



**PUBLIC BUILDING COMMISSION
MINUTES OF THE VIRTUAL ADMINISTRATIVE OPERATIONS COMMITTEE MEETING HELD
SEPTEMBER 29, 2020**

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

The virtual meeting of the Administrative Operations Committee of the Public Building Commission of Chicago was held via Zoom on September 29, 2020 at 1:30 p.m. The meeting was livestreamed on the PBC's YouTube and Facebook accounts.

The following Committee members were present:

Chairman Jose Maldonado
Commissioner Arnold Randall
Commissioner Olga Camargo

Also present were:

Carina E. Sánchez
Lori Lypson
Ray Giderof
Tanya Foucher-Weekley
Mary Pat Witry
Bryant Payne
Rudy Manning
Langdon Neal, Neal and Leroy
Anne Fredd, Neal and Leroy

The reading of the minutes of the September 2, 2020 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 introduced the Proposed 2021 PBC Administrative Budget and the 2021 Richard J. Daley Center Operating and Capital Budget. Director Sánchez stated that as public developer, the PBC is entrusted with public resources and understands the importance of this responsibility. At the PBC we have the highest level of accountability and transparency in managing and reporting how we spend taxpayer supported dollars. She reported we are now using our budget surplus from prior years to make up for shortfalls in the 2021 PBC budget. She introduced the Director of Finance, Tanya Foucher- Weekley to provide the detailed budget reports.

The Director of Finance first reported on the 2021 PBC Administrative Budget. The Director reported that the PBC has taken the steps taken to ensure a stable resource flow for our income.

For the last three budget years the PBC focused efforts on generating revenues through a stable Work in Place (WIP) and controlling our expenses while consistently improving efforts on cost efficiencies within the agency.

She reviewed the chart titled "Proposed 2021 Detail and Historical Resources" (2106-2021). The chart shows that in the past the PBC relied on Bond Lease Revenue but currently relies solely on the PBC Administrative Fee as the source of revenue.

The 2021 proposed revenue is \$6,710,313.00. The resources are split between the following;

- PBC Fees - \$4,857,420
- Reimbursable Services - \$1,775,000

The second chart reviewed outlines the Historical Resources vs Expenditures (2016-2021). From 2017 - 2019 the budget has shown a surplus savings and we anticipate this trend to follow in 2020 based on the current projections. We are entering 2021 with a savings surplus.

The PBC's main source of resources is through project Administrative fees generated through the Anticipated Work in Place (WIP). The WIP Chart provides a six-year viewpoint of the PBC's Work in Place. The PBC forecasts the percent of the project estimated to be complete in the upcoming budget year. For 2021, the PBC is projecting a drastic decrease in the WIP. For 2020, there was \$47.7M in announced undertaken projects to be applied toward the WIP. The remaining of the \$147M in the 2021 WIP is from projects underway and nearing completion, meaning the bulk of 2021 WIP is from the 2019 and 2020 WIP Programs. Based on the current WIP, we will need to use our surplus funds to offset the deficit for the 2021 budgeted expenses.

Without any additional announced projects in 2020 and into mid-2021, we will exhaust the surplus that we have been generating for the last three years, in the 2022 budgeted year. The PBC team went into this year's budget process focusing on reducing expenses while attempting to maintain key core functions in an operable manner.

The proposed 2021 PBC Administrative Budget expenses reflect a decrease of \$1.1M or an 11% decrease from the 2020 budget amount.

The total administrative expense budgeted for 2021 is \$8,497,272. Staff completed a review of all expenses; the highest expense continues to be personnel services, budgeted at \$4,996,206. The 2021 budget proposes a 15% reduction in personnel services for a total decrease of \$862,191. We also anticipate a 10% savings in the area of Professional Service fees along with a reduction in Legal fees.

In January 2020, the PBC launched e-Builder, a new Cost Control System. The cost of this implementation has been budgeted in previous years. For 2021 we can reduce the Computer, Maintenance, Equipment & Software line by 12% and still provide updates to our technology systems to provide PBC staff and clients a more customer-oriented experience while improving our overall efficiencies in project management.

Other areas of increase for the 2021 budget are Rent/Leasehold Improvements, related to the Daley Center proposed budget, to be discussed in the next report. Director Foucher-Weekley stated that the agency has hard decisions to make as we continue to work through the PBC budget process.

Next, the PBC's Director of Finance provided a detailed analysis of the Richard J. Daley Center (Daley Center) budget. The PBC develops an annual budget with MBRE, the Daley Center Property Manager, to

cover the operating and maintenance costs for the Daley Center, as well as a budget for capital projects which assist in maintaining and upgrading the facility.

The overall 2021 operating goals for the Daley Center are to continue to ensure the security and health safety of all building occupants, pursue renewable energy measures, bolster building safety and emergency preparedness.

The Daley Center Operating and Capital budgets are allocated among Cook County, the City of Chicago and the PBC based on the square footage of leased space in the building.

The total Daley Center Operating budget for 2021 is \$18,962,467, which is a 14.71% increase from the 2020 budget. The increase equates to \$2,431,568. The increase in operating expenses is a result of the additional services related to the COVID-19 pandemic and annual increases to union cleaning, security, and engineering wages.

The largest increase to the building's Operating budget is for additional services associated with COVID-19 pandemic screening and mitigation efforts. The PBC is working closely with our Building Manager, the City, County and State on protocols to ensure a safe environment to individuals visiting the Daley Center. In 2020, the building developed pandemic screening plans which include health screening questioning, temperature screening and facial coverings for all building tenants and visitors. Tenting has also been installed in the exterior plaza. Many of these additional services will carry into 2021.

The Daley Center Capital budget includes \$2,880,000 for capital projects. To offset the operating increases, the 2021 Capital Improvement Plan is \$2.06M lower than the improvements budgeted for 2020. The projected decrease in capital projects offsets the increase in operating expenses, creating a minimal increase in operating and capital expenses of 0.60%.

The list of capital projects anticipated for 2021 includes;

- Replace northeast plaza #6 stair sewer line \$300,000
- Replace Lower Level drain line \$500,000
- Retrofit Pedway revolving doors \$300,000
- Retrofit Lobby revolving doors \$300,000
- 27th floor lighting BAS retrofit \$1,000,000
- Elevator upgrades \$250,000
- 27th floor generator upgrades \$200,000
- Security upgrades \$1,000,000

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

The Chief of Staff reported on the following recommendations;

A task order award for Geotechnical Investigation services in the amount of \$66,666.00 to AECOM Technical Services, Inc. for the Sale Dome Replacement Facility Project on Grand Avenue.

The Construction Manager Guaranteed Maximum Price (GMP) Report for Gilbane Building Company in the amount of \$11,434,000.00, Amendment #2 GMP, for the Kenwood Academy High School Renovation Project.

The recommendation to appoint SMNG-A, Ltd. as the Architect of Record for the New Belmont Cragin Replacement School. SNMG-A currently serves as the Design Architect and has been working on the project design and community engagement with the stakeholders for a year. SMNG-A has experience working with the PBC as the AOR on multiple school projects. This action is to issue a task order on the current Master Agreement. The firm has committed to meet or exceed the 30% MBE/WBE goals.

The recommendation to approve term extensions, through December 31, 2022, of sixty-three Pre-Qualified General Contractors for license classification types A-E. Eighteen firms are M/WBE. The full list is attached and outlines the classification types and firms. (Exhibit A.)

A recommendation to approve amendments for web-based labor and minority compliance software to LCP Tracker & B2GNow in amount of \$212,000 and to RICOH for copier services in the amount of \$110,000, both for terms through December 31, 2022.

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

The Chief Development Officer provided an overview on field orders issued for various projects He noted that all the field orders were reviewed with our clients for concurrence and approval prior to issuance. The full details are below;

Kenwood Academy High School Renovations / PS3025C Gilbane Building Company / Current GMP: \$11,434,000.00

008 9/10/2020	\$17,608.72	Furnish and install new exhaust fan in lieu of refurbishment.
009 9/10/2020	\$37,583.60	Remove and replace existing cooling tower #1 and #2 fan motors and replace with new 15 HP inverter duty motors.
006 9/17/2020	\$3,095.80	Door hardware C1 and C2
010 9/17/2020	\$4,986.40	Installation of conduit and wires to power lights and convenience outlets for the (7) newly installed AHUs to the nearest power source.
Subtotal:	\$63,274.52	

Rickover HS Education Program Renovations / PS3025G Henry Brothers Co. / Current GMP: \$26,578,674.95

079 9/17/2020	\$333,052.50	Provide new hot water piping to serve terminal heating equipment in Upper Gymnasium and Lower Level of Area A. Disconnect and remove existing original hot water piping.
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Poe Classical School Annex & Renovation / PS3021E Berglund Construction Company / Current GMP:
\$13,978,000.00

