

DOING BUSINESS WITH THE CHICAGO DEPARTMENT OF AVIATION



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 years, 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 our partnerships will only continue to grow as we reconnect the world to Chicago and Chicago to the world, and I am confident that we will continue to work in the same spirit into 2024 and beyond.



Sincerely,
Jamie L. Rhee
Commissioner
Chicago Department of Aviation



The Chicago Department of Aviation (CDA) is committed to achieving a positive economic impact through the many contracting opportunities offered at O'Hare and Midway, and as we build the airport of the future with O'Hare 21.

The "Doing Business with the Chicago Department of Aviation" guide provides small and emerging businesses the tools and resources to help them successfully compete to do work and contains useful information that can assist with a contracting experience at the airport. Topics include how to respond to CDA opportunities, bid incentives and programs, workforce requirements, and payment processes. The guide is updated periodically to provide the most up-to-date information to all who utilize it.





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**SCAN TO DOWNLOAD THE FULL GUIDE AND OTHER RESOURCES
AT ORD21.COM.**

VISIT flychicago.com





SAFETY REQUIREMENTS

Each contractor on O'Hare 21 is required to provide a safe work environment for its employees.

A written safety plan is required by each contractor, reviewed and accepted for compliance, which identifies hazards and mitigation methods for employee safety while performing work throughout the airport's many project sites.

CONSTRUCTION SAFETY AND HEALTH

Whether worker or employer, it is crucial to identify, reduce and eliminate construction-related hazards. Contractors are required to adhere to regulations established by the Occupational Safety and Health Administration (OSHA) for construction and industry standards, as well as:

- Federal Aviation Administration (FAA) Advisory Circular AC 150/5370-2G
- Operational Safety on Airports During Construction
- National Fire Protection Association (NFPA) codes and standards
- City of Chicago / Fire Prevention Bureau Municipal Fire Codes
- National Electrical Code (NEC) or NFPA 70
- American National Standards Institute Standards and Conformity Assessments
- City of Chicago Construction Codes
- The Chicago Department of Aviation Construction Safety Manual
- The Owner Controlled Insurance Program (OCIP) Manual

Contractors are required to train their employees, providing an understanding on how to navigate jobsite hazards, feel safe at work, and protect themselves against potential hazards that can exist on any project. Employees are required to wear hard hats, safety vests, eye protection, and other suitable clothing for construction projects and the work environment.



THE CHICAGO DEPARTMENT OF AVIATION'S CORE MISSION IS TO:

- Ensure safe and efficient travel through O'Hare and Midway International Airports.
- Enhance economic activity and job creation within the City of Chicago and the region.
- Continue to grow Chicago's airports' competitive positions in the global aviation marketplace.
- Provide world-class services and amenities in an environment that reflects Chicago's rich, diverse and unique character.
- Continue to be the international leader in airport sustainability by integrating environmental best practices into all aspects of the airports.

CODE OF CONDUCT

Designed for all employees, contractors, and those who do business with the CDA, the Code of Conduct is an in-depth "roadmap" detailing principles, values standards to be upheld by everyone working for and with the CDA.

Pulling from a wide range of best practices, this resource for members of the CDA community and the many doing work throughout the airports, from concessionaires to contractors, provides an understanding and a how-to comply with local, federal and airport policies.

Topics include:

- Ethical Principals, Core Values and Standards of Conduct
- Personal Policies and Sustainability Practices
- Conflicts of Interest and Appearance of Impropriety
- Bribery and Extortion
- Harassment, Discrimination and Retaliation
- Political and Charitable Activities
- Health and Safety
- Information, Security and Information Technology
- Enforcement Procedures

HOW TO RESPOND TO A CDA OPPORTUNITY

The Illinois Municipal Purchasing Act (65 ILCS 5/8-10-1 et seq.) and Chapter 2-92 of the Municipal Code of Chicago, as well as the requirements of applicable state or federal grants, govern the City's procurement of goods and services. The Department of Procurement Services (DPS) is the contracting authority for the City of Chicago. DPS working with the CDA, issues competitive bids, Requests for Proposals (RFP), and Requests for Qualifications (RFQ) in order to solicit bids or proposals for the goods and services needed by the Chicago Department of Aviation. The majority of the CDA's contracts are awarded through competitive bidding. While most of the O'Hare projects are greater than \$5M, there are other projects that fall within small order contracts (less than \$100K). Professional Services contracts (contracts requiring a high degree of professional skill or expertise) are solicited through RFPs and RFQs.

Interested companies are encouraged to review bid specifications and conform to the submission requirements. Failure to comply with the submission requirements may result in the rejection of a bid or proposal. The DPS and the CDA hold pre-bid sessions and bidders can also find more information online.

**BID OPPORTUNITIES:
LIVESTREAMED AT [YOUTUBE.COM/CHICAGODPS](https://www.youtube.com/chicagodps)**



CONSTRUCTION AND OTHER OPPORTUNITIES

Through competitive processes, the City has awarded contracts for construction for O'Hare 21 to Construction Managers at-Risk (Austin Power Partners, Turner Paschen Aviation Partners, AECOM Hunt Clayco Bowa, Clark Construction-W.E. O'Neil). These firms, known as "CMARs," provide outreach as well as issue materials that are advertised and directed to businesses interested in participating in this work.

There are additional opportunities for architects, engineers, contractors and other vendors to submit bids or proposals to provide services in the following areas:

- Professional Services
- Work Services Contracts
- Commodity Contracts
- Construction Contracts

**FOR INFORMATION ON OPPORTUNITIES WITH CMARS,
VISIT ORD21.COM**



CONTRACT AREAS

TERMINALS

Construction, commercial, and maintenance work, performed on the interior and exterior of the terminals.

Concession franchises also provide a variety of additional opportunities to do business at O'Hare and Midway International Airports.

AIRFIELD

Work performed on the area where aircraft move. Opportunities include the maintenance, repair and replacement of gate areas, runways and airplane taxi lanes, as well as snow removal.

LANDSIDE

Work performed on the property outside of the airfield. Opportunities include snow removal, landscaping and maintenance, and repair and replacement of roadways and sidewalks.

SCAN FOR INFO ON DPS,
CONTRACT AWARDS AND MORE.



BID INCENTIVES AND PROGRAMS

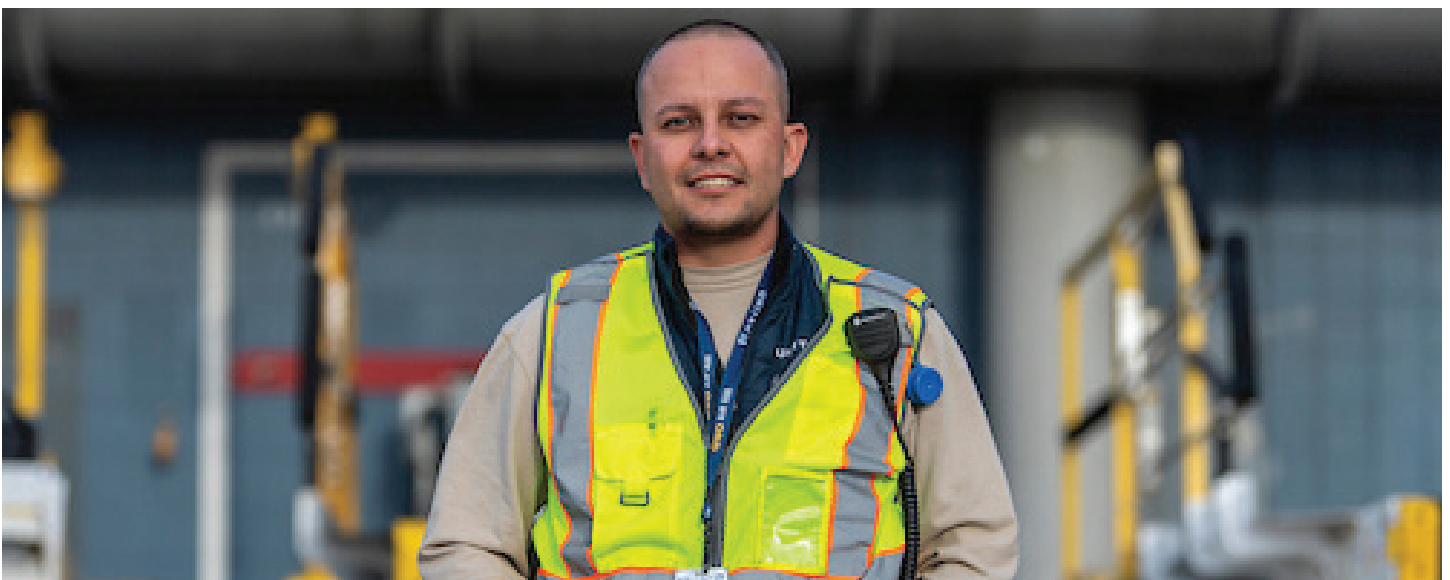
To support economic growth, workforce development, increased competition in City contracting, and encourage greater diversity in the pool of businesses that bid and earn City contracts, the City has several programs and incentives in place.

