

✈️ O*HARE 21

Doing Business with a Construction Manager at Risk







COMMISSIONER'S STATEMENT

On behalf of Mayor Lori E. Lightfoot and the Chicago Department of Aviation, we are proud to have the opportunity to partner with you as we embark on one of the biggest and most exciting projects in City history: O'Hare 21. This historic plan led by the City of Chicago and its airline partners will transform O'Hare with new facilities and modern infrastructure that further increase Chicago-O'Hare's connection to the world. One of the primary avenues we have for lifting up and improving Chicagoland communities is by advocating for policies that empower small-, minority-, women-, veteran-owned businesses, as well as those owned by people with disabilities. Through our unprecedented airport capital programs, we have the opportunity of a lifetime to put these policies and programs to work for our communities.

O'Hare serves more than 260 destinations worldwide and is ranked number one in the U.S. and third in the world for connectivity. With over 900,000 flights moving 83 million passengers a year through the airport, O'Hare is one of the busiest airports in the world in terms of operations. Additionally, Midway Airport moves 22 million travelers, for a total of 105 million travelers through Chicago annually.

As you can tell, O'Hare airport is growing according to nearly any metric you choose: O'Hare 21 is needed now more than ever. This \$8.5 billion program is critical to the long-term viability of O'Hare and Chicago's ongoing journey to become an international destination and hub - for travelers and commerce. By working together to deliver O'Hare 21, we will create economic opportunity for our communities while furthering momentum behind Chicago as a global leader in air travel.

The program represents an unprecedented opportunity for local participation, including contracting opportunities at all levels and tens of thousands of jobs that have been forecast for the program. The CDA is putting a priority on leveraging the scale and scope of this historic project so that businesses throughout Chicago and the Chicagoland area have the opportunity to participate in and benefit from O'Hare 21 and Midway's ongoing capital improvements.. This emphasis on inclusion and empowering communities will lead to widespread economic growth in the region for years to come.

We're proud to share that we are partnering with three Construction Managers at Risk (CMR) to help drive a successful program for the City of Chicago. The three CMR's are: Turner Paschen Aviation Partners, AECOM Hunt Clayco, and Austin Powers Partners. These industry leaders bring unique expertise and commitment that will help drive O'Hare 21 for the City and for the millions of travelers who pass through O'Hare International Airport each year.

O'Hare is a catalyst for growth for Chicago's 77 communities and the entire Chicagoland area. I truly believe our thriving CDA community is one of the hardest-working there is and we are thrilled at the prospect of having you onboard to help make a new O'Hare take flight.

Sincerely,

Jamie L. Rhee
Commissioner
Chicago Department of Aviation



1. O'HARE 21 PROGRAM ENTITIES



The **City of Chicago** is the owner and operator of Chicago O'Hare International Airport (O'Hare).



The **Chicago Department of Aviation (CDA)** is the delegated city department responsible for the administration and operations of all aspects of O'Hare.

The CDA will provide oversight and management of the Construction Managers at Risk through the Program Manager, Connect Chicago Alliance (CCA).



Connect Chicago Alliance (CCA), as the CDA's Program Manager, will assist the CDA in the overall management of the capital improvements at O'Hare, acting as the administrative and technical representative with the Construction Managers at Risk.

The **Construction Managers at Risk (CMR)** are the entities the CDA has selected to deliver construction services associated with the Terminal Area Plan (TAP) and select capital improvements at O'Hare. Among the CMRs duties is to procure construction services via publicly procured subcontracts while ensuring that the construction community at-large is provided an opportunity to pursue these subcontracts.

In addition, the CMRs will set up technical assistance to the subcontracting community through educational opportunities and facilitating contact with appropriate agencies and available programs. The CMRs will be working in different areas of the airport, on different projects.

The Construction Managers at Risk are:

AECOM HUNT CLAYCO AECOM Hunt Clayco, A Joint Venture – www.AHCJV.com

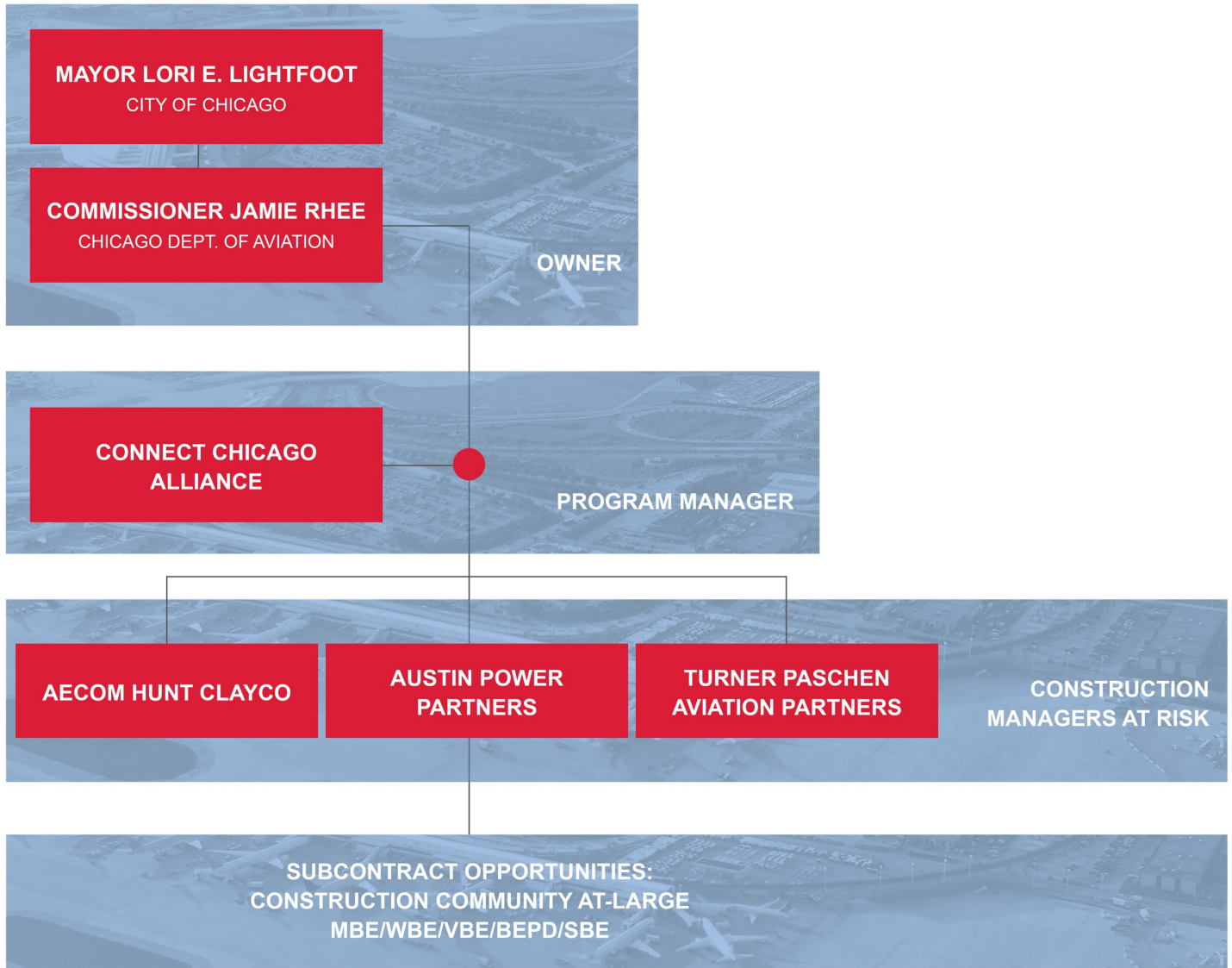


Austin Power Partners – Austin Commercial, Power Construction and Ujamaa Construction – www.austinpowerpartners.com



Turner Paschen Aviation Partners – Turner Construction, F.H. Paschen, SPAAN Tech, d'Escoto Incorporated, and Griggs, Mitchell and Alma. – www.tpapord.com

1. O'HARE 21 PROGRAM ENTITIES CONT.



2. WHAT IS THE CMR DELIVERY METHOD?

WHAT IS THE CONSTRUCTION MANAGER AT RISK (CMR) DELIVERY METHOD?

There are a variety of methods for delivering construction projects, such as Design-Bid-Build, Design/Build, or Construction Management at Risk. Design-Bid-Build is a common method, where an owner hires an architect to design a project, and when the design is complete, the project is bid out to general contractors who provide a lump-sum proposal. Under Design/Build, the owner hires a single entity who provides both design and construction based upon performance requirements and qualifications. Under the Construction Management at Risk delivery method, the owner hires a CMR based upon qualifications at the beginning of design. The CMR provides pre-construction services such as estimating, scheduling, and value engineering as the design develops. At the construction phase, the CMR performs as a general contractor, coordinating the efforts of its subcontractors and takes on the additional responsibility of a general contractor.

The Construction Manager at-Risk delivery method transfers risk from the Owner in exchange for a Guaranteed Maximum Price (GMP) from the CMR to deliver the project on time and within the GMP. The CMR procures the work of subcontractors via bid packages and holds the contracts with its subcontractors. It manages the subcontractors and acts as the construction manager in order to provide expedited field direction, on-site safety programs and quality assurance, and acts as a general contractor ensuring the subcontractors are building in accordance with plans and specifications.

WHY WAS THE CMR DELIVERY METHOD CHOSEN?

The CMR Delivery Method was chosen by the Chicago Department of Aviation in order to deliver an aggressive overall program schedule by leveraging the expertise of the CMRs early in design through construction to allow more cost and schedule certainty and to maximize opportunity for firms of various sizes. The CMRs will release packages that are specific in their scopes and sizing to provide opportunities for firms to work at the airport and increase their capabilities and range. The unbundling of the trade packages that might otherwise be bid out as larger packages allows for important growth for small to medium sized Chicago businesses in the O'Hare 21 Program. The CMRs were chosen to manage the construction of very complex terminal projects in the world's busiest operational airport.



3. WORKING AT THE AIRPORT

The selected CMR teams are experienced with working at the airport and will be assisting the subcontracting community to understand the airport environment so they can provide complete and accurate bids.

Some of the topics that CMRs will be training on, or speaking to, at outreach events, seminars, and workshops include:

- Applying and obtaining airfield credentials to work at the airport.
- Working “inside the fence-line”. It is not a barrier to complete work, just a security measure.
- Coordinating daily work activities with airport stakeholders.
- Driving privileges and deliveries.

Successfully completing work under the guidance and mentoring of CMR teams will provide experience and confidence for smaller subcontractors to perform work under future contracts for CDA.



4. DOING BUSINESS WITH THE CMRS

The CMRs are committed to working with all subcontractors to grow their capacity and to ensure that the O'Hare 21 program is diverse and inclusive. For subcontractors and suppliers that wish to bid to a CMR, or grow their own capacity of work at O'Hare, the prequalification assessment is the first step in the registration process for all businesses and suppliers interested in participating in the project.

All subcontractors are encouraged to begin the prequalification process as soon as possible so that it's completed well before trade packages go out to bid. Subcontractors will be required to complete a questionnaire and provide supporting documentation to each CMR. The prequalification process will assist the CMRs and subcontractors with identifying opportunities for participating in the O'Hare 21 program.

BIDDING PROCESS

Subcontractors¹ that have completed the prequalification process will be notified of upcoming bid opportunities via email. An invitation to bid with a link to all applicable bid documents will be emailed to prequalified subcontractors (bidders) shortly after the upcoming bid notification. Bidders should review all documents to determine the contract scope and qualifications to be considered responsive and responsible.

During the bidding process, the CMR will notify bidders of pre-bid conferences, RFI periods, and addenda to the bid packages. Bidders shall complete the bid form and submit all required documentation in the manner requested by the bid due date.

The CMRs will host "Meet the Prime" events so sub-contractors can meet and learn information about program opportunities.



AWARD PROCESS

¹ **Subcontractors** refers to the community at-large. **Bidders** includes those prequalified subcontractors eligible to submit a proposal as a prime to the CMRs. **Primes** includes those successful bidders.

The CMRs will open all received bids immediately after the bid due date with the CDA and CCA. Bids will be considered responsive and responsible if they've completed all bid forms, submitted all required backup documentation, met all qualification requirements in the bid package, and have completed the prequalification process.

Before recommending an award, the CMR will follow up with bidders to review scope and seek clarification or additional documents as necessary. Once the bid package evaluation is complete, the CMR will make a recommendation to the CDA and CCA. After award approval, the CMR will notify the successful bidder of award in writing and execute a contract with the successful bidder. Unsuccessful bidders will be notified as well and provided reasons as to why they weren't selected. Every effort will be made to place unsuccessful bidders in opportunities to succeed in the future.

BID INCENTIVES & PROGRAMS

To support economic growth, workforce development, increased competition in the City contract, and to encourage greater diversity in the pool of businesses that bid on and earn City contracts, the City has a number of programs, preferences, and incentives available to bidders competing to obtain City contracts. For O'Hare 21, bidders on selected bid packages will be allowed to submit bids to the CMRs utilizing these bid incentives.

Bid Incentives are percentages applied to the total base bid at the time of the bid. The contract is awarded for the full total base bid, but the bid amount is evaluated with the applicable Bid Incentives. The available Bid Incentives may include the following:

- Apprentice Utilization Bid Preference
- Equal Employment Opportunity (EEO) Bid Incentive
- Project Area Subcontractor Utilization Bid Preference
- Veteran Subcontractor Utilization
- Alternatively-Powered Vehicles
- Business Enterprises Owned or Operated by Persons with Disabilities (BEPD) Bid Incentive
- City-Based Businesses Bid Incentive

Several DPS programs may be available to bidders on O'Hare 21. The City's Bid Programs may include the following:

- Small Business Initiative
- Mid-Sized Business Initiative
- MBE/WBE Phased Graduation Program
- Mentor/Protégé Program

Bidders and their subcontractors are required to report verifiable data to prove compliance with the incentive requirements, such as proof of BEPD, VBE, MBE, WBE, proof of hours worked by certain employees, and/or proof of a subcontractor's place of business.

Failure to meet the commitments made in order to obtain an incentive without proof of circumstances beyond the subcontractor's control may result in a fine equal to 3 times the incentive allocated and other penalties.

Additional information on bid incentives and programs is available at: www.cityofchicago.org/dps



WORKFORCE REQUIREMENTS

The Municipal Code of Chicago requires that 50% or more of the work hours performed on the O'Hare 21 program must be performed by workers who are residents of the City.

The Municipal Code of Chicago also requires a minimum amount of work hours performed on the O'Hare 21 program to be performed by residents of the Project Area. The City-defined Community Areas map is the source used to identify Project Areas.

BONDING

Bidders and their subcontractors will be required to furnish proof of ability and willingness to provide the bonds and insurance required by the Contract with their Proposal. For certain bid opportunities the CMR may provide Subcontractor Default Insurance (SDI) in lieu of requiring a payment and performance bond. This will be determined by the CMR after bid opening but prior to award.

INSURANCE

The CMR and its subcontractors must provide and maintain the insurance coverages and requirements specified by the Contract until project completion and during the specified time period following final completion.

The following insurance coverages may be specified and required by the CMR:

- Workers Compensation and Employer's Liability (Primary and Umbrella)
- Commercial General Liability (Primary and Umbrella)
- Automotive Liability (Primary and Umbrella)
- Excess/Umbrella
- Builders Risk
- Professional Liability
- Contractors Pollution Liability
- Installation Floater Insurance
- Railroad Protective Liability



5. MAXIMIZING OPPORTUNITIES FOR SMALL, MEDIUM AND MINORITY BUSINESSES



All CMR contracts have project-wide goals for Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) Firms. These goals will be defined on a package-by-package basis in order to meet the overall contract goals set forth by the City of Chicago.