023	9/17/2020	\$9,380.00	Furnish and install an exit door, new exhaust fan, transfer grill and associated power in the special needs classroom.
024	9/17/2020	\$10,128.47	Provide power for the drinking fountains.
Subtotal:		\$19,508.47	

Legler Regional Library Renovations / C1597 F.H. Paschen, SN Nielsen & Associates, LLC / Original Contract Amount: \$7,157,000.00/ Approved Contract Change Orders: \$0.00 / Adjusted Contract to Date: \$7,157,000.00

005	9/17/2020	(\$392.93)	Furnish and install corded horizontal louver blinds in lieu of specified roller shades.
007	9/17/2020	\$8,179.60	Furnish and install a new dedication plaque. Relocate existing building plaque.
026	9/17/2020	\$3,968.80	Furnish and install a structurally supported cage around the new condenser at the roof.
038	9/17/2020	\$3,687.75	Furnish and install retrofit door closer at vestibule entry door; retrofit wheelchair lift call button and associated wall revisions.
039	9/17/2020	\$6,212.14	Furnish and install new light fixture for the new wheelchair lift.
Subtotal:		\$21,655.36	

The Chief Development Officer also provided a recommendation to approve close out Change Orders for six projects as follows;

- Change Orders for Liquidated Damages assessed in the credit amount of (\$29,043.41) at the Dore Elementary School Project and for unused moisture mitigation allowance in the credit amount of (\$157,737.95) at the Taft Freshman Academy Project.
- Change Orders to deduct unused Commission Contingency in the credit amount of (\$25,470.48) at the Lincoln Park High School Renovation Project and for Chicago Park District Facility renovation projects at Robichaux, Harrison and Lincoln Park, respectively, in the credit amounts of (\$25,887.08), (9,059.98) and (\$36,167.90).

The AO Committee accepted the reports from the Chief Development Officer.

The meeting was adjourned.

PBC List of Pre-Qualified General Contractors

CLASS A

No \$ Limit

All-Bry Construction Company
 Barton Malow Company
 Berglund Construction Company
 Blinderman Construction Company, Inc.
 Burling Builders, Inc.
 Clark Construction Group, LLC
 Development Solutions, Inc.
 F.H. Paschen, S.N. Nielsen & Associates, LLC
 Friedler Construction Co.
 Henry Bros. Company
 Hunt Construction Group Inc*
 James McHugh Construction Co.
 K.R. Miller Contractors, Inc.
 Madison Construction Company
 Old Veteran Construction, Inc.
 Path Construction Company, Inc.
 Power Construction Company, LLC
 Powers and Sons Construction Company, Inc.
 The George Sollitt Construction Company
 Turner Construction Company
 Tyler Lane Construction, Inc.
 UJAMAA Construction, Inc.
 Vanir Construction Management, Inc.
 W.E. O'Neil Construction
 Walsh Construction Company II LLC

CLASS B

NTE \$10M

Aldridge Electric, Inc.
 Brandenburg Industrial Service Company
 Broadway Electric, Inc.
 Frederick Quinn Corporation
 John Burns Construction Company
 O.A.K.K. Construction Co., Inc.
 Poulos, Inc.
 R.T. Milord Company
 Reliable & Associates Construction Co.
 The Lombard Company

CLASS C

NTE \$5M

CCCJV
 Cosgrove Construction, Inc.
 Drive Construction, Inc.
 G.E. Riddiford Company
 Kee Construction
 McDonagh Demolition Inc.
 Oakley Construction Co.
 OCA Construction, Inc.
 Robe, Inc.

CLASS D

NTE \$2M

A & D Property Services, Inc.
 Christy Webber & Company
 CREA Construction, Inc.
 GMA Construction Group
 Keyboard Enterprises Development, Inc.
 KMW Communities, LLC
 Mariottni Construction, Inc.
 Safeway Construction Company, Inc.
 Troop Contracting, Inc.

CLASS E

NTE \$500K

Aseret Development Series, LLC
 Brooklyn Construction Services, LLC
 Buckeye Construction Company
 Griffin Gallery and Interiors
 ISA Energy Construction, LLC
 Murphy & Jones Company, Inc.
 On Call Properties, Inc.
 Star & Crest Décor, Inc.
 Tropic Construction Corporation
 Unique Casework Installations, Inc.

*Change in parent company