

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) 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: September 25, 2014
TIME: 2:00 P.M.
LOCATIONS: 401 S. Spring St.
Room 511 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
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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 ("CDB")
Vendor: Hellmuth, Obata & Kassabaum, 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 comments on the proposed extension of the emergency procurement for design and construction services from Hellmuth, Obata & Kassabaum, Inc. ("HOK") and Walsh Construction Company II LLC ("Walsh"), respectively, which are providing emergency expansion of the Rushville Treatment and Detention Center.

Procurement Bulletin Reference: 22029324

HEARING DISPOSITION

A Public Hearing was held on September 25, 2014, 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 546. Currently, DHS has not determined or scheduled a date to occupy or utilize the expansion – primarily due to budget and staffing issues.

Construction reached Substantial Completion in early June 2014. There are approximately seven punch list items that Walsh anticipates to complete on September 26, 2014. Otherwise, the only site-work related task outstanding involves Central Management Services completing fiber optic connections for communications. There is a potential change being reviewed by CDB involving the control wiring for the emergency generator. Currently, the emergency generator has been installed according to specifications. VCT flooring installation may require re-work – as yet to be determined, but would presumably be warranty related; and would not necessitate an active (unexpired) contract.

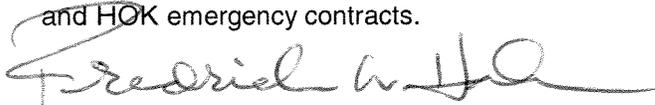
In their description of justification for need of extension, CDB identifies only 12 contingency request items needing resolution. There are approximately eight additional contingency requests that are currently being evaluated by either HOK or CDB. In addition, there are 17 contingency requests that CDB has rejected, and are being addressed via an ongoing Alternative Dispute Resolution (ADR) mediation process. A response is expected from Walsh by September 30, 2014, with a series of meetings between Walsh and CDB scheduled throughout October. The next mediator meeting is scheduled for October 30, 2014. It was clarified that there is no judicial proceeding at this time, and the mediation process is addressing and discussing the merits of each individual contingency item – therefore any outcome of the process in favor of Walsh would require an active contract to apply against contingency (or change order, as applicable).

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

There is an apparent contradiction between the sense of urgency that was behind the request for declaration of an emergency in late 2012 and the current lack of ability to utilize the expansion due to budget/staffing issues. This may relate to why an initial assessment of a six-month construction period extended into over 15 months, and why there remain so many issues with change issues.

Hearing Officer Ken Morris recommends extending contracts with both HOK and Walsh until February 28, 2015 in order to complete the close-out of this project.

The Procurement Code permits contracts for emergency work to be extended when additional time is necessary and the contract scope and duration are limited to the emergency. Here, work under the contract needs to be completed. There will be no additional changes or costs beyond those change and contingency issues, which are long-standing and which are the subject of a formal dispute resolution process. Therefore, I concur with the recommendation to extend the Walsh and HOK emergency contracts.



Fredrick Hahn, Chief Procurement Officer
Executive Ethics Commission



Chief Procurement Office
Capital Development Board

Hearing on Proposed Extension of Emergency Procurement

CDB Project 321-210-002
Emergency Expansion, Rushville Treatment & Detention Center

September 25, 2014, 10:00 a.m.
Stratton Building, Room 349C

Sign-In Sheet

Please provide your name, organization, and contact e-mail

1. Gregg Scott TOF-Rushville gregg.scott@illinois.gov
2. Joe Hamann TOP-Rushville Joe.hamann@illinois.gov
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- 13.
- 14.
- 15.

Phone Participants

1. Andy Wozniak, Walsh
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