

GARY/CHICAGO INTERNATIONAL AIRPORT

Capital Program Management

Request for Qualifications



Capital Program Management Request for Qualifications

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Section 1: Introduction

The Gary/Chicago International Airport Authority (GCIAA) operates the Gary/Chicago International Airport (Airport). The GCIAA has identified a number of proposed capital improvements over the next several years, and requires a broad range of overall professional management and technical assistance in implementing those improvements in a timely and cost-effective manner.

The Gary/Chicago International Airport Authority (GCIAA) is seeking a Capital Program Management consultant to provide professional services in conjunction with the implementation of the Runway Expansion Program (Program). The GCIAA has established a general management structure for developing and implementing the Program, which provides for a division of responsibilities among internal and external resources, a Capital Program Manager (CPM), architectural/ engineering design consultants, and construction management teams (as required). These construction management and architectural/engineering services will be procured separately. It is not the GCIAA's intention that the CPM would either procure or provide these services. It is the intent of the GCIAA and this Request for Qualifications to receive competitive Statements of Qualifications (SOQ's) for qualifications-based selection for this project.

The CPM will be responsible for assisting the GCIAA as directed in quantifying capital resource needs and overall management of projects comprising the Program.

The GCIAA has a number of existing standards, policies and procedures for the design and implementation of capital projects. The CPM will be responsible for facilitating the review, validation, updating and/or implementation of these standards, policies and procedures.

The overall mission of the CPM is to provide broad coordination of the full range of technical resources and management processes necessary to implement the planned capital improvements.

The nature of the improvements, and the methods by which each is to be implemented, may vary significantly among and within the GCIAA's airport facilities and among different capital programs and projects. Therefore, the GCIAA requires a CPM that is highly flexible, knowledgeable, experienced, responsive and able to anticipate changing needs.

The primary improvements contemplated during the term of this assignment are directly associated with the Program, a proposed \$93 million phased runway extension project at the Airport, which will be implemented over a multi-year period. The major functional components of the Program include land acquisition (substantially completed), the relocation/burial of Overhead Power Lines (completed), relocation of the Canadian National (CN) Railroad, wetland mitigation, environmental contamination remediation, a 1,900 foot runway and parallel taxiway extension and other related components.

It is the GCIAA's intention that there be no duplication of consultant resources at any level between Program Management, design teams and/or construction management teams, except as directed to provide for systematic checks and balances. The CPM will provide day-to-day review of construction management tasks.

The primary objectives of the services to be provided are as follows:

- Provide Program planning, budgeting and scheduling of the various tasks and phases of the project; and
- Coordinate, facilitate and evaluate the various tasks including environmental remediation, wetland mitigation, airfield design, railroad relocation design and all related construction elements; and
- Provide negotiation assistance as needed on issues including, but not limited to railroads, FAA reimbursable agreements, environmental agencies, design firms, contractors and legally binding agreements with other parties.

After selection of the successful firm (Consultant), the GCIAA and the Consultant will negotiate a contract and complete a scope of services.

1.1 RFQ Format

Cover Page

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Section 2: Scope of Services

2.1 Primary Scope of Services

The CPM is expected to provide professional services in support of the GCIAA efforts to complete the Program. Individual elements may include but are not limited to the following:

- 2.1.1 Program Management. Provide overall management for the Program, protect the GCIAA's operational and financial interests, balance diverse stakeholder requirements, and assist as requested in resolving issues among other consultant resources.

- 2.1.2 Management Policies and Procedures. In conjunction with the GCIAA, CPM will develop, document and disseminate policies and procedures to ensure the safe, cost-effective and coordinated implementation of capital projects and programs, with due consideration of cost and schedule controls, design standards, operational requirements and construction safety, and conformity with environmental and financial requirements. Facilitate development, review and implementation of additional policies and procedures in construction, E.E.O. Compliance and DBE/MBE/WBE Participation, labor relations, communication, legal and procurement requirements.

The GCIAA has established a detailed division of responsibilities among staff and consultant resources for the Program. This will be presented to the selected Respondent prior to establishing the specific scope and staffing levels for the first year of service.

- 2.1.3 Program Definition and Capital Programming. Provide technical and coordination support in defining bid packages, program phasing, and the sequencing/prioritization of capital projects, drawing upon input from the full range of planning, environmental, financial and operational/user groups.
- 2.1.4 Project Delivery Methodology. The CPM will prepare design packaging recommendations (or review recommendations prepared by others), and prepare independent recommendations regarding the optimal means of implementing individual projects.
- 2.1.5 Project Management. The implementation plan for the Program calls for one or more Project Managers to be assigned to lead the various projects or tasks that comprise the Program, with full accountability and authority for project design and construction. It is the GCIAA's intention that to the extent possible these Project Managers be members of the individual design and/or construction management teams; however, the GCIAA reserves the right to designate project managers and assistant project managers from any combination of CPM, construction management, internal GCIAA staff or other resources. No predetermination will be made as to the allocation of these positions.

In all cases, the CPM's responsibilities may include, but not be limited to:

- Managing the design and construction management teams assigned to the project, including contract administration;
- Managing and tracking project-level cost, schedule and budget requirements, and coordination with program-level and assigned project-level controls personnel;
- Defining, validating and monitoring project scope;

- Providing input on project delivery methods and contract scope packaging;
- Identifying all resources and processes required for project implementation;
- Identifying and implementing all necessary coordination and communication;
- Facilitating and expediting the resolution of technical issues, drawing upon necessary resources and experts in applicable disciplines;
- Facilitating the resolution of contractual issues, drawing upon necessary resources within the GCIAA and its other consulting resources;
- Monitoring and reporting on progress and issues affecting project implementation; and
- Presenting details of project design, construction and progress to GCIAA, and others as required.

2.1.6 Project Technical Liaison. Certain projects and project components may be undertaken by others (i.e., tenants or other agencies) that are on or near airport property, and/or in which the GCIAA is a financial participant. On selected projects, the CPM may be required to provide technical liaison and oversight services on behalf of the GCIAA, to identify issues related to operational, financial, contractual or other concerns, and advise the GCIAA regarding technical or other solutions, drawing upon the GCIAA's established policies and procedures.

2.1.7. Design Management. The CPM will provide day-to-day, technical management and QA/QC monitoring responsibility over assigned architectural and engineering consultants. GCIAA will retain contractual authority and independent oversight of design consultants. CPM will review, validate and coordinate design workscopes and key interface points, and establish comprehensive policies and procedures for the use of CADD to assist in technical coordination of multiple independent engineering teams. Implement (or update and revise as necessary) GCIAA's existing design review and QA/QC standards for assigned projects and programs. Prepare recommendations for GCIAA regarding resources and priorities for architectural and engineering consultants, and fulfill selected management responsibilities delegated from time to time by the GCIAA to the CPM. Review deliverables and/or work product(s) of various GCIAA consultants for completeness and timeliness. Implement and maintain a design decision impact tracking database, to facilitate timely decision-making and enable ready reconciliation of estimates and schedules against baselines. Participate in and facilitate a standing Errors & Omissions committee.

- 2.1.8 Cost Control. As part of day-to-day design management, construction management oversight and program controls functions, identify opportunities for capital, project implementation and life-cycle cost reduction and/or deferral. Facilitate policy and technical decisions by either preparing or directing the preparation of comprehensive decision analyses, identifying and weighting evaluation criteria against project objectives and operational requirements. Develop and implement a tiered contingency management and tracking system. Conduct value engineering reviews as required, and establish systems for constant identification and evaluation of cost reduction initiatives.
- 2.1.9 Capital Cost Estimating. The CPM may be required from time to time to create conceptual-level cost estimates, sensitivity analyses or check estimates, generally (but not exclusively) based on unit cost data provided by others. The primary responsibility for cost estimating will rest with the architectural and engineering teams, and construction management teams. The CPM will also review cost estimates prepared by others and facilitate reconciliation when necessary.
- 2.1.10 Program Controls. Develop, maintain and track capital budgets, cost estimates and analyses, program and project schedules, historical and prospective cash flows, cost and schedule trend analyses, and a systematic approach to tracking critical program and project issues to ensure budgetary control and prevent cost overruns. Synthesize and evaluate data and analyses prepared by others, to identify issues and areas of potential conflict. Prepare computer-based schedules and schedule analyses. Review design, construction and other schedules and cash flow analyses prepared by others, for internal consistency, logic, technical and financial viability. Identify recommended financial commitments with sufficient notice for GCIAA approval as required.
- 2.1.11 Program Progress Reporting. Prepare periodic program-level reports for internal management and stakeholder communications. Work with other consultants to secure and synthesize necessary input. Provide data, graphics and other materials as required for internal, external and public presentations.
- 2.1.12 Capital Finance Support. Assist the GCIAA by providing project- and program-level cash flow requirements as well as key schedule milestones. Provide capital cost accounting support by maintaining, updating and possibly upgrading various capital cost accounting systems, generating reports and analyses, and tracking the availability of funding sources relative to expenditures and commitments. Support the GCIAA and the Finance Manager in preparation of disbursement requisitions. Prepare bond trustee reports as directed.
- 2.1.13 Document Management. Facilitate the implementation of a comprehensive document management system, including computer-indexed storage and retrieval capabilities for all internal, external, design and construction-related documents, to be used by all program management, construction management, design and other consultant resources.

The deliverables required will be stipulated in conjunction with approved staffing plans and schedules. The CPM will generally be required to prepare, or assist in the preparation of, and/or review deliverables and provide follow-up, including but not limited to various written studies, plans, analyses, reports, regulations, permit applications, design concepts, design work programs, design documents whether prepared by hand or by computer, design manuals, contract drawings, documents submitted for permit, technical specifications, cost estimates, graphs, charts, preliminary and underlying data, and other documents and information necessary for performance of the Services.

The GCIAA will reserve the right to reject any and all Deliverables, which in the sole opinion of the GCIAA do not adequately represent the intended level of completion or standards of performance, do not include relevant or accurate information or data, or do not include all documents specified or reasonably necessary for the purpose for which the Agreement was made with the CPM or for which the GCIAA intends to use the Deliverables. Rejected deliverables must be resubmitted, at no cost to the GCIAA, with the appropriate level of information and must include a recovery schedule and narrative to demonstrate how the project will be kept on track.

ALL DOCUMENTS, SYSTEMS AND PROCESSES CREATED UNDER THIS AGREEMENT, WHETHER OR NOT IDENTIFIED AS CONTRACTUAL DELIVERABLES, WILL BE THE PROPERTY OF THE GCIAA.

- 2.1.14 Construction Management Oversight. Provide day-to-day and technical management responsibility for assigned construction management teams. GCIAA will retain contractual authority and independent oversight of construction management consultants. CPM will prepare recommendations for the GCIAA regarding resources and priorities for the construction management teams, and fulfill selected management responsibilities delegated from time to time by the GCIAA. Establish and monitor QA/QC standards for design processes on assigned projects and programs. Review work product for completeness and timeliness.
- 2.1.15 Construction Claims Prevention and Management. As part of day-to-day design management and construction management oversight functions, ensure that design reviews include sufficient review of documents to identify areas of inadequate or ambiguous design information that could lead to construction claims or delays if unresolved. Develop systematic approaches to ensure such reviews are completed and followed up by appropriate action.
- 2.1.16 E.E.O. Compliance and DBE/MBE/WBE Participation Administration Support. Assist the GCIAA, as required, in administering and tracking compliance with workforce diversity, Affirmative Action, and DBE/MBE/WBE participation initiatives, including developing and applying systems for tracking and reporting, providing technical information as required and assisting in outreach, capacity-building and recruitment efforts as deemed appropriate by the GCIAA.

2.1.17 Special Studies. From time to time the GCIAA may assign the CPM special studies or analyses related to functional, technical or methodological needs identified by the GCIAA.

2.1.18 Conferences and Research. The CPM may be required to conduct field research, site visits to other major capital programs, attend technical conferences or other industry functions with representatives of the GCIAA, design team members and other agencies as may be required in connection with their services.

The GCIAA anticipates that, for the Program, the CPM will be authorized to provide a staff of 1-2 individuals on a full-time basis, supplemented by additional individuals as needed to fulfill individual project expertise requirements. CPM staffing levels and resources for the Program are expected to fluctuate based on the GCIAA's annual needs.

The GCIAA anticipates that the full-time staff of the CPM will function entirely within office space and using equipment provided as part of the GCIAA's capital resources. It is the GCIAA's intention that the selected Respondent's hourly billing rates and/or multipliers will be adjusted accordingly.

Section 3: Organization, Direction and Schedule

3.1 Organization and Direction

The CPM will work at the direction of the GCIAA or the GCIAA's designee. All work will be at the day-to-day direction of the Airport Director. All work shall be accomplished with a goal of minimizing the impacts to the operations of airlines, tenants and users of the facility.

3.2 Schedule

The GCIAA intends to enter into a professional services agreement (Agreement) with the selected Respondent, for a minimum term of three (3) years with annual renewals at the GCIAA's sole discretion thereafter. Such renewals will not exceed the duration of the Program.

Prior to commencing the Services, the CPM must submit a detailed budget proposal, for approval by the GCIAA or the GCIAA's designee(s), which will include an estimated fee for a given time period, to be determined by the GCIAA, including all subconsultants required to complete the Services, personnel assigned, and a project delivery schedule indicating services to be provided which will establish a binding budget once approved by the GCIAA. Any subsequent proposed changes in Key Personnel, staffing levels or budget must be approved in writing by the GCIAA.

In connection with the performance of the Services, the CPM must supply all of the personnel, materials and equipment necessary to satisfactorily perform the Services, including any necessary administrative support in accordance with the approved Agreement.

During the term of the Agreement the GCIAA will review the CPM's performance, including performance of Key Personnel, from time to time as required. The CPM will be required to attend meetings as required, at its own expense, to discuss any performance issues, and to rectify any deficiencies in a timely manner.

Section 4: SOQ Instructions

4.1 SOQ Deadline

SOQ's must be received at the location stated below no later than **4:00 PM local time on Friday, August 6, 2010**. SOQ's received after the deadline will not be accepted.

4.2 RFQ Inquiries

All inquires and request for information affecting this RFQ must be submitted in writing, faxed or e-mailed to:

Chris Curry, Airport Director
Gary/Chicago International Airport
6001-C W. Industrial Highway
Gary, In 46406
(219) 949-0573 Fax
ccurry@gyymail.com

All responses to inquiries will be made in writing to all interested firms simultaneously. **VERBAL RESPONSES TO INQUIRIES WILL NOT BE AVIALABLE.** Any existing information regarding this project will be available to requesting firms when possible. Large documents such as the Master Plan, EIS, Record of Decision shall be available for viewing at the Airport. Duplication and distribution to requesting firms will not be available.

4.3 SOQ Submission

One (1) original (clearly marked Original) and twelve (12) copies of the SOQ must be delivered in a sealed package on or before the due date, and must follow the format indicated in Section 5 of this document. Additionally, an electronic copy of the entire SOQ in a single Adobe Portable Document Format (.pdf) file should accompany the SOQ submittal. Faxed SOQ's will not be considered. Submit SOQ's to:

Chris Curry, Airport Director
Gary/Chicago International Airport
6001-C W. Industrial Highway
Gary, In 46406

Label the outside of the sealed package: **SOQ for GCIAA Capital Program Management Consultant Selection – DO NOT OPEN**

4.4 Schedule of Activities

The following selection schedule has been established by the GCIAA.

July 8	Memo and RFQ requesting Statement of Qualifications mailed to interested and invited firms and publicly advertised.
July 29	Consulting firms' final questions regarding the RFQ to be submitted.
August 2	Send list of questions and responses to consulting firms.
August 6	STATEMENT OF QUALIFICATIONS DUE
August 12	Select a firm based on the SOQ or, if required, develop a short list of two to four firms selected for subsequent interviews. Selection will be based on qualifications, references and compatibility with the project.
August 13	Memo mailed to selected firm advising them of their selection or, if short list for interviews are developed, to short-listed firms advising them of interviews along with criteria/questions to be reviewed during the interview. If firm is selected, negotiations may begin to determine final contract amount and options. Memo mailed to all firms, excluding short-listed firms, expressing appreciation for their interest.
August 19	Interviews, if required, to be conducted. The firms are evaluated and the best firm is to be selected based on qualifications.
August 20	If interviews are conducted, memo sent to all firms interviewed informing them of the results and expressing appreciation for their involvement.
August 26	Contract amount and options to be finalized by GCIAA after negotiations with selected firm based on a negotiated scope of services and activities. Final contracts signed by selected firm and GCIAA.

Important Note: The above dates are estimates and subject to change during negotiations with selected firm.

4.5 Single Point of Contact

Contact Airport Director Chris Curry and no one else regarding the status of SOQ evaluation. Disregard of this directive may disqualify the respondent from further consideration.

4.6 SOQ Modification or Withdrawal

SOQ's may be withdrawn or modified in writing prior to the submission deadline. SOQ's that are submitted or modified must be sealed and submitted to the submission address by the submission deadline.

4.7 Late SOQ's

SOQ's received after submission deadline will not be considered and will be returned unopened if the respondent is identified on the envelope.

4.8 Mailed SOQ's

GCIAA will not accept SOQ's sent collect or be responsible for the consultant's mailing and/or shipping costs.

4.9 Signature of Authorized Representative

The original SOQ document must be signed in ink by a person who is authorized to sign it and include their title and position within the firm. The copies of the SOQ should show copies of the signature.

Section 5: SOQ Format

5.1 General

In order to facilitate timely and fair evaluation of SOQ's, a standard format has been developed and is documented in this section. All respondents are required to format their SOQ's in a manner consistent with the guidelines below:

<u>Section</u>	<u>Topic</u>
	Transmittal Letter
1	Company Overview
2	Project Services
3	Project Team
4	Related Experience
5	Additional Information

Each item must be addressed in the respondent's SOQ or the SOQ may be rejected. The transmittal letter may be in the form of a letter. Sections one (1) through five (5) must be organized under the specific section as stated above and indicated appropriately. Any and all proposed variances from these specifications must be specifically noted.

The SOQ should be prepared simply providing straightforward and concise descriptions of the respondent's capabilities to satisfy the requirements of the RFQ.

5.1.1 Transmittal Letter

Provide a one or two page transmittal letter. Include the original signed transmittal letter with the original SOQ and a copy of the transmittal letter with each copy of the SOQ.

The transmittal letter should provide the following:

- A brief statement of the respondent's understanding of the project;
- Highlights of the respondent's qualifications and ability to perform the project services;
- If any subcontractors are proposed, a brief description of the roles of the respondent and the subcontractors, and;
- The name title, phone number, fax number, e-mail address and street address of the person in the respondent's organization who will respond to questions about the SOQ.

5.1.2 Company Overview (Section 1)

Provide the following information about your firm; also provide the same information about any proposed subcontractor:

- Firm's name, e-mail address, business address, phone number and fax number;
- Year the firm was established and former names and ownership of the firm, if applicable;
- Parent company, if applicable;
- Firm type;
- Present workload or capacity;
- Percentage of annual sales related to airport consulting work;
- Brief statement of the firm's background demonstrating longevity and financial stability;
- Organizational structure;
- Breakdown of Employees;
- Location of the office(s) providing the project services;
- Lines of business conducted by firm;
- Status of a minority or woman owned or disadvantaged business enterprise.

This section shall also include the levels of Business Enterprise Program commitments that you are making on this project.

The total page limit for this section is two (2) pages per firm/team member.

5.1.3 Project Services (Section 2)

This section is intended to be the heart of the SOQ. Describe the services you would provide to assist GCIAA in the development and implementation of the Program and the manner in which you will provide those services. Indicate any knowledge, capability or expertise your firm possesses that you believe to be beneficial to GCIAA should your firm be selected as the Consultant. Describe what you consider to be the three most critical issues and your recommended approach to resolving these issues. Provide a proposed schedule for the accomplishment of this Program. The schedule should identify milestones and a proposed completion date. The schedule may be provided on separate, large format media.

The total page limit for this section is ten (10) pages.

5.1.4 Project Team (Section 3)

Organize this section according to the following guidelines:

- Program Manager – this person should have extensive airport planning, design, construction management and airport administration experience.
- Project Team – the team identified will be direct participants within the daily activities of the project. No future substitutions will be accepted without the approval in writing by the GCIAA. Identify the duties each person will be responsible for.
- Project Team Organizational Chart
- Resumes – for each key person assigned to the project, include a one or two page resume that includes a summary or relevant professional qualifications, relevant project expertise, education and a professional registration.
- The Consultant shall provide a statement to the effect that all personnel assigned to this project shall have the necessary qualifications to complete their project assignments. This is meant to cover all employees including those beyond the key persons listed above.

The total page limit for this section is three (3) pages, excluding resumes.

5.1.5 Related Experience (Section 4)

For a maximum of five (5) relevant projects at airports, include a one or two page description per project that demonstrates your firm's capabilities; include the name of the client organization and the name of the primary person to contact for a reference.

Relevant project services should emphasize experience with airport expansion, railroad relocation and other projects of similar size and complexity. This experience must be for clients for whom a similar service has been performed and completed. Also describe contract start and finish dates, project size, and project services. Describe unique problems and how you resolved these issues.

Also included should be a complete list of airport clients from the past five (5) years and a comprehensive client list of the previous two (2) years; independent of the services provided. The client list should contain, at minimum, the organization name, type of service(s) provided, and a contact phone number.

The total page limit for this section is fourteen (14) pages, however an extensive client list will justify a reasonable increase in the number of pages allowed.

5.1.6 Additional Information (Section 5)

Consultants are required to submit the following items in a separately sealed opaque envelope as a part of the SOQ submittal:

- A proposed scope of work identifying all of the work elements described within this RFQ as well as any suggested elements that should be considered. The proposed scope should list all deliverables to be received by the GCIAA.
- An hourly rate sheet of key individuals and personnel that will be working on the project.
- An itemized fee proposal broken down by task showing estimated manhours, salaries, multipliers, and anticipated expenses.

Important Note: This should not be construed as a low-bid process. Only the fee of the selected consultant will be opened. All elements of the scope, schedule and fee are also subject to change during negotiations with selected firm.

You may submit:

- Up to two (2) current company brochures, if available;
- Information with regard to the organization's resources that are deemed advantageous to the success of the project. This might include other management capabilities and experience, general equipment list, technical resources, and/or operational resources not directly assigned to this project, but available if needed;
- General comments or suggestions.

Chose this information carefully as this section should not be the bulk of your submission.

Section 6: Selection Criteria

The GCIAA intends to select and contract with the respondent that demonstrates, in their opinion, the highest degree of technical and professional merit. Evaluations will be structured, systematic and fair. GCIAA will then negotiate with that firm the technical aspects of the scope of services, deliverables, schedules, and fees. However, if a negotiated agreement cannot be reached, GCIAA may open negotiations with the respondent that demonstrated the next highest degree of technical merit.

The following criteria will be used to evaluate SOQ's. This is not intended to be a comprehensive list, nor is the order and implication of weighted importance in the selection process:

- Directly applicable experience with similar projects
- Qualifications of the team proposed to complete the Program
- Availability of staff to complete the process in a timely manner
- Absence of potential conflicts of interest
- Familiarity with airport issues in the Greater Chicago area

Other factors to consider...

- Comparable work experience with references.
- Demonstrated ability to meet schedules and budgets.
- Location where most work will be performed.
- Demonstrated understanding of special concerns.
- Degree of interest in project.
- Qualifications and experience of anticipated outside consultants or subcontractors.

While the use of subcontractors is not discouraged, the GCIAA prefers the respondent's team be made up of as few firms as is practical. The GCIAA reserves the right to approve or reject subcontractors. However, GCIAA will consider the Consultant to be the prime contractor and to be solely responsible in all contractual matters, including payment of any and all charges resulted from such outside consultant and/or subcontractor arrangements.

Section 7: General Provisions

7.1 SOQ Acceptance and Rejection

The GCIAA reserves the right to accept any SOQ, to reject any or all SOQ's, to waive irregularities or informalities in any SOQ, and to make the award in any manner deemed in the best interest of GCIAA.

7.3 Presentations

Any or all respondents may be invited to make a presentation. If so, the GCIAA will notify respondents of the date and time of the presentation. All costs incurred by the respondent in the presentations will be the responsibility of the respondent.

ATTACHMENT 1

BUSINESS ENTERPRISE PROGRAM

DBE/MBE/WBE PROGRAM

A. Program for Utilization of Disadvantaged Business, Minority-Owned Business and Women-Owned Business Enterprise Firms.

1. The Gary/Chicago International Airport Authority (the “Authority”) has adopted a Program for Utilization of DBE/MBE/WBE firms (the “Program”) as a means of providing open access to the award of Contracts and remedying the effects of historical discrimination which have placed such firms at a competitive disadvantage. The Program includes goals for participation of DBE/MBE/WBE firms and the Bidder’s utilization of such firms is considered further evidence of responsibility to perform this Contract.
2. The purpose of this Special Condition is to describe the requirements of the Program including the DBE/MBE/WBE goals that have been established for this Contract and certain administrative procedural provisions. Bidders are required to submit information specifying the percentage of the Contract that will be performed by DBE/MBE/WBE firms on the Schedules included in the Bid Documents.

B. Policy Statement

1. It is the policy of the Authority to ensure competitive business opportunities for DBE/MBE/WBE firms in the performance of Contracts, to prohibit discrimination in the award of or participation in Contracts, and to abolish arbitrary barriers to full participation in Contracts by all persons, regardless of race, sex or ethnicity. Therefore, during the performance of this Contract, the Contractor agrees that it shall not discriminate against any person or business on the basis of race, color, religion, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from military service, parental status, sexual orientation, national origin or sex, in the solicitation or the purchase of goods and services or the subcontracting or Work in the performance of this Contract.
2. The Contractor also agrees to take affirmative action to ensure that DBE/MBE/WBE firms shall have the maximum opportunity to compete for and perform subcontracts with respect to this Contract.

C. Definitions

1. For purposes of this Special Condition, the following definitions shall apply:
 - (a) “Affiliate” means a person or entity that directly, or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person or entity specified.

- (b) “Broker” means a person or entity fills orders by purchasing or receiving supplies from a third party supplier rather than out of its own existing inventory and provides no commercially-useful function other than acting as a conduit between his or her supplier and his or her customer.
- (c) “Certification” or “Certified” means written evidence of approval of the status of a firm as a DBE/MBE/WBE issued by a public agency having established criteria and procedures such as the Indiana Department of Transportation, the Illinois Department of Transportation, and the Small Business Administration.
- (d) “Construction Contract” means a contract for the demolition, repair, alteration, renovation, rehabilitation or construction of any building, structure or improvement.
- (e) “Contract” means any contract or purchase agreement awarded by the Authority which is to be paid from funds belonging to or administered by the Authority, regardless of source.
- (f) “Contractor” means any person (or business entity) that shall enter into a Contract or purchase agreement with the Authority, and includes all partners and all joint ventures of such person or business entity.
- (g) “Established Business” means a business entity which, regardless of the racial or ethnic origins or gender of its owners, by virtue of its size and capacity for competing in the markets in which it operates, does not need to be a participant in the Program in order to effectuate the purposes of the Program as determined by the Executive Director. On or prior to December 31, 1996, a business entity shall be presumed to be an Established Business if the business entity and its Affiliates have had annual average gross receipts in excess of \$17 million over the previous three fiscal years.
- (h) “Executive Director” means the person employed by the Authority as the Executive Director or the duly designated representative as appointed in writing.
- (i) “Joint Venture” means an association of two or more business formed to carry out a single business enterprise for profit, and for which purpose they combine their expertise, property, capital, efforts, skills and knowledge.
- (j) “Local Business” means a business entity located within the counties of Lake or Porter in the State of Indiana (Northwest Region) which has the majority or its regular, full-time Work force located within the Northwest Region.

- (k) “Minority group” means any of the following racial or ethnic groups:
- (1) African-American or Blacks (persons having origins any of the Black racial groups of Africa);
 - (2) Hispanics (person with origins in Mexico, Puerto Rico, Cuba, Central or South America, the Caribbean Islands, or other Spanish culture or origin, regardless of race);
 - (3) Native American (persons who are Native Americans by virtue of tribal association);
 - (4) Asian-Pacific (persons whose origins are from East Asia, South-East Asia, the Pacific Islands or the Indian sub-continent); and,
 - (5) Other groups, or individuals found by the Authority to be socially and economically disadvantaged and to have suffered racial or ethnic discrimination and decreased opportunities to compete in the Northwest Region markets or to do business with the Authority.
- (l) “Minority-owned business enterprise” or “MBE” means a Local Business which is at least fifty-one (51%) percent owned by one or more members of one or more minority groups, or, in the case of a publicly-held corporation, at least fifty-one (51%) percent of the stock of which is owned by one or more members of one or more minority groups, whose management and daily business operations are controlled by one or more members of one or more minority groups, and which is not an Established Business.
- (m) “Owned” means having all of the customary incidents of ownership, including the right of disposition, and sharing in all risks and profits commensurate with the degree of ownership interest.
- (n) “Specialty” means the type of service or business most reflective of area of the expertise as indicated on each DBE/MBE/WBE firm’s certification letter. Credit toward DBE/MBE/WBE goals shall be limited to DBE/MBE/WBE firms performing Work within their Specialty. NOTE: The Authority makes no representation regarding the ability of any of DBE/MBE/WBE to perform Work within its Specialty. It is the responsibility of the Contractor to determine the capability and capacity of DBE/MBE/WBE firms to satisfactorily perform the proposed Work.
- (o) “Women-owned Business Enterprise” or “WBE” means a Local Business which is at least fifty-one percent owned by one or more women, or, in the case of publicly held corporations, fifty-one (51%) percent of the stock of which is owned by one or more women, whose management and daily business operations are controlled by one or more women, and which is not an Established Business.

D. Participation Goals

1. Goals for participation by certified DBE/MBE/WBE firms for this Contract shall be not less than the following percentages:

DBE Goal	5.00%
MBE Goal	15.00%
WBE Goal	5.00%

2. Each Bidder's commitment to utilization of certified DBE/MBE/WBE firms shall be considered as further evidence of the responsibility of the Bidder. For purposes of evaluating bid responsibility, the DBE/MBE/WBE participation goals shall be percentages of the Base Contract Price. However, DBE/MBE/WBE participation goals shall also apply to Work performed pursuant to a Change Order in excess of fifty thousand (\$50,000.00) dollars or ten (10%) percent of the Base Contract Price, whichever is greater, provided that the type of Work to be performed under the Change Order is listed on the Subcontractors Schedule to be performed by DBE/MBE/WBE entities.
3. Failure to carry out commitments and policies set forth in this Program shall constitute a material breach of contract and may result in termination of the Contract or such other remedy as the Authority deems appropriate.

E. Determining DBE/MBE/WBE Utilization.

The methodology for determining DBE/MBE/WBE utilization shall be determined for purposes of this contract as follows:

1. The total dollar value of a Contract awarded to a certified DBE/MBE/WBE firm shall be credited to such participation. Only businesses certified by certification agencies listed previously may be counted toward DBE/MBE/WBE participation.
2. A Contractor may count toward its DBE/MBE/WBE goal the portion of the total dollar value of a Contract with an eligible joint venture equal to the percentage of the ownership and control for MBE or WBE partner in the joint venture. A joint venture seeking to be credited for DBE/MBE/WBE participation may be formed among certified DBE/MBE/WBE firms or between DBE/MBE/WBE firms and a non-DBE/MBE/WBE firm. A joint venture satisfies the eligibility standards of this Program if the certified DBE/MBE/WBE participant of the joint venture:
 - (a) shares in the ownership, control, management responsibilities, risks and profits of the joint venture; and
 - (b) is responsible for a clearly defined portion of Work to be performed in proportion to the DBE/MBE/WBE ownership percentage.

3. A Contractor may count toward its DBE/MBE/WBE goals only expenditures to firms that perform a commercially-useful function in the Work of a contract. A firm is considered to perform a commercially-useful function when it is responsible for performance of a distinct element of the Work of a contract and carries out its responsibilities by actually performing, managing, and supervising the Work involved. To determine whether a firm is performing a commercially-useful function, the Contractor shall evaluate the amount of Work subcontracted, industry practices, and other relevant factors.
4. Consistent with normal industry practices, a DBE/MBE/WBE may enter into subcontracts. If a DBE/MBE/WBE contractor subcontracts a significantly greater portion of the Work of a contract than would be expected on the basis of normal industry practices, the DBE/MBE/WBE shall be presumed not to be performing a commercially-useful function.
5. A Contractor may count toward its goals expenditures to DBE/MBE/WBE manufacturers (*i.e.*, suppliers that produce goods from raw materials or substantially alters them before resale).
6. A Contractor may count toward its goals expenditures to DBE/MBE/WBE suppliers provided that the supplier performs a commercially-useful function in the supply process.

