

MEMORANDUM NO. M17-041

TO: Building and Grounds Committee
FROM: Dean Bostrom, Executive Director
Craig Talsma, Deputy Director
Gary Buczkowski, Director of Planning and Development
Eric Leninger, Superintendent of HR & Risk Management
RE: Bid Award to Innovation Landscape, Inc.
DATE: March 30, 2017

Background:

At the March 28, 2017 Board Meeting, representatives from the Federation for Fair Contracting (FFC) questioned the wisