to 5)

aligns with the project life span. Our expenses are in line with our revenue which has enabled our cash flow constraints to stabilize.

The AO Committee accepted the reports from the Executive Director.

Next the PBC Director of Finance provided the details of the 2018 Administrative budget totaling \$10,051,691, a 2% decrease from the 2017 budget. She outlined the savings as follows;

- Legal fees have been reduced by 10% in comparison to the 2017 budgeted amount.
- Daley Center insurance costs savings of \$45K
- Professional Services fees continue to decrease by 7%.
- Office and computer expenses have a combined cost savings of 15%. This savings is largely, due to implementation of upgraded services for telephones and computer maintenance agreements. It is anticipated with upgraded services and moving to cloud based environments for our hosting the PBC will realize cost savings and efficiencies overall.

The Director of Finance provided an overview of the PBC's Work in Place or WIP. The available resources are calculated based on a three percent administrative fee earned on a portion of the WIP. Since construction projects last over several years, the PBC forecasts the percentage estimated to be completed during the upcoming budget year. The PBC breaks its WIP into two components, projects undertaken and planning projects. For 2017 the anticipated WIP is \$118M, in 2018 we are projecting WIP of \$248M and 2019 \$85.

The Director of Finance reported on the Richard J. Daley Center 2018 Operating and Capital Budget. The total operating budget for 2018 is \$15,779,771 which is a .32% increase over the 2017 budget. The primary reason for the increase is due to rising utility costs and annual increases to cleaning wages. These increases are offset by a lower administrative and mechanical maintenance building expenses.

The Director of Finance outlined the 2018 goals for the Daley Center as follows;

Utility Procurement: The building competitively bid consulting services for utility procurement. 2018 electric and natural gas supplies will be purchased in January 2018 with anticipated savings once the utilities are procured.

Outsourcing Engineering Services: The building procured proposals for 3rd party engineering management services. As part of the proposal process, the lowest bidder performed an assessment of staffing levels and recommended a reduction.

Elevator Maintenance RFP: The current elevator maintenance service agreement is set to expire in 2019. In preparation of the procurement process, a maintenance audit of the service agreement and elevator equipment will be performed. An RFP will be competitively bid and awarded by the end of the year 2018.

27th Floor: Cook County has taken over approximately 50,000 sq. ft. of vacant space in June 2017. The property manager will work with the county to complete the design and construction of the space in Q1 2018.

Plaza Event Marketing and Revenue: With the update to the plaza usage requirements this year, we are projecting a 75% increase in plaza event revenue from \$95k to 167K annually.

The capital budget of \$4,945,458 includes Building Automation System Upgrades, façade and louver repairs, exit ramp barrier systems upgrades and Repairs to the Clark Street stairway.

The Director of Finance introduced Andre Wiggins, the General Manager of MB Real Estate. Mr. Wiggins provided details on the capital plan. He stated that in 2017, a Property Condition Assessment was conducted and a new 5-year capital plan was developed based on those findings. The implementation of the projects identified in that assessment will begin in 2018.

The AO Committee accepted the reports from the Director of Finance.

The Director of Procurement reported on the following specialty consultant task order awards;

Task order awards to Amec Foster Wheeler Environment & Infrastructure, Inc. in the sum of \$93,809.30 for environmental renovation/demolition services for the Esmond Elementary School Annex and \$77,018.50 for environmental engineering services for the Mt. Greenwood Elementary School Annex.

A task order award to Natural Resources Technology Corporation in the sum of \$86,369.00 for environmental engineering services for the Prussing Elementary School Annex.

The AO Committee accepted the reports from the Director of Procurement.

The Chief of Staff reported on the following amendments;

An amendment to the Property Management Service agreement with MB Real Estate in the sum of \$188,533.00. This amendment is a one-year extension of the existing contract through December 31, 2018.

Amendments for Project Development Services to the following four firms;

- Ardmore Roderick, a MBE firm
- Cotter Consulting, a WBE firm
- Comprehensive Construction Consulting, a MBE firm and
- Rodriguez & Associates, a MBE

These amendments extend the term of the agreements through December 31, 2019 and increase the maximum compensation of each agreement by \$2,000,000.00.

The AO Committee accepted the report from the Chief of Staff.

The Chief Development Officer provided a recommendation to approve a deductive change order for a credit in the sum of (\$5,804.80) for liquidated damages associated with EEO goals at the Bell Elementary School Addition project.

Next, the Chief Development Officer also reported that four field orders were approved and issued on one project as follows;

Lincoln Park High School Renovation / Contractor: C1582 Blinderman Construction – Original Contract Amount: \$16,746,219.00.

Approved Contract Change Orders: \$0.00 Adjusted Contract to Date: \$16,746,219.00.

005R 9/14/2017 \$7,066.40	Install new electrical distribution subpanel and infrastructure In electrical room #050 in main building and remove 4 200A 3- pole circuit breakers from the existing electrical distribution Panel.
008 9/14/2017 \$1,040.60	Furnish and install two additional data connections.
011 9/14/2017 \$11,858.00	Furnish and install new electrical panel and electrical infrastructure For Boiler Room 181 in the Annex building.
013 9/14/2017 \$7,647.20	Remove and replace existing damaged and deteriorated walls in Art Room 108.
Total	\$27,612.20

The AO Committee accepted the reports from the Chief Development Officer

The meeting was adjourned.