Teams will conduct introductory meetings with the City's various Assist Agencies. A key component of these introductory meetings will be to discuss the Prequalification Process in detail so that the contracting community, and specifically MBEs, WBEs, SBEs, BEPDs and VBEs, understand the process and allow these firms to immediately participate in the prequalification process.

The City of Chicago has created programs for small and medium sized businesses. To support this initiative the CMRs will be setting aside trade packages that only SBE and MBE firms can bid, creating capacity and expanding the market for these companies. In addition, the CMRs will host community outreach events to engage and inform the MBEs, WBEs and VBEs; BEPDs and SBEs.

All CMRs will be required to utilize the City of Chicago Bid Incentives and Programs in order to encourage the use of certified firms. Additional information for bid incentives can be found at www.cityofchicago.org/DPS

6. PAYMENT PROCESS

PAYMENT REQUIREMENTS

For prime subcontractors to apply for payment, the following must be submitted, reviewed, and approved via the payment management software used by each CMR:

1. Pay Application Form
2. Contractor's Sworn Statement Form
3. Certified Payrolls (from all tiers and subcontractors)
4. MWBE Status Report Form
5. Lien Waivers (from all tiers and subcontractors)
6. Stored materials backup for on or off-site materials

RETENTION AND FINAL PAYMENTS

Retention will not be held on O'Hare 21. Once all contract terms have been met and forms submitted, for example, completed punch list, closeout documents, etc., final payment will be released to the Prime.

QUICK-PAY OPPORTUNITY

The CDA will implement an Early Pay Program, available to all Primes in exchange for a nominal fee. This program guarantees payment to the Prime within 30 days following approval of the Prime's invoice in their Payment Management Software. A Prime may enroll month to month, or opt in for longer term. A Prime may request early pay for the full amount of their monthly invoice OR a portion specific to a MBE/WBE sub-tier. Once the Prime receives its early payment, it is required to pay its sub-tiers within 7 days.

Additional information regarding the Early Pay Program will be available through each specific CMR.



7. FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER
Where do I find more information on CMRs?	<ul style="list-style-type: none"> • www.AHCJV.com • www.austinpowerspartners.com • www.tpapord.com
Can we communicate directly with the CMR firms to obtain information on upcoming work opportunities?	Yes, you should contact the CMRs directly.
Do we need to be signatory with unions to work with the CMRs?	Yes, if you will be performing any work that would require skilled trades.
How do I get prequalified?	Visit the CMR websites for more information on the prequalification process.
How long does the prequalification process take to complete?	Durations can vary depending on the level of completion of required documents submitted as well as timeframe for upcoming bid opportunities. Typical review of prequalification documents is one (1) week.
Is the prequalification process the same for all CMRs?	Since the CMRs will hold the contracts with the subcontractors, subcontractors will need to be prequalified with each CMR they elect to pursue work with. In general, the prequalification process will be very similar in nature.
Will we be able to bid work on all three CMR contracts?	Yes, subcontractors can bid on work for any or all CMRs but must be prequalified with the CMR they intend on bidding to.
I am a second tier and/or material supplier, do I need to be prequalified?	No, all second-tier subs and suppliers do not need to be prequalified
When bidding work will we need to provide a performance and payment bond?	Most work packages will not require a performance bond; however, some larger volume work will be evaluated on a case-by-case basis for bond requirements.
If I am prequalified, does that mean that my firm is guaranteed to be awarded a contract?	No. Prequalified firms will still need to bid on work packages.
Are any of the partners of the CMRs allowed to bid on the CMR trade packages? (Define "Partners")	Yes, the partners will be allowed to bid on all trade packages they are prequalified for.
Do I have to be prequalified to bid?	Yes, you will need to go through the prequalification process in order to bid as a prime. If you miss the prequalification period for a certain bid package, you can submit your prequalifications at any time for future bid opportunities.

NOTES: