



## Memorandum

To: Honorable Mayor and Members of the City Council  
From: Shane Cary, Architect/Project Manager  
CC: Edgar Cano - Public Works Agency Director; Lara Biggs - City Engineer  
Subject: Approval of Contract with CCC Holdings, Inc. for the Evanston Animal Shelter Construction  
Date: February 27, 2023

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Recommended Action:

Staff recommends that City Council authorize the City Manager to execute a contract with CCC Holdings, Inc. (18660 Graphics Drive, Suite 200, Tinley Park, IL 60477) for the Evanston Animal Shelter Construction (RFP 22-70) in the amount of \$6,849,308.75. **CCC Holdings, Inc. is requesting a partial waiver of the MWEBE goal.**

Funding Source:

Funding will be provided from the Capital Improvement Fund 2023 General Obligation Bonds in the amount of \$2,175,000; from the Cook County Animal Shelter Grant Program in the amount of \$2,000,000; from the Evanston Animal Shelter Association donations in the amount of \$1,025,000; and from the City of Evanston General Fund cash balance in the amount of \$1,500,000 (this contract is \$1,500,000 over budget, which will be funded by the General Fund cash balance unless another source of funding is identified). A detailed financial analysis is included in the attached memo.

CARP:

Municipal Operations, Building Efficiency, Vulnerable Populations

Council Action:

For Action

Summary:

The City of Evanston owns and maintains an animal shelter building at 2310 Oakton Street. The City contracts with the Evanston Animal Shelter Association (EASA) for the operations of the animal shelter. The City provides a payroll grant of \$100,000 per year to assist in offsetting the cost of operations. EASA, which operates with a total annual budget of \$300,000, fundraises the remaining amount. In return for Evanston funding, EASA accepts animals impounded by the City as well as owner relinquished animals from the community. Since taking

over operations, EASA has operated the shelter as a no-kill, open admission shelter with a save rate of 96-97%.

On average, EASA processes over 480 animals per year. To accomplish this, EASA utilizes an extensive network of volunteers. Approximately 175 volunteers staff 14 shifts per week at the shelter providing approximately 23,000 volunteer hours per year. They also use foster homes to house the animals. In 2022, 268 foster homes hosted 451 animals. In addition, the shelter operates programs to help residents afford to keep their own animals in their home, such as providing dog food, cat food and cat litter to residents who would not otherwise be able to feed their animals. Their custodial program cared for 19 animals in 2022 helping residents who were temporarily displaced due to fires, domestic violence, extended hospital stays or other housing emergencies. More detailed information on EASA operations is available on their website at <http://evanstonanimalshelter.net/key-metrics/>.

#### Existing Building

Constructed in 1973, the animal shelter building is inadequate for the current operations. The 2,800 square foot building was originally intended to house a small number of animals for a short time. Euthanasia was utilized to manage the number of animals that were in residence. Because of the age of the building, it was not designed with modern shelter standards in mind.

In 2017, staff raised concerns about the deficiencies of the existing shelter building and its inability to support current operations. One key concern is the age and deteriorated condition of the HVAC system. The replacement of the HVAC system, which is sorely needed, can not be completed without a substantial expansion to the shelter building. Doing so would trigger the requirement to update the building to meet current building codes, which is not feasible with the existing building. At that time, City Council directed an in-house study to determine the needs/upgrades for the animal shelter.

Working with the Animal Welfare Board and EASA, staff toured other facilities, reviewed building codes and identified best practices in animal sheltering. Based on information gathered, it appeared that a building sized for appropriate capacity and infrastructure would be a minimum of 2.5 - 3x larger and would require a number of upgrades over the existing building. Key findings included the following health and safety concerns:

- Not enough capacity to house dogs and cats
- No separate intake area for animals being dropped off
- Not compliant with ADA accessibility standards
- Challenges with providing isolation and observation for potential rabies infection cases
- No isolation area for sick dogs and cats in main building
- Minimal adoption facilities
- Lack of windows and natural light
- Inadequate storage and support facilities (i.e. kitchen too small)
- No space for in-house medical procedures
- Inadequate HVAC design (no individual zones, uneven temperature distribution)
- No fire sprinkler system

