

# DOING BUSINESS WITH A CONSTRUCTION MANAGER AT-RISK





# COMMISSIONER'S MESSAGE

On behalf of Mayor Brandon Johnson and the Chicago Department of Aviation (CDA), I want to thank you for your continued partnership as we embark on one of the biggest and most exciting projects in our City's history: O'Hare 21.

The CDA is focused not only on what we are building but who will be doing the building. The City of Chicago has always appreciated the power of procurement to drive meaningful change, transform communities and provide opportunities. Our vision of a City that is more equitable and inclusive guides the work we do here at the airports.

By working together to deliver O'Hare 21, the CDA and its contract partners can continue to offer economic opportunities for our communities while furthering the momentum behind Chicago as a global leader in air travel. The program is critical to O'Hare International Airport's long-term viability, not to mention Chicago's standing as a destination and hub for commerce and tourism. This program represents an unprecedented opportunity for local participation, including contracting opportunities at all levels and tens of thousands of jobs.

The CDA is leveraging the scale and scope of this historic project so that businesses throughout the Chicago region have the opportunity to participate in and benefit from the ongoing capital improvements at both O'Hare and Midway. This emphasis on inclusion and empowering communities will foster economic growth in the region for years to come.

As I look back at the growth and resilience our airport community has displayed over recent months, I cannot overstate how proud I am of what we have all accomplished together. O'Hare and Midway are catalysts for growth and opportunity for Chicago's 77 communities and the entire Chicagoland area. I am hopeful that we continue to work in the same spirit and our partnerships endure into 2024 and beyond.



Sincerely,  
Jamie L. Rhee  
Commissioner  
Chicago Department of Aviation







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# O'HARE 21 PROGRAM ENTITIES



The City of Chicago is the owner and operator of Chicago's 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 and Midway International Airports.

The CDA provides oversight and management of the Construction Managers at-Risk through the Program Management Organization (PMO), Connect Chicago Alliance (CCA).

Connect Chicago Alliance, as the CDA's PMO, assists the CDA in the overall management of the airport's capital improvement plan. CCA acts as the administrative and technical oversight of the Construction Managers at-Risk on behalf of the CDA as the owner's representative.



## CONSTRUCTION MANAGERS AT-RISK



[austinpowerspartners.com](http://austinpowerspartners.com)



[ahcjv.com](http://ahcjv.com)



[tpapord.com](http://tpapord.com)



[COT3.com](http://COT3.com)

The Construction Managers at-Risk (CMARs) are the entities the CDA has selected to deliver construction services associated with the Terminal Area Plan (TAP) and select capital improvements, part of O'Hare 21, the airport's curb-to-gate expansion and modernization. The CMARs work in various areas of the airport and on different projects. The CMARs 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 CMARs provide technical assistance to the subcontracting community through education, outreach and by working with assist agencies and other organizations for programs and opportunities.

# THE O'HARE 21 PROGRAM

## OWNER

**MAYOR BRANDON JOHNSON**  
CITY OF CHICAGO

**COMMISSIONER JAMIE L. RHEE**  
CHICAGO DEPARTMENT OF AVIATION (CDA)

## PROGRAM MANAGEMENT ORGANIZATION

CONNECT CHICAGO ALLIANCE

## CONSTRUCTION MANAGERS AT-RISK

AECOM HUNT CLAYCO BOWA

AUSTIN POWER PARTNERS

TURNER PASCHEN AVATION PARTNERS

CLARK CONSTRUCTION-W.E. O'NEIL

PRIME- AND SUB-TIER TRADE PACKAGE OPPORTUNITIES

CONSTRUCTION COMMUNITY AT-LARGE  
MBE/WBE/VBE/BEPD/SBE



## WHAT IS THE CONSTRUCTION MANAGER AT-RISK DELIVERY METHOD?

There are a variety of methods for delivering construction projects, such as the traditional Design-Bid-Build (DBB) method and alternate delivery methods such as Design-Build (DB), or Construction Manager at-Risk (CMAR).

DBB is the most common construction project delivery method. Utilizing this method, the owner hires an architect/engineer to design a project. The 100% design is bid out to general contractors. A contract is awarded to the general contractor submitting the lowest responsive and responsible bid. Utilizing the DB alternate delivery method, the owner procures a single entity to provide design and construction services. The DB firm is selected based upon adherence performance requirements and qualifications.

The CMAR services are provided in two phases. During first phase, or preconstruction, the CMAR collaborates with the architect/engineer to provide estimates of construction cost and construction schedule duration. The CMAR also collaborates with the owner to identify value engineering and cost-saving opportunities as the design develops. During the second phase, the construction phase, the CMAR procures the construction or trade packages to perform as a general contractor while acting on behalf of the owner to ensure the design is constructed in accordance with plans and specifications. The CMARs develop and procure the trade packages, and the CMAR holds the subcontractors' trade package construction contracts. The CMAR also acts as the construction manager, responsible for subcontractor management, expedited field direction, leading onsite safety programs, quality assurance and more.

## WHY WAS THE CMAR DELIVERY METHOD CHOSEN?

The CMAR method is a great benefit to the CDA, as the CDA retains all design oversight and decisions while the design is delivered for a Guaranteed Maximum Price (GMP) and established schedule by the CMAR. The CMAR is responsible for the risk during construction. This method also excels at delivering construction on an aggressive program schedule, while leveraging the CMARs' construction expertise during design. This provides for greater cost and schedule certainty and maximizes opportunities for firms throughout Chicago, of all sizes, to get involved in O'Hare 21.

O'Hare 21 incorporates the unbundling of the trade packages, bringing with it, opportunities for small- to mid-size business involvement that might otherwise not be feasible. By releasing packages that are specific in size and scope, the CMARs secure the best fit for the work, and help create pathways for firms to grow and expand their capabilities working with complex projects at the world's busiest operational airport.

## WORKING AT O'HARE INTERNATIONAL AIRPORT

The CMARs are experienced working at O'Hare and its unique environment. They are well-versed in assisting subcontractors, helping those involved to navigate and understand the steps and protocols involved so bids are submitted with accuracy and the prequalification application process completed. Through seminars, workshops, training and outreach, the CMARs provide guidance and mentoring that help build confidence for smaller subcontractors to perform work under future CDA contracts. Topics include:

- Applying and Obtaining Airfield Credentials to Work at the Airport
- Working Inside the Fenceline: It's Not a Barrier to Complete Work, Just a Security Measure
- Coordinating Daily Work Activities with Airport Stakeholders
- Driving Privileges and Deliveries



## DOING BUSINESS WITH THE CMARS

The City of Chicago is constantly growing and innovating, attracting more visitors each year. The aviation industry is anticipating passenger volumes to double, which means airports like O'Hare and Midway, must keep up with leading infrastructure that can stand the test of time and meet the demands of modern travelers.

This creates an unprecedented opportunity to create new partnerships and economic development opportunities for Chicago-area MBEs, WBEs and other small- and mid-sized businesses and contractors that have the skills, talent and drive to help make O'Hare the airport of the future. The City and the CDA are committed to expanding diversity and equity throughout every phase of O'Hare 21.

That's why the CDA and its Construction Manager at-Risk partners are looking to recruit talent to ensure that not only the work gets done on-time and on-budget, but expands opportunities to help companies and firms both grow their business and expertise. We encourage any interested businesses to learn more about qualifying for work throughout the course of the next phases of O'Hare 21.

For subcontractors and suppliers that wish to bid on a trade package, performing work for a CMAR, a prequalification assessment is the first step. All businesses and suppliers interested in participating in a project are encouraged to begin the prequalification process with each CMAR as soon as possible so that they are ready, prior to the trade bid announcement.

### GETTING STARTED: PREQUALIFICATION:

To start the prequalification process, subcontractors are required to complete a questionnaire and provide support documentation to each CMAR. This process is designed to help both the CMARs and subcontractors identify opportunities for participating with O'Hare 21 throughout the airport. Subcontractors (those wanting to bid) should be sure to complete and submit the bid form by the due date. Information for prequalification can be found on each CMAR's website, as well online at the City's Department of Procurement Services ([chicago.gov/dps](http://chicago.gov/dps)).

Subcontractors that complete the prequalification process are notified by email of upcoming bid opportunities and receive an invitation to bid in a follow-up notification. Bidders should review documents for a thorough understanding, including the contract, scope of work, qualification process, and how to respond. Any questions should be sent to the CMARs during the Request for Information (RFI) period related to the trade package.

During the bidding process, the CMARs notify bidders of ongoing meetings and outreach opportunities including pre-bid conferences, RFI periods, and addenda-to-bid packages. These opportunities are offered virtually, in-person, or a hybrid. Each CMAR also hosts "Meet the Prime" events throughout the year to engage subcontractors and connect and share information about O'Hare 21.

Scan for  
more information.



## THE AWARD PROCESS

The CMARs publicly acknowledge all received bids with involvement from the CDA and CCA. Bids are considered “responsive and responsible” when the bid is received by the specified due date/time, all completed bid forms and backup documentation are included, all qualification requirements are met, and the prequalification process is complete.

Following the bid opening and prior to the recommendation of an award, the CMAR will meet with bidders to review the scope and gather any additional input that may be needed. When a trade package evaluation is complete, the CMAR will make a recommendation to the CDA and CCA for the award. Following approval, the CMAR notifies the successful bidder in writing of the award, and executes a contract. Bidders not recommended for an award are also notified. Upon request, the CMARs will provide opportunities to work with bidders who were not chosen for awards to provide feedback to help foster successful future bid outcomes.

## BID INCENTIVES AND PROGRAMS

To support economic growth, workforce development, increased competition in City contracts, and encourage greater diversity in the pipeline of businesses that bid on and earn City contracts, the City has a number of programs and incentives available to bidders.

For O’Hare 21, bidders are permitted to submit bids to the CMARs utilizing bid incentives. These 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, with the bid amount evaluated with applicable bid incentives.

### Bid incentives can include:

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

Several DPS programs may also be available to bidders on O'Hare 21, including:

- Small Business Initiative Construction Program
- Mid-Sized Business Initiative Construction Program
- Minority and Women-Owned Business Certification Program
- Mentor/Protégé Program
- Diversity Credit Program

Bidders and their subcontractors are required to report verifiable data in compliance with the incentive requirements, such as proof of MBE, WBE, BEPD, VBE, proof of hours worked by employees, and proof of a subcontractor's place of business. Failure to meet commitments made to obtain an incentive without proof of circumstances, may result in fines.

## WORKFORCE REQUIREMENTS

Workforce requirements are in place for firms and contractors to preform work on O'Hare 21. It is important that trade package subcontractors working on, or seeking work, are aware and familiar with these requirements, including the Municipal Code of Chicago.

The **Municipal Code of Chicago** requires that 50% or more of the work hours performed on O'Hare 21 valued at \$100,000 or more must be performed by workers who are residents of the City. It also requires a minimum 7.5% or more of the work hours performed, be performed by residents of the "project area." The City-defined Community Areas Map is the source that identifies these project areas. The areas are not defined by ZIP codes. The map is available online at [chicagov.com/dps](http://chicagov.com/dps).

Compliance with the City and project area residency requirements is monitored by DPS in conjunction with the CDA. Non-compliance with these requirements may result in liquidated damages for the contractor.

## WORKFORCE OUTREACH AND HIRING ASSISTANCE

The CMARs have developed programs to assist prime and sub-tier subcontractors with fulfilling workforce requirements. These include workforce hiring programs and other community resources.

## WORKFORCE HIRING PROGRAMS

**AECOM Hunt Clayco Bowa Joint Venture (AHCB JV)** partners with the trades and organizations, community resources, and subcontractors, to connect job opportunities to the workforce and promote jobsite diversity. Upon award of an airport trade package, an assessment is performed of the subcontractor's workforce and their ability to meet residency and diversity requirements. When an opportunity is identified, AHCB works with Chicago-area trade partners to seek candidates with the required skills and certifications. Qualified candidates have an opportunity to interview with the subcontractor, be considered for hire or sponsored into an apprenticeship program by the subcontractor.

## COMMUNITY WORKFORCE RESOURCE CENTER

**Turner Paschen Aviation Partners (TPAP)** works closely with local communities to connect and offer access to opportunities. The TPAP team partners with the JLM Abundant Life Center on Chicago's West Side. The partnership creates a direct and meaningful connection with local workforce and businesses by establishing a resource center. Working with many of the City's designated workforce and contractor assist agencies, workshops and programs are offered that help educate and inform about upcoming O'Hare 21 construction and trade opportunities. Benefits and features include:

- Delivery of real-time information for upcoming opportunities
- Engagement with the community in hub designed to foster connectivity among organizations and City residents
- A dedicated resource center offering ample meeting space to accommodate large functions, conveniently located on the City's West Side

## STRATEGIC WORKFORCE PARTNERSHIPS

The **Austin Power Partners' (APP)** workforce approach utilizes a strategic alliance with a robust group of pre-apprentice organizations and assist agencies that offers a sustainable pipeline of talented and diverse tradespersons. This includes women, minority low-income housing residents, returning citizens, young adults and seniors, and those from underserved communities, looking to the trades, a re-introduction to the workforce, or an "up-skill" in training. APP works with subcontractors to identify career opportunities whether candidates are seeking an apprenticeship and labor union sponsorship, have a union card, or a new opportunity. Working together, these partnerships can help create long-term, sustainable apprenticeships that will serve as a positive catalyst for a future talent pipeline and Chicago communities.

## DISADVANTAGED BUSINESS ENTERPRISE-FOCUSED

**Clark Construction-W.E. O'Neil (COT3)** is committed to equity in contracting participation. As a Construction Manager at-Risk partner, COT3 works closely with Disadvantaged Business Enterprise (DBE) firms for the federally funded Terminal 3 Improvements Project. In contracting work, DBE goals are set to support firms owned by socially and economically disadvantaged individuals.

## BONDING

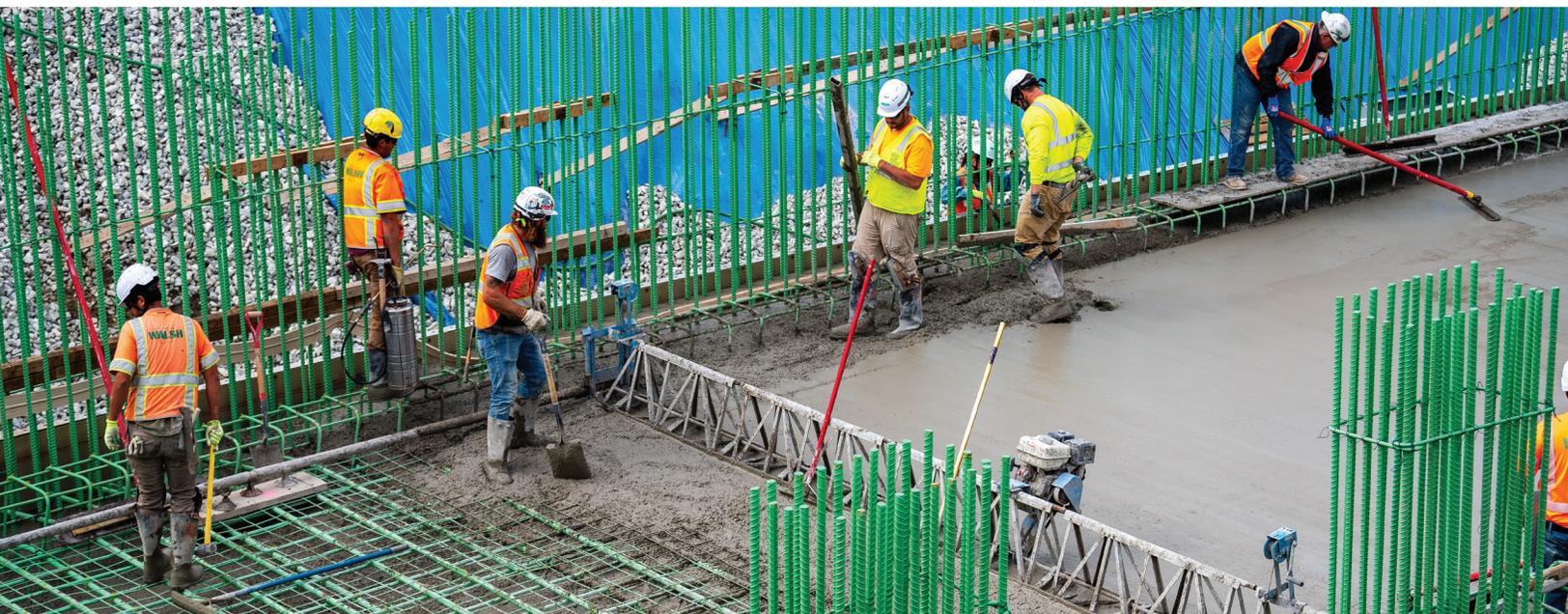
With their proposal, bidders and their subcontractors are required to furnish proof of ability and willingness to provide the bonds and insurance required by the contract. For certain bids, the CMAR may provide Subcontractor Default Insurance (SDI) in lieu of requiring a payment and performance bond. The CMAR determines this after bid opening and prior to award.

## INSURANCE

The CMAR and its subcontractors are required to provide and maintain insurance coverages specified by the contract until project completion and during specified time periods following final completion. The City may elect to have an Owner Controlled Insurance Program (OCIP), however, all potential subcontractors must show proof of insurance coverage during the enrollment process. The following are examples of types of insurance coverage that may be required:

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

All CMARs have project-wide goals for O'Hare 21 for Minority and Women-Owned Business Enterprise (M/WBE) firm participation. These goals are defined on a trade package-by-trade package basis in order to meet the overall contract goals set by the City of Chicago.



# MAXIMIZING OPPORTUNITIES FOR SMALL, MEDIUM AND MINORITY- AND WOMEN-OWNED BUSINESSES



## OUTREACH AND EDUCATION

- One-on-One Meetings
- Active Members of Assist Organizations
- Social Media Campaign



## CAPABILITY ASSESSMENT

- Identify First-Tier Opportunities
- Identify Non-Traditional Opportunities
- Develop Focused Tech Assistance
- Unbundling Trade Packages
- Matchmaking Sessions



## SUCCESS AND SUSTAINED IMPACT

- Expanded Project Experience
- Individual Staff Development
- Improved Line of Credit
- Expanded Industry Network



## REMOVING BARRIERS AND PROVIDING ACCESS

- Project-Specific Financing
- Accelerated Pay Program
- Project Insurance Vehicle
- Subcontractor Default Insurance

CMARs conduct introductory meetings with various City assist agencies. A key component of these meetings is discussion of the prequalification process so that the contracting community, specifically MBEs, WBEs, SBEs, BEPDs and VBEs, understand the process, allowing firms to become engaged and participate immediately. To support the programs the City offers for small- and medium-sized businesses, the CMARs set aside trade packages exclusively for these certified firms, helping to create capacity and expand the market for these companies. The CMARs also utilize the City-established bid incentives and programs, encouraging the use of certified firms. Outreach events are also available for more information gathering and networking.

## PAYMENT PROCESS AND PAYMENT REQUIREMENTS

Payments for prime subcontractors are provided based on an implemented payment management system. The portal, software, training and support is coordinated and provided by each CMAR.

This process includes submission, review, and approval via the payment management software used by the CMAR.

Detailed documents include:

- Payment Application Form
- Contractor's Sworn Statement Form
- Certified Payrolls (from all tiers and subcontractors)
- MBE and WBE Status Report Form
- Lien Waivers (from all tiers and subcontractors)
- Listing (stored materials backup for on or offsite materials)

## RETENTION AND FINAL PAYMENTS

Retention is not held on O'Hare 21. Once all contract terms have been met and forms submitted, such as a completed punchlist, closeout documents, etc., final payment is released to the prime contractor.

## 50/50 PAYMENT PROGRAM AND PAYMENT INITIATIVES

The 50/50 Payment Program is an accelerated payment initiative for CMARs working on CDA projects for monthly invoices valued at \$1M or more. The program provides expedited cash flow to CMARs, their subcontractors and suppliers, by providing an initial 50% payment while pay application documentation is being approved. The CMAR can submit and be paid on 50% of their monthly invoice with completion of a few forms (i.e. schedule of earned work). The CDA and CMARs continue to develop initiatives and mechanisms to help subcontractors receive payment in an efficient and timely manner. Additional programs may also be available through each specific CMAR.



# FREQUENTLY ASKED QUESTIONS

## **Where do I find more information on the CMARs?**

Visit online at:

- [ahcjb.com](http://ahcjb.com)
- [austinpowerpartners.com](http://austinpowerpartners.com)
- [tpapord.com](http://tpapord.com)
- [COT3.com](http://COT3.com)

## **Should we communicate directly with the CMAR to obtain information on upcoming work opportunities?**

Yes, you should contact the CMARs directly.

## **How do I get prequalified?**

Visit the CMARs' websites for more information on the prequalification process.

## **How long does the prequalification process take to complete?**

The time involved to complete the process can vary depending on the specific required documents as well as the timeframe for upcoming bid opportunities.

## **Is the prequalification process the same for all CMARs?**

Since the CMARs hold the contracts with the subcontractors, subcontractors will need to be prequalified with each CMAR they elect to pursue work with. In general, the prequalification processes are similar.

## **Can we bid work on all CMAR contracts?**

Yes, subcontractors can bid on work for any/all CMARs, but must be prequalified with the CMAR they intend on bidding to.

## **I am a second-tier subcontractor 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, is a performance and payment bond required?**

The requirement for subcontractors to provide a payment and performance bond is evaluated on a case-by-case basis with each trade package, based upon risk and contract size.

## **If I am prequalified, does that guarantee my firm will be awarded a contract?**

No, prequalified firms will still need to bid on work packages.

## **Do I have to be prequalified to bid?**

Each CMAR has different requirements. A completed prequalification may be required to bid as a prime. If it is not required, you will need to be prequalified upon award. If you miss the prequalification period for a bid package, you can submit your prequalification at any time for future bids. It is recommended that you check with each CMAR (visit their website) before starting the process.

**LOOKING FOR MORE INFO AND RESOURCES? VISIT [ORD21.COM](http://ORD21.COM)**