F. Submission of bid proposals

1. The following Schedules and documents constitute the Bidder's DBE/MBE/WBE compliance proposal and must be submitted at the time of the Bid or within such extended period as may be determined by the Authority in its sole discretion:
2.
 - (a) Schedule A: Evidence of Certification. A copy of each proposed DBE/MBE/WBE firm's letter of Certification from the certifying agency must be submitted. The DBE/MBE/WBE firm's scope of Work must conform to the Specialty listed in the Subcontractor Schedule.
 - (b) Schedule B: Joint Venture Affidavit. Where the Bidder's DBE/MBE/WBE compliance proposal includes participation of any DBE/MBE/WBE as a joint venture participant on any tier, the Bidder must submit a "Schedule B: Joint Venture Affidavit" with an attached copy of the joint venture agreement proposed among the parties. The Schedule B and the joint venture must clearly evidence that the DBE/MBE/WBE participant will be responsible for a clearly defined portion of the Work to be performed and that the DBE/MBE/WBE firm's responsibilities are in proportion with its ownership percentage. In order to demonstrate the DBE/MBE/WBE participant's share in ownership, control, management responsibilities, risks, and profits of the joint venture, the proposed joint venture agreement should include specific details related to:

- (1) the contributions of capital and equipment
- (2) Work items to be performed by the DBE/MBE/WBE firm's own forces
- (3) Work items to be performed under the supervision of the DBE/MBE/WBE participant
- (4) The commitment of management, supervisory and operational personnel employed by the DBE/MBE/WBE to be dedicated to the performance of the Contract.

(c) Schedule C: Letter on Intent to perform as a Subcontractor, Subconsultant, or Material Supplier. Schedule C, executed by the DBE/MBE/WBE firm (or Joint Venture Subcontractor) must be submitted by the Bidder for each DBE/MBE/WBE included on the Schedule D. Schedule C must accurately detail the Work to be performed by the DBE/MBE/WBE firm and the agreed rates and prices to be paid. If any fully complete and executed Schedule C is not or cannot be submitted with the Bid, it must be submitted not later than ten (10) business days after bid opening and, in any event, prior to Contract award.

(d) Schedule D: Affidavit of Prime Contractor Regarding DBE/MBE/WBE Participation. The Bidder must submit with its Bid a completed Schedule D committing to the utilization and specific dollar amount of participation by each listed DBE/MBE/WBE firm. The total dollar commitment to proposed DBE/MBE/WBE firms must at least equal the DBE/MBE/WBE goal, unless the Bidder submits a request for a waiver of participation by DBE/MBE/WBE firms (See Request for Waiver procedures in Section H hereof) with its Bid and the waiver is approved by the Authority after the bid opening. Bidders are responsible for the calculation the dollar equivalent of DBE/MBE/WBE utilization as percentages of the Base Contract Price.

2. Agreements between a Bidder and a DBE/MBE/WBE in which the DBE/MBE/WBE promises not to provide subcontracting quotations to the Bidders are prohibited.

G. Evaluation of Bid Proposals

1. During the period between bid opening and Contract award, the submitted documentation will be evaluated by the Authority. The Bidder agrees to provide, upon request, earnest and prompt cooperation to the Executive Director or duly authorized designee in submitting to interviews that may be necessary, in allowing entry to places of business, in providing further documentation, or in soliciting the cooperation of proposed DBE/MBE/WBE firm in providing such assistance. A bid may be treated as non-responsive by reason of a determination that the Bidder's Proposal did not contain sufficient level of Certified DBE/MBE/WBE participation; that the Bidder was unresponsive or uncooperative when asked for further information relative to the proposal, or that false statements were made in the Schedules.

2. Bidders will not be permitted to modify their DBE/MBE/WBE compliance proposals except insofar as directed to do so by the Authority. Therefore, all terms and conditions stipulated for prospective DBE/MBE/WBE subcontractors or suppliers should be satisfactorily negotiated prior to the submission to the Authority of the Bidder's DBE/MBE/WBE compliance proposal with the bid. If the circumstances should arise, however where a proposed DBE/MBE/WBE is no longer available, the process described below in Section I. titled, "DBE/MBE/WBE Substitutions" shall be followed.

H. Request for Waiver

1. If a Bidder is unable to identify qualified DBE/MBE/WBE firms to perform sufficient Work to fulfill the DBE/MBE/WBE percentage goals for the Contract, the bid or proposal must include a written request for waiver. A request for waiver shall set forth the Bidder's reasons for requesting a waiver and shall include statements and supporting documentation demonstrating the Bidder's inability to obtain sufficient DBE/MBE/WBE firms notwithstanding good faith attempts to achieve such participation. If one or more competing Bidders show ability to meet the required goals, then the written Request for Waiver may not be approved.
2. Examples of such good faith efforts may include, but are not limited to, the following:
 - (a) Attendance at the Pre-Bid Conference.
 - (b) The Bidder's general affirmative action policies regarding the utilization of DBE/MBE/WBE firms, plus a description of the methods used to carry out those policies.
 - (c) Advertisement in trade association newsletters and minority-oriented and general circulation media for specific sub-bids.
 - (d) Timely notification of specific sub-bids to minority and women contractor assistance agencies and associations.
 - (e) Description of direct negotiations with DBE/MBE/WBE firms for specific sub-bids, including: (1) the name, address and telephone number of DBE/MBE/WBE firms contacted; (2) a description of the information provided to DBE/MBE/WBE firms regarding the portions of the Work to be performed; and (3) the reasons why additional DBE/MBE/WBE firms were not obtained in spite of negotiations.
 - (f) A statement of the efforts made to select the portions of the Work proposed to be performed by DBE/MBE/WBE firms (such as sub-supplier, transport, engineering, distribution, or any other roles contributing to production and delivery as specified in the Contract) in order to increase the likelihood of achieving such participation.

- (g) As to each DBE/MBE/WBE contacted which the Bidder considers to be not qualified, a detailed statement of the reasons for the Bidder's conclusion.
 - (h) Efforts made by the Bidder to expand its search for DBE/MBE/WBE firms beyond usual geographic boundaries.
 - (i) General efforts to assist DBE/MBE/WBE firms to overcome participation barriers.
3. The Executive Director, after review and evaluation of the documents provided by the Bidder, may grant a waiver request upon determination that: (a) sufficient qualified DBE/MBE/WBE firms capable of providing the goods or services required by the Contract are unavailable despite the good faith efforts of the Bidder, (b) the Bidder is the sole source for Work to be performed under the Contract; or (c) the price(s) quoted by potential DBE/MBE/WBE firms for goods or services is above competitive levels to an extent unwarranted by any increased cost of doing business attributable to the present effects of disadvantaged or discrimination.

I. DBE/MBE/WBE Substitutions

- 1. After submitting executed Letter of Intent (Schedule C's) to the Authority, the Contractor shall thereafter neither terminate the DBE/MBE/WBE subcontract, nor reduce the scope of the Work to be performed by the DBE/MBE/WBE firm, nor decrease the price to the DBE/MBE/WBE firm, without in each instance receiving the prior written approval of the Authority. If it becomes necessary to substitute a new DBE/MBE/WBE to fulfill the Contractor's DBE/MBE/WBE commitments, the Authority must be given reasons justifying the release or prior specific DBE/MBE/WBE commitments established in the Contractor's bid proposal in order to review the propriety of the proposed substitution.
- 2. The Contractor must notify the Executive Director immediately in writing of an apparent necessity to reduce or terminate a DBE/MBE/WBE subcontract and propose a substitute firm for some phase of Work. The Contractor's notification must include the name, address and principle official of any proposed substitute DBE/MBE/WBE firm and the dollar value and scope of Work of the proposed subcontract. Attached should be all of the same DBE/MBE/WBE schedules, affidavits, documents, and Letter of Intent which are required of Bidders as enumerated in Section F. above.
- 3. In addition, each subcontract between the Bidder and any DBE/MBE/WBE firm performing Work on the Contract shall include remedies for non-compliance with the commitment to DBE/MBE/WBE participation, including an agreement to pay damages to the DBE/MBE/WBE firms which were underutilized. The unexcused

reduction of DBE/MBE/WBE participation in connection with the Contract (including any modification thereof) shall entitle the affected DBE/MBE/WBE firms to payments pursuant to such agreement. Such provisions shall include an undertaking by the Contractor to submit any dispute concerning such damages to binding arbitration by an independent arbitrator, other than the Authority, with reasonable expenses, including attorneys' fees, being recoverable by a prevailing DBE/MBE/WBE. Nothing herein shall be construed to limit the rights of and remedies available to the Authority.

J. Reporting and Record-Keeping Requirements

1. The Contractor, within five (5) days of the Contract award, shall execute a formal subcontract or purchase order in compliance with the terms of the Contractor's bid proposal and DBE/MBE/WBE assurances, each showing acceptance of the Subcontract or purchase order by the DBE/MBE/WBE firms. During the performance of the Contract, the Contractor shall submit partial and final waivers of lien from DBE/MBE/WBE subcontractors and suppliers indicating the current payment amount and the cumulative dollar amount of payments made to date. The Contractor shall file regular DBE/MBE/WBE utilization reports, on a form provided by the Authority at the time of submitting each monthly payment request (invoice), which reflects the current status of cumulative and projected payments to DBE/MBE/WBE firms.
2. The Contractor shall maintain records of all relevant data with respect to the utilization of DBE/MBE/WBE firms, including without limitation payroll records, tax returns and records, and books of account, and retain such records for a period of at least three (3) years after final acceptance of the Work. Full access to such records shall be granted to the Authority and/or its designees, or five (5) days notice in order for the Authority to determine the Contractor's compliance with its DBE/MBE/WBE commitments and the status of any DBE/MBE/WBE firm performing any portion of the Contract.

K. Non-compliance and Liquidated Damages

1. The Executive Director has the authority to apply suitable sanctions to the Contractor if the Contractor is found to be in non-compliance with the DBE/MBE/WBE requirement. Failure to comply with the Disadvantaged Business Enterprise terms of this Contract or failure to use DBE/MBE/WBE firms as stated in the Contractor's assurances constitutes a material breach of this Contract, and may lead to the suspension or termination of this Contract in part or in whole, disqualification from entering into future contracting arrangements with the Authority, and criminal liability. In some cases, monthly progress payments may be withheld until corrective action is taken.

2. When the Contract is completed, in the event that the Executive Director has determined that the Contractor did not comply in the fulfillment of the required DBE/MBE/WBE goals, and a grant or relief of the requirements was not obtained, the Authority will thereby be damaged in the failure to provide the benefit of participation to disadvantaged business to the degree set forth in this Special Provision. Therefore, in case of such non-compliance, the Authority will deduct from the Contract, as liquidated damages, cumulative amounts computed on the basis of one (1%) percent of the adjusted Contract Price, for each one (1%) percent, (or fraction thereof) deficiency toward the DBE/MBE/WBE goal.
3. Liquidated damages, if any, will be calculated on completion of the Work and submission of the Contractor's final pay request. The amount of liquidated damages due to the Authority under this provision will bear compound interest at the rate of 5% per annum, compounded monthly from the date of the Notice to Proceed to the date of approval of a deductive change order for liquidated damages. Should the total amount of liquidated damages due under all provisions of this contract exceed the amount of the Authority's retainage, compound interest on the amount over and above the retainage will continue to accrue until the entire amount of liquidated damages and compound interest is paid to the Authority.
4. If, during the progressive review of the Program, it is decided that the potential liquidated damages may exceed the retainage held, the Authority reserves the right to withhold additional retainage equal to the potential liquidated damages.