

OFFICE OF THE CHIEF PROCUREMENT OFFICER

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) a 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: October 24, 2013
TIME: 10:00 A.M.
LOCATIONS: 401 S. Spring St.
Room 349C Stratton Building
Springfield, IL 62706
AUDIOCONFERENCE: Call-in (888) 494-4032
Access Code 1079279306

HEARING OFFICER

NAME: Ken Morris
TITLE: State Purchasing Officer, Illinois Capital Development Board
ADDRESS: 401 S. Spring St., Springfield, IL 62706
PHONE: 217-558-2185
FAX: 217-782-2164
E-MAIL: Ken.Morris@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: Hellmuth, Obata & Kassbaum, Inc.
Walsh Construction Company II LLC

Brief Descriptions: The Office of the Chief Procurement Officer for the Capital Development Board will hold a public hearing to hear testimony and receive comment on the proposed extension of the emergency procurement for design and construction services from Hellmuth, Obata & Kassbaum, Inc. ("HOK") and Walsh Construction Company II LLC ("Walsh"), respectively, which are providing emergency expansion of Rushville Treatment and Detention Center.

Procurement Bulletin Reference: 22029324

HEARING DISPOSITION

A Public Hearing was held on October 24, 2013, to hear testimony and receive comments on extending the procurements for emergency expansion at the Rushville Treatment and Detention Center overseen by the Department of Human Services ("DHS"). A recording of the hearing is available, and will be published online.

Gregg Scott, from DHS, explained that the current population of the facility is 520. The current admission rate is three residents per month. Temporary measures have been made to allow capacity of 530 for the facility, and additional measures are available to reach a maximum capacity of 545. Unfortunately, these temporary measures require double-bunking residents that DHS clinical staff does not believe should be housed with a roommate, along with other temporary measures that DHS would not recommend clinically and which DHS desires to cure as quickly as possible through this emergency purchase (e.g. handicap accessible rooms will be double-bunked, group rooms may be temporarily used for housing). As a result, DHS has received an increase in grievances and several lawsuits have been filed due to the effects these temporary measures have had on residents and staff.

Hearing Officer Ken Morris asked CDB, Walsh and HOK several general questions relating to the delays encountered on the project since the last extension hearing, held on February 7, 2013. Categorically, the key issues identified were: unforeseen soil conditions of the site – causing adjustments to the design, means & methods, and materials relating to the foundation and overall size of the new building, as well as additional adjustments to address seismic considerations resulting from structural changes made because of the soil considerations; above average rainfall – causing well over a month delay, in aggregate; and contractual restrictions on construction workforce that have been imposed by a Project Labor Agreement required by CDB. The issues were discussed with each party as to their role and responsibility in reacting or adjusting to them. The workforce issues have been resolved, but the soil conditions and weather delays have essentially prohibited the work from being completed by the current emergency procurement end date, October 31, 2013.

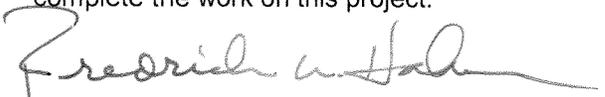
Construction is about 50% complete at this time. CDB was asked to discuss their perspective on the possibility of allowing the emergency procurement to expire and transition the project to competitive bid procurement. While they have not had any formal discussions or done any consideration on this possibility, they stand by their assessment outlined in their Emergency Extension Justification memo. In the memo, they cite risks in nullifying or jeopardizing liability and warranty coverage and significantly delaying the anticipated completion date, as well as risk in safety of personnel and residents at the site.

DHS stressed that their immediate need (see above discussion from Mr. Scott) prevents a public bid for this work, and changing the procurement from its current path would possibly jeopardize the quality of the addition – as winter conditions may certainly cause damage if the building is not completed or properly enclosed, which was confirmed by Walsh and HOK. Walsh discussed costs it would incur and bill for if the emergency were terminated; while not quantified, the costs would include time associated with closing out the contract, transferring to the State and being compensated for all materials purchased for the project (Walsh indicated all materials necessary for the project have been purchased), as well as additional "learning curve" costs of a new entity procured to complete the project. An additional item discussed was the ability of a new entity to request additional compensation for possible issues related to a transfer of completion authority – inventorying of materials and who would be liable for damaged or missing items, allegations of "bad construction" requiring changes, etc. All parties agreed a public bid could not meet the needs of DHS and continuation of this emergency is necessary. Given the challenges encountered, all parties would agree that there are no substantial quality control issues, the current pace of construction is satisfactory, and that an extension to March 31, 2014 should be sufficient. Walsh stated, and HOK and CDB confirmed, that the project is currently on track for substantial completion by January 31, 2014. The March 31st date permits subsequent contract closeout matters to occur.

Will Blount, from Procurement Policy Board, asked for clarification on the award amount disclosed on the notice of extension hearing. Fred Hahn, CPO, published the notice and explained the figure represented the initial award amount. The change requested is for a time extension only.

All attendees were asked if they had any comments. No other persons offered testimony or comments on this project.

Hearing Officer Ken Morris recommends extending contracts with both HOK and Walsh until March 31, 2014 in order to complete the work on this project.



Fredrick Hahn, Chief Procurement Officer
Executive Ethics Commission