Cook County Grant

In late 2019, Cook County Animal Control issued a grant program to fund capital improvements in local animal shelters. The City partnered with EASA to submit a grant application for an 8,500 square foot facility that met minimum standards for modern animal shelter operation as well the requirements outlined in the Cook County grant program. The grant application outlined a funding request as follows:

<b>Funding Source</b>	<b>Revised Funding</b>
Cook County Animal Shelter Grant Program	\$4,500,000
Evanston Animal Shelter Association	\$ 500,000
City of Evanston	\$1,000,000
<b>Total</b>	<b>\$6,000,000</b>

In May 2020, the Cook County notified the City of a grant award of \$2,000,000, significantly less than the application. City staff reviewed the grant proposal with the Animal Welfare and the Health and Human Services Committee in Fall 2020, both of whom recommended proceeding with the project. On 3/22/21, the City Council approved Resolution 30-R-21, executing a grant agreement with Cook County with a revised funding source as shown in the table below:

<b>Funding Source</b>	<b>Revised Funding</b>
Cook County Animal Shelter Grant Program	\$2,000,000
Evanston Animal Shelter Association	\$1,000,000
City of Evanston	\$3,000,000
<b>Total</b>	<b>\$6,000,000</b>

Executing the grant agreement allowed the City to receive the grant, but also committed the City to building a shelter to the specifications in Evanston’s grant application and to accepting animals impounded by Cook County.

Project History

On 3/22/21, City Council approved a contract with Holabird & Root for the architectural and engineering services associated with the Evanston Animal Shelter construction. Only the concept planning was authorized at that time.

On 9/27/21, during a discussion with staff, City Council provided guidance on building options related to the compliance with CARP goals (net-zero greenhouse gas emissions) and the delivery of community services (such as a pet food pantry as well as space for clinics for microchipping and vaccinations). The project budget was increased as follows:

<b>Funding Source</b>	<b>Revised Funding</b>
Cook County Animal Shelter Grant Program	\$2,000,000
Evanston Animal Shelter Association	\$1,000,000
City of Evanston	\$3,300,000
<b>Total</b>	<b>\$6,300,000</b>

On 11/08/21, City Council approved Amendment No. 1 to the contract with Holabird & Root, authorizing them to proceed with final design and construction services for the project.

On 10/10/22, City Council approved Resolution 107-R-22, related to the temporary housing of shelter animals. The Resolution authorized EASA to separately contract for the rental space and rehabilitation of the temporary cat shelter, the cost of which will be part of their donation to the project. It also included guidance related to the contracting of the temporary dog shelter.

On 1/24/23, City Council approved a contract with G.A. Johnson for the Temporary Shelter Construction at the Municipal Storage Center (previously known as the Evanston Recycling Center. This contract was for dog shelter only as EASA separately contracted for the temporary cat shelter. It also included costs that were related to the long-term use for the building, unrelated to the temporary shelter, which are not being charged to the animal shelter budget.

#### Sustainability Goals

This project has been developed to comply with the City's sustainability goals. The building has been designed in accordance with the LEED-Silver certification. It will be the City's first zero on-site greenhouse gas emissions facility. It has also been designed to be solar-ready, and solar panels are planned for installation in 2024 as part of a separate project.

#### Planned Unit Development Approval

Because of its location within a special zoning overlay district, the new Animal Shelter was required to go through the Planned Unit Development process for approval as a Special Use. The building and site design were developed in keeping with the requirements of the overlay district. On 10/12/22, the PUD was approved by the Land Use Commission. On 11/28/22, the City Council approved Ordinance 111-O-22, Granting a Special Use for a Planned Development with Site Development Allowances and a Special Use Permit for a Kennel Located at 2222-2310 Oakton Street in the I2 General Industrial District and the oRD Redevelopment Overlay District.

#### Value Engineering

During the course of the design process, it became clear that construction inflation would impact the overall cost of the project. Staff initiated a value engineering process with the consultant team. The architect used cost estimates from a subconsultant to provide guidance on changing the design of building and site elements to lower cost options to help maintain the building costs in alignment with the project budget. Below is a list of items that were considered for cutting costs and maintaining the mission critical elements of the project.

- Approximately 2,000 square feet of the building was eliminated.
- The sally port for animal transfer was removed from the project and replaced with a gated yard.
- The interior walls were changed to primarily light frame construction with masonry walls separating the rooms with dog kennels.
- The ornamental metal fencing was limited to the areas that are public-facing, with chain link fencing used in areas away from Oakton Avenue.
- The floor finish was changed to polished concrete.

- The wall finish in the kennel areas was changed from porcelain tile to fiber reinforced plastic.
- Landscaping elements were reduced.

All of the current building elements were selected with a deliberate balance between the initial costs, the maintenance costs, the operational costs, the success of the animal shelter, and the need for responsible stewardship of the environment.

#### Construction Inflation

Inflation within the construction industry has been extreme over the course of the past year and a half. There are disturbances in the supply chain for most manufactured items that have turned the efficiencies of the “just-in-time” manufacturing process into delays and cost increases. This has quickly unraveled the efficiencies that helped keep inflation at bay for the past two to three decades.

The construction industry has many companies that publish cost indexes to help industry professionals understand the changes in costs and attempt to estimate future costs, including CBRE, Mortensons, Turner Construction, and RS Means. These companies use surveys to track the costs of projects, equipment, and labor to varying levels of specificity. Some provide regional adjustments. Some of them track specific materials, and labor costs. Holabird & Root indicated to staff that the inflation during the course of design was 15%-30%. This aligns with separate research by staff and covers the time from summer 2021 to 2023. The animal shelter total project cost has risen 27%, which falls within the range of expected construction inflation.

#### Bid Analysis

On 12/8/22, the City advertised the bid for the Evanston Animal Shelter Construction contract. The bid was advertised on Demandstar and advertised in the Chicago Tribune. On 1/23/23, the City received 10 bids as follows:

Company	Address	Base Bid	Contract Price with Alternates 1-4 (Recommended)
CCC Holdings, Inc.	18660 Graphics Drive, Suite 200 Tinley Park, IL 60477	\$6,697,969.00	\$6,849,308.75
Empire Construction Company	214 West Ohio Street, Suite 4 Chicago, IL	\$6,925,000.00	\$7,112,000.00
G.A. Johnson & Son	828 Foster Street Evanston, IL 60201	\$7,576,880.00	\$7,869,213.00
Construction Inc.	2 East 22nd Street, Suite 101, Lombard, Illinois 60148	\$7,948,000.00	\$8,188,000.00
Structures Construction	2300 W. Diversey Ave Chicago, IL 60647	\$8,253,288.00	\$8,443,801.00
Boller Construction Company, Inc.	3045 Washington Street Waukegan, IL 60085	\$8,299,100.00	\$9,824,834.00
Burling Builders, Inc.	44 West 60th Street Chicago, Illinois 60621	\$8,307,525.00	\$9,854,759.00
ALFA Chicago Inc.	4100 West Belmont Avenue, Suite 5 Chicago, Illinois 60641	\$8,489,000.00	\$8,676,000.00
Reed Construction	600 W. Jackson Boulevard, Suite 800, Chicago, IL 60661	\$9,152,285.00	\$9,417,155.00
Kandu Construction	8055 Ridgeway Avenue Skokie, Illinois 60076		Non-responsible

Bids were evaluated by Holabird & Root, the architect of record. They were also reviewed by Shane Cary, Architect. Holabird & Root checked references on the bidders. Kandu Construction was found to be non-responsible based on information provided by their references that indicated lack of experience completing a construction project of this size. References for CCC Holdings, Inc indicate that the quality of their work is satisfactory. Staff recommends that CCC Holdings be considered the lowest responsive and responsible bidder.

CCC Holdings has requested a partial waiver of the City's M/W/EBE subcontracting goal of 25%, but they were able to find subcontracts to reach 16.42%. CCC Holdings provided a good faith report indicating all of the businesses contacted. CCC Holdings has indicated that they will employ workers living within the City of Evanston boundaries to meet our Local Employment Program requirements. A memo reviewing their compliance is attached.

Award of Bid Alternates

There are five alternates priced with this bid. A detailed list of the bid alternates is as follows:

1. Alternate 1 - Canopy at the Southeast Corner of the Building. This provides shelter for the entry of the building that will be used by Evanston Police, Cook County Animal & Rabies Control, residents surrendering pets, and patrons of the food pantry. This also protects these entry areas from rain and snow. Staff recommends including Alternate 1 to help offset maintenance of these entry areas.
2. Alternate 2 - Mechanical Equipment Screening to the South. Screening of the mechanical equipment is required to shield the mechanical equipment on the roof from view. The southern portion of this screening is included as an alternate. Staff recommends including Alternate 2 to screen the rooftop equipment from the views from James Park.
3. Alternate 3 - Work on Municipal Storage Facility Property. This alternate includes curbs and pavement that is located on the Municipal Storage Facility property. Staff recommends including this alternate because the work must be performed in order to access the building from the traffic signal. The cost for this work is to be paid from the budget for the Municipal Storage Facility Renovation.
4. Alternate 4 - Tree Removal. Alternate 4 is for the removal of two existing trees that are located outside the property. Staff recommends removing these undesirable trees.
5. Alternate 5 - Additional Time. This alternate extends the deadline for the substantial completion. Staff does not recommend including Alternate 5 because it does not align with Cook County grant requirements for schedule and it increases the overall project cost.

The costs for each of the alternates is as follows:

Company	Alternate 1	Alternate 2	Alternate 3	Alternate 4	Alternate 5
CCC Holdings, Inc.	\$58,431.00	\$45,097.50	\$45,714.25	\$2,097.00	\$59,531.00
Empire Construction Company	\$100,000.00	\$50,000.00	\$35,000.00	\$2,000.00	\$100,000.00
G.A. Johnson & Son	\$158,870.00	\$60,988.00	\$68,475.00	\$4,000.00	\$180,000.00
Construction Inc.	\$115,000.00	\$50,000.00	\$65,000.00	\$10,000.00	\$0.00
Structures Construction	\$111,643.00	\$24,288.00	\$52,230.00	\$2,352.00	\$207,000.00
Boller Construction Company, Inc.	\$134,000.00	\$51,300.00	\$46,300.00	\$2,100.00	\$0.00
Burling Builders, Inc.	\$140,000.00	\$48,000.00	\$65,000.00	\$2,200.00	\$214,000.00
ALFA Chicago Inc.	\$100,000.00	\$50,000.00	\$35,000.00	\$2,000.00	-\$100,000.00
Reed Construction	\$143,563.00	\$66,895.00	\$41,702.00	\$12,710.00	\$0.00
Kandu Construction	Non-responsible				

### Contract Price Overage and Funding

The lowest bid price is substantially over the project budget for construction. It is unusual for the City to receive so many bids in response to a bid advertisement. Because of the number of bids received and the way that the bid pricing was distributed, the bids received are strongly indicative of the market rate for building this project. As previously stated, the project team already completed a significant value engineering process in Spring 2022 in an effort to compensate for surging construction inflation. Because of the time involved and the fact that construction inflation is continuing to occur, removing additional scope and rebidding the contract is likely to result in receiving a similar or higher bid price for a reduced scope. Staff does not recommend rebidding the contract in order to reduce the bid price, as that strategy is unlikely to be successful.

The lowest responsible bid including Alternates 1-4 is \$6,849,308.75, which is approximately \$1,700,000 higher than the budget for the construction contract. Staff has reached out to EASA and Cook County to discuss sharing the cost overage. EASA has indicated their willingness to fundraise an additional \$200,000, bringing their total contribution from \$1,000,000 to \$1,200,000.

The City of Evanston is currently in negotiations with Cook County to increase their grant amount. The City has requested Cook County increase their donation by \$850,000, from \$2,000,000 to \$2,850,000. While Cook County staff have been receptive to negotiating a donation increase, only the Cook County Board of Commissioners can approve such a change in the grant amount. Because of their legislative schedule, the earliest a grant increase could be approved is 2-3 months from now. While staff will continue to pursue this option, the bids that have been received expire March 25. In addition, the City of Evanston is currently committed by the Cook County grant agreement to completing the project by November 30, 2023. Delaying award of the bid will further impact the ability of the City to meet this commitment. Because costs will go up with time and because of the tight schedule of this construction contract, staff is recommending prompt award of the contract.

With the additional funding from EASA, but not including any potential additional funding from Cook County, the City will need to identify a funding source for the additional \$1,500,000 that is not currently budgeted. Staff has identified that there is sufficient funding available in the General Fund cash balance. This is the funding source that will be used unless another funding source is identified.

### Detailed Funding Analysis

The following is a detailed breakdown of the proposed funding for the construction contract:

	<b>Account No.</b>	<b>Available Budget</b>	<b>Project Cost</b>
2023 G.O. Bonds - Animal Shelter	415.40.4123.65515 - 620016	\$2,175,000	\$2,175,000.00
EASA Donation	415.40.4219.65515 - 620016	\$1,025,000	\$1,025,000.00
Cook County Grant	415.40.4219.65515 - 620016	\$2,000,000	\$2,000,000.00
Other Funding - Municipal Storage Center (Note 1)	415.40.4219.65515 - 622001	\$150,000	\$ 149,308.75
Additional Funding (Note 2)	415.40.4219.65515 - 620016	\$1,500,000	\$1,500,000.00
<b>Total</b>			<b>\$6,849,308.75</b>

Note 1 - This funding is for site improvements necessary to the site parking lot access and fencing that serves the Municipal Storage Building (previously known as the Recycling Center), which is funded with proceeds from the sale of City property.

Note 2 - This funding will be General Fund reserves unless an alternate funding source is identified.

A summary of the overall Animal Shelter project budget is shown below (this does not include costs attributed to the Municipal Storage Facility):

Item	Total Estimated Cost	Cook County Grant	EASA Donation	City of Evanston Budgeted Funds	City of Evanston Additional Funds
Consulting Services	\$740,000			\$740,000	
Construction Contract - Animal Shelter Portion	\$6,700,000	2,000,000	\$1,025,000	\$2,175,000	\$1,500,000
Temporary Relocation Expenses	\$460,000		\$175,000	\$285,000	
ComEd Fees <input type="checkbox"/>	\$100,000			\$100,000	
<b>Animal Shelter Project Total</b>	<b>\$8,000,000</b>	<b>\$2,000,000</b>	<b>\$1,200,000</b>	<b>\$3,300,000</b>	<b>\$1,500,000</b>

Legislative History:

On 2/24/20, City Council approved Resolution 15-R-20, authorizing the City Manager to submit an application for the Cook County Animal Shelter Grant.

On 2/8/21, City Council approved Resolution 20-R-21, modifying the Volunteer Animal Organization Agreement between the City of Evanston and EASA to allow EASA to fundraise up to \$1,000,000 for capital improvements.

On 3/22/21, the City Council approved Resolution 30-R-21, executing a grant agreement with Cook County.

On 3/22/21, City Council approved a contract with Holabird & Root for the architectural and engineering services associated with the Evanston Animal Shelter construction.

On 9/27/21, City Council provided guidance on building options related to compliance with CARP and community services goals.

On 11/08/21, City Council approved Amendment No. 1 to the contract with Holabird & Root, authorizing them to proceed with the final design and construction services for the project.

On 10/10/22, City Council approved Resolution 107-R-22, related to the temporary housing of shelter animals.

On 10/12/22, the Planned Unit Development (Ord. 111-O-22) was approved by the Land Use Commission.

On 11/28/22, the City Council approved Ordinance 111-O-22, Granting a Special Use for a Planned Development with Site Development Allowances and a Special Use Permit for a Kennel Located at 2222-2310 Oakton Street in the I2 General Industrial District and the oRD Redevelopment Overlay District.

On 1/24/23, City Council approved a contract with G.A. Johnson for the Temporary Shelter Construction at the Municipal Storage Center (previously known as the Evanston Recycling Center).