The City's programs include the Diversity Credit and Mentor/Protégé Programs, available on all City-funded contracts, and Small Business Initiative (SBI) and Mid-Sized Business Initiative (MBI) Construction Programs, that provide opportunities for small and mid-sized businesses on City-funded construction projects. The City's Target Market Program also provides opportunities for MBE and WBE firms on City-funded non-construction projects.

Bid incentives opportunities are available in several areas for City-based businesses and local manufacturers, including:

- Bidders with a diverse workforce and management
- Bidders that commit to utilizing businesses owned and operated by persons with disabilities (BEPD)
- Project area subcontractors
- Veteran-Owned Business Enterprises (VBE)
- Bidders who use alternatively-powered vehicles
- Bidders who pledge to employ returning citizens, certain CPS or City Colleges of Chicago graduates
- Bidders that make certain EEO commitments

Subcontractors and contractors are required to report verifiable data to prove compliance with the incentive requirements, such as proof of payments to BEPD, VBE, or minority contractors, proof of hours worked by employees, or proof of a contractor's place of business. Failure to meet the commitments made in order to obtain an incentive without proof of circumstances beyond the contractor's control may result in a fine equal to three times the incentive allocated.



CONSTRUCTION INCENTIVES

SBI-I SMALL BUSINESS INITIATIVE CONSTRUCTION PROGRAM

- Small Business Initiative for projects estimated between \$2M and \$10M
- Firms must be no larger than 1.5 times SBA-size standards per NAICS code
- At least 51% owned by one or more individuals whose personal net worth is not more than 1.5 times the PNW limits set forth in MCC Section 2-92-670(j)

SBI-II SMALL BUSINESS INITIATIVE CONSTRUCTION PROGRAM

- Small Business Initiative for projects below \$2M
- Firms must be no larger than ½ the SBA-size standards per NAICS code
- At least 51% owned by one or more individuals whose personal net worth is not more than 50% or ½ the PNW limits set forth in MCC Section 2-92-670(j)

MBI MID-SIZED BUSINESS INITIATIVE CONSTRUCTION PROGRAM

- Exclusive to small and mid-size local businesses and limited to construction projects that are between \$10M and \$20M
- Firms must be no larger than two times the SBA-size standards per NAICS code
- At least 51% owned by one or more persons whose individual personal net worth is not more than two times the PNW limits set forth in MCC Section 2-92-670(j)

PROFESSIONAL SERVICES INCENTIVES

TARGET MARKET

Program Opportunities

- Created to offer exclusive opportunities for M/WBEs on non-construction contracts, including contracts for professional services such as architecture, engineering, or IT, and work services such as janitorial services, landscaping services and commodities
- Allows prime-level opportunities for MBEs and WBEs

WORKFORCE REQUIREMENTS

CITY RESIDENCY REQUIREMENTS

Section 2-92-330 of the Municipal Code of Chicago requires that 50% or more of the work hours performed on City-funded construction contracts valued at \$100,000 or more must be performed by workers who are residents of the City.

PROJECT AREA REQUIREMENTS

Section 2-92-330 also requires that 7.5% of the work hours are performed by residents of the Project Area. The City defines the project area for each construction project. The City-defined Community Areas map is the source used to identify these areas.

- Compliance with the City and Project Area residency requirements is monitored by DPS in conjunction with the CDA. Contractors who do not comply with these requirements are subject to liquidated damages.

EQUAL EMPLOYMENT OPPORTUNITY (EEO) BID INCENTIVE

To encourage utilization of minority and women journeyworkers, apprentices and laborers, a bid incentive is available on contracts for construction projects valued at \$100,000 or more. Bidders are invited to propose minority and woman utilization levels, as a percentage of journeyworker, apprentice and laborer work hours on the project. The bidder should consider limiting conditions or circumstances that may affect referral, hiring, or deployment of employees, including any limits imposed by the policies or circumstances of labor organizations or other referral sources.



The City of Chicago sets goals for participation on contracts by Minority and Women-Owned Business Enterprises (M/WBE) as well as participation goals for Disadvantaged Business Enterprises (DBE) on certain federally-funded contracts. Interested companies are required to apply for certification to be eligible to be counted towards MBE, WBE or DBE goals.


The City's Department of Procurement Services (DPS) certifies businesses in the following categories to compete for City contracts:

- Minority-Owned Business Enterprises (MBE)
- Women-Owned Business Enterprises (WBE)
- Business Enterprises owned or operated by People with Disabilities (BEPD)
- Veteran-Owned Business Enterprises (VBE)
- Disadvantaged Business Enterprises (DBE)
- Airport Concession Disadvantaged Business Enterprises (ACDBE)

COMPLIANCE

CONTRACTORS

Contractors can comply by using MBE/WBE or DBE contractors as prime contractors, joint venture partners, or subcontractors. Primes are required to provide proof of subcontractor payments, which may include reports on subcontractor payments, certified payrolls, and waivers of liens. Although DPS has the authority and responsibility to monitor compliance, the CDA shares the responsibility on airport contracts.



DEPARTMENT OF PROCUREMENT SERVICES

DPS is responsible for monitoring contracts to ensure compliance with commitments to utilize M/WBEs or DBEs, listed as prime or subcontractors.

DPS monitors compliance with workforce (residency) and EEO requirements (equal employment opportunity commitments).

DPS monitors compliance with Chicago Residency Ordinance (CRO) requiring 50% of hours worked to be performed by City residents and 7.5% by project area residents. Contractors submit data on employees' addresses to confirm residency and payrolls are tracked to certify hours worked.

PAYMENT PROCESS



Business Letterhead
Expenses Itemized on Invoice
Expenditure Approval Form
Timesheets



Audit
Review by CFO and
First Deputy Commissioner



Comptroller for Payment



Receipt/Payment

To ensure timely payment, contractors should follow the CDA Finance Department's established procedures to review and process payment requests. The CDA issues a letter to all vendors to establish the procedures required to approve vendor payments. Specific checklists are provided and used to process the paperwork required to document payment requests.

Payments are processed monthly on the anniversary date of the Contract Notice to Proceed. Prior to the anniversary, the general contractor will coordinate with the subcontractors to generate the billable quantities. The general contractor will provide the resident engineer the quantities they are requesting payment on. The resident engineer will review and verify that the quantities are supported by completed work and approved material inspection documentation. The final quantities for the pay application will then be submitted to the Construction Management Office (CMO). The CMO will generate the pay estimate documents and forward to the general contractor for processing.



FOR MORE INFORMATION, VISIT [CHICAGO.GOV/DPS](https://chicago.gov/dps)

CONSTRUCTION PAYMENT REQUIREMENTS

REGULAR CONSTRUCTION PAYMENT CHECKLIST

When requesting a construction payment, the contractor must complete the following forms in detail, with all supporting documents attached.

Once the CMO has verified all information submitted for accuracy and current insurance certifications are on file with their office, the request is submitted for approval signatures, audit, forwarded to CDA Finance, and the comptroller for payment as the final step.

VOUCHER FOR PROFESSIONAL SERVICES/CONSTRUCTION AND SUBCONTRACTOR PAYMENT CERTIFICATION FORM

All payment requests must include the completed Voucher for Professional Services/Construction and Subcontractor Payment Certification form with each invoice. The form reports the intended payments from prime contractors to subcontractors and suppliers, based on the invoice. All vendors must have a supplier number provided by the City.

All vendors, for which a prime contractor is claiming (MBE/WBE/DBE) contract compliance credit, including second-tier subcontractors and suppliers, must be identified on the payment voucher.

SUMMARY OF ESTIMATE FORM

This is the Application for Payment form. This form should include: identification of general contractor, subcontractors, contract number and project; original contract amount and adjusted contract amount; the date of pay application and the number and period covered by the payment; the amount due to the contractor and subcontractors for this pay period; the retainage and liquidated damages computations, and, the total value of all work performed to date. The Summary of Estimate is typically provided to the general contractor by the contract administrator.

SWORN CONTRACTOR'S STATEMENT

The Sworn Contractor's Statement should be attached, showing the detailed cost breakdown with allocations for previous payments, payments due this period, and total work in place. Sworn statements cover trades, contractor/subcontractor names, and amounts necessary for the completion of the project. This should be used during the course of construction and submitted with each payment request. The form must be signed and notarized. The change order amounts should also be listed separately on a Contractor's Sworn Statement.

APPROVED CHANGE ORDER FORM

The approved Change Order form includes the original contract amount, amount of change orders (current and previous) and the total adjusted contract amount. Change order forms must be approved prior to making a request for payment, and attached to the payment request. Change orders must be approved and signed by the City and copies must accompany all payment requests, outline the dollar amounts, and define the changes to the scope. Change order amounts should also be listed on the Contractor's Sworn Statement. Change Order forms (approved RCMs) are provided to the general contractor by the contract administrator once final approval is obtained from the DPS.

PAYMENT OF CONTRACTOR'S WORK FORM

This form is the product list/unit prices for all items used during the payment period. Items, quantities, and unit prices should be verified on this form.

COPIES OF RECEIPTS

Contractors must submit copies of invoices, certifications for payment of materials stored, or items reimbursed to individuals.

CERTIFIED PAYROLLS

Certified payrolls are to be verified for those contracts having this requirement. This information should include employee's prevailing wage, ethnicity, gender, and local residency information. The final payroll must be clearly labeled "FINAL." Payroll is certified through the LCPtracker electronic certified payroll application.

SUBCONTRACTOR PAYMENT CERTIFICATION

This form has the MBE/WBE/DBE utilization information and shows usage and payments for the current and prior pay periods. This form should include information on the owner's ethnicity and subcontractor payment amounts.

WIRE TRANSFER FORM

If the vendor requests that payments are made through a wire instead of a hard-copy check, then the Wire Transfer form must be completed and submitted with the application for payment.

BLANKET RELEASE COPY

To expedite the payment process, a copy of the Blanket Release is required with the payment application.

LIEN WAIVERS

Lien waivers are to be submitted by the contractor and all subcontractors, and suppliers, with every payment request. At the time of payment requests, the general contractors will be required to sign a lien waiver. Waiver forms should identify the amount of payment made previously, and the amount of the current payment request. The City contract contains the Prompt Payment Act requiring the general contractor to pay all subcontractors and suppliers within seven days of receipt of payment from the City. Trailing subcontractor and supplier waivers will be required for all payments received by the general contractor with the next pay estimate submission.

RETAINAGE

Per Section 2-92-250 of the Municipal Code of Chicago, retainage typically is not utilized on CDA construction contracts and may not be imposed on subcontractors by prime contractors.

LIQUIDATED DAMAGES

Liquidated damages are a contractual provision providing for an agreed-upon amount of damages to be paid by the contractor in the event of a failure to meet certain contract requirements. The CDA sets liquidated damages amounts based upon an estimate of probable damages to the City in event of a breach of the contract requirement in question; other liquidated damages amounts are set by ordinance based on City Council's estimate of probable damages to the City. They are most often found in the context of missed milestones or delivery dates, City resident worker or project area worker shortfalls, and EEO shortfalls.

INSURANCE REQUIREMENTS

All insurance requirements are verified prior to contract execution. Insurance certificates are to be updated as required by the City and are to be renewed and updated for the duration of the project. Copies of insurance certifications with valid dates should be kept on file by the CMO and may be requested periodically by DPS Finance.

CONTRACT COMPLIANCE/AUDIT CHECKS

The City reserves the right to canvass sites, verify inventory, check unit prices, monitor MBE/WBE or DBE usage, monitor local residency requirements, and verify that all contract requirements are being satisfied. OMP Finance may request this information throughout the duration of the contract. As defined in the General Conditions of the contract, a final canvass report and certified payroll report must be submitted with final payment.

FINAL SITE CLEANUP

The site and adjacent premises should be cleaned of any construction debris or equipment and restored to pre-construction condition. The final costs of cleaning up should be included in the original price bid and not billed as a separate charge.



PROFESSIONAL SERVICES CONTRACTS INVOICING CHECKLIST

- ✓ Voucher For Professional Services (Contractual Payments) and Subcontractor Payment Certification form
- ✓ Consultant invoice on consultant letterhead detailing for each employee his/her name, classification, hourly rate, hours, and total raw labor. The invoice must show and apply the current overhead rate to the raw labor amount, show and apply the contract profit rate, and the total labor, overhead and profit amount for the month. All labor billings must be supported by approved timesheets.
- ✓ Payroll registers or other satisfactory evidence of the hourly rate paid to employees are required with the first invoice
- ✓ Status Rate Change forms for all employee hourly rate increases should accompany the consultant and subconsultant(s) invoices when hourly rate increases are approved by the CDA
- ✓ Invoices and receipts for ALL reimbursable expenses invoiced must be included and itemized on the consultant's invoice. Refer to your contract for the Reimbursable Expenses threshold requiring specific CDA approval through the vendor portal. The Expenditure Approval form should be included with the invoice.
- ✓ All travel expenses must include ALL airfare, hotel, car rental, taxi, meals and other trip expense invoices and receipts. Travel expenses should be listed on a company travel expense form listing all the trip expenses. All out-of-town travel requires pre-approval through the vendor portal. Travel expense reimbursements are limited to the amounts shown in the City of Chicago Travel Guidelines.
- ✓ Subconsultant invoices on subconsultant letterhead detailing the subconsultant's labor and reimbursable expenses are required. The format, content, and detail of the subconsultant's invoice(s) are the same as the consultant's invoice requirements.
- ✓ M/WBE report

TERM CONTRACTING INVOICING CHECKLIST

- ✓ Voucher For Construction Payments and Subcontractor Payment Certification form
- ✓ Contractor invoice on contractor letterhead detailing invoice quantities, unit of measure, unit price, and amount for each item as listed in the contract. If invoicing price list or catalog items, indicate the price list, catalog number, or item number, and all dates and related page numbers on the invoice.
- ✓ Signed work tickets, timesheets, and manufacturer's invoice
- ✓ Subcontractor invoice(s) on subcontractor letterhead with the same details as the contractor invoice requirements
- ✓ Partial waivers of lien from subcontractors
- ✓ Final waivers of lien from subcontractors with final invoice
- ✓ Certified payrolls
- ✓ M/WBE report

CDA INVOICING MEMO

The CDA is responsible for processing and paying vendor invoices in a timely and efficient manner. Accurate and punctual payments are critical to maintaining excellent vendor relationships, as well as for year-end financial reporting needs.

In keeping with the City's prompt payment initiative, we request all vendors submit invoices no later than 30 days after a given service period. The following information that must be included on your invoice:

- Vendor name
- Vendor number
- Remittance address
- Amount due
- Detail of goods and services
- Purchase order number (if applicable)
- Voucher of Professional Service form (if applicable)
- Blanket release
- Name of City department (ordering goods and services)
- Name and phone number (company contact person)
- Invoices can also be emailed to: CDAinvoices@cityofchicago.org



CONSTRUCTION CHANGE ORDER PROCESS

A change order is a written amendment to an existing contract after the effective date that alters the work, the contract sum, or the contract time. During the course of the work, events may arise that are outside the scope of the contract requiring a change to the contract. In these instances, a change order is required to proceed with the scope change. It is important to ensure that all contractors have a clear understanding of the procedures set by the CDA when it comes to addressing changes to the scope of work included in the contract. Further details about the change order process related to work executed under the Capital Improvement Program (CIP) and Construction Managers at-Risk (CMAR) are listed below.

CAPITAL IMPROVEMENT PROGRAM (CIP) CHANGE ORDERS

A change order documentation is gathered and assembled. The change order includes all the specific details about the updated scope of work, including an estimate of the required labor and materials for the change, and the Minority and Women-Owned Business Enterprises (M/WBE) or Disadvantaged Business Enterprises (DBE) participation proposed by the general contractor.

The change order then goes through a presentation to the owner. These stakeholders attend meetings to approve contract changes. If the owner approves the additional work, the contractor may proceed with the change.

The general contractor submits a proposal to initiate the Request for Contract Modification (RCM) process. The proposal then goes through an audit by the contract administrator.

Once the final proposal value is established, either by time, material or proposal basis, the final change order will be prepared. The final change order undergoes review by the owner and the DPS for approval.

Once the RCM is fully executed, the general contractor may bill for the completed work on the monthly invoice.



CONSTRUCTION MANAGERS AT-RISK (CMAR) CHANGE ORDERS

CHANGES PAID FROM CMAR ALLOWANCES OR CONTINGENCY

If a change order will be paid from CMAR allowance or contingency funds, prior to use, the CMAR must submit written notification to the owner and owner's representative. The notification must include details about the change, including scope, reason required, and an order of magnitude cost estimate. Prior to monthly invoicing, the CMAR must follow up with additional detailed documentation that supports the change. A summary of all allowance or contingency notifications issued for the month are included with the monthly invoice.

CHANGES PAID FROM CITY ALLOWANCES OR CONTINGENCY

If payment for the proposed change will be made from City funds, a change order must be issued. The CMAR prepares and submits a change order. The submission must include details of the change, including scope, reason required, cost estimate, and the M/WBE participation proposed by the CMAR. The owner's representative reviews the change order, and, if acceptable, the change order is presented to the owner at a weekly CMAR meeting. If approved, the change order is issued, and the CMAR may proceed with the changed work. To finalize cost, the CMAR submits the final cost documentation for review and approval by the owner. Once approved and the work is complete, the CMAR may bill for the changed work on the next monthly invoice.

CHANGES THAT REQUIRE A CONTRACT MODIFICATION

The Guaranteed Maximum Price (GMP) is the maximum amount payable to the CMAR for completion of the work and services under the contract. For changed work that results in a revised contract amount that exceeds the GMP, a formal contract modification is required.

The CMAR prepares and submits a change order. The submission must include details of the change, including scope, the reason required, cost estimate, and the Minority and Women-Owned Business Enterprises (M/WBE) or Disadvantaged Business Enterprise (DBE) participation proposed by the CMAR.

If the owner approves the additional work, the CMAR may proceed with the change.

The CMAR submits a proposal to initiate the Request for Contract Modification (RCM) process. The proposal then goes through an audit by the contract administrator.

Once the final proposal value is established, either by time, material or proposal basis, the final change order is prepared. The final change order undergoes review by the owner and the DPS for approval. Once the RCM is fully executed, the CMAR may bill for the completed work on the monthly invoice.

ADDITIONAL QUESTIONS?
EMAIL: DOINGBUSINESSCDA@CITYOFCHICAGO.ORG



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DOING BUSINESS WITH THE CHICAGO DEPARTMENT OF AVIATION

NOTES



