Approved by the Board of Trustees

May 18, 2023

**22**

Board Meeting

May 18, 2023

ROLL CALL

# APPROVE PROJECT BUDGET AND AWARD CONSTRUCTION CONTRACT FOR REPLACE AIR HANDLING UNITS AND BOOSTER COILS, STUDENT CENTER EAST, CHICAGO

**Action:** Approve Project Budget and Award Construction Contract for Replace Air Handling Units and Booster Coils, Student Center East

**Funding:** Auxiliary Facility System Repair and Replacement Reserve Funds; Activity, Storeroom, and Service Funds

In July 2022, the Board of Trustees approved a project to replace aging critical HVAC infrastructure, including three air handling units that provide ventilation and thermal comfort to 50,000 square feet of occupied floor space within the Student Center East facility, for a total budget of $6,049,600. The replacement will primarily affect ventilation serving the dining facility, retail bookstore, and retail dining areas on the first and basement levels. The current equipment is original to the 1965 building construction (building age 58 years) and exceeds its useful service life by 32 years. This project will save energy by integrating previously replaced kitchen exhaust fans with the proposed HVAC replacement/addition, and it will result in a new kitchen exhaust hood control system. The design engineering team expects this project to produce over $100,000 of energy cost savings per year through enhanced airflow control, and management and equipment scheduling consistent with the operational kitchen schedule, producing significant energy savings for the facility.

During the project bidding phase, the construction bids exceeded available funding due to market volatility and cost escalation factors. It is necessary to increase the project budget by $701,610 for a total project budget of $6,751,210 using contributions from Activity, Storeroom, and Service Funds.

Accordingly, for the project to proceed further, the Interim Chancellor, University of Illinois Chicago, and Vice President, University of Illinois System, with the concurrence of the appropriate administrative officers, recommends that the budget for the Replace Air Handling Units and Booster Coils project be increased by $701,610 for a total project budget of $6,751,210.

Bids for the construction work have been solicited, and for the project to proceed, the Interim Chancellor, University of Illinois Chicago, and Vice President, University of Illinois System, with the concurrence of the appropriate administrative officers, recommends that the following contract[[1]](#footnote-1) be awarded. Competitive bidding procedures were conducted in accordance with the Illinois Procurement Code, and the award is to the lowest responsible bidder on the basis of its base bid:

Division 04 – Ventilation Work

Kroeschell Engineering Co., Inc. Base Bid $2,550,702

Arlington Heights, IL

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TOTAL $2,550,702

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The* *General Rules Concerning University Organization and Procedures*, and Board of Trustees policies and directives.

Funds for this project are available from the Auxiliary Facility System Repair and Replacement Reserve Funds, and Activity, Storeroom, and Service Funds of the University of Illinois Chicago.

The President of the University of Illinois System concurs.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Table 1: Diverse Vendor Participation | | |  |  |  |  |  |
| Division | Awarded Vendor | | Prime Contract Value | Prime Diversity? | Diverse Subcontractor Contract Value | Diverse Subcontractor % of Work | Diverse Classification |
| Division 1: General | AGAE Contractors, Inc., Elk Grove Village, IL | | $ 966,000 | N/A | $ 95,000 | 10% | MBE (HA) |
|  |  | |  |  | $ 195,500 | 20% | WBE |
|  |  | |  |  | $ 30,000 | 3% | VBE |
|  | Division 1: General Total | |  |  | $ 320,500 | 33% |  |
|  |  | |  |  |  |  |  |
|  |  | |  |  |  |  |  |
| Division 3: Heating/AC | Ideal Heating Company, Brookfield, IL | | $ 1,276,333 | N/A | $ 383,000 | 30% | MBE (AFA) |
|  |  | |  |  | $ 39,000 | 3% | VBE |
|  | Division 3: Heating Work Total | |  |  | $ 422,000 | 33% |  |
|  |  | |  |  |  |  |  |
| Division 4: Ventilation | Kroeschell Engineering Company, Inc., Arlington Heights, IL | | $ 2,550,702 | N/A | $ 945,000 | 37% | MBE (AFA) |
|  |  | |  |  | $143,000 | 6% | MBE (HA) |
|  |  | |  |  | $ 12,000 | 1% | WBE |
|  |  | |  |  | $ 81,659 | 3% | VBE |
|  | Division 4: Ventilation Work Total | |  |  | $1,181,659 | 47% |  |
|  |  | |  |  |  |  |  |
| Division 5: Electrical | Wolf Electric Inc., Oak Lawn, IL | | $ 413,894 | Y - WBE | $ 401,477 | 97% | WBE |
|  |  | |  |  | $ 12,417 | 3% | VBE |
|  | Division 5: Electrical Work Total | |  |  | $ 413,894 | 100% |  |
|  |  | |  |  |  |  |  |
|  | Total Awarded | | $5,206,929 |  |  |  |  |
|  | Total MBE (HA) | |  | $ 238,000 | 5% |  |  |
|  | Total MBE (AFA) | |  | $ 1,328,000 | 25% |  |  |
|  | Total WBE | |  | $ 608,977 | 12% |  |  |
|  | Total VBE | |  | $ 163,076 | 3% |  |  |
|  | Total Diversity | |  | $ 2,337,553 | 45% |  |  |
|  |  |
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1. Contracts for other divisions were awarded within the delegated approval levels: Division 1 (General Work)—AGAE Contractors, Inc., Elk Grove Village, IL, $966,000; Division 3 (Heating Work)—Ideal Heating Company, Brookfield, IL, $1,276,333; and Division 5 (Electrical Work)--Wolf Electric, Oak Lawn, IL, $413,894. [↑](#footnote-ref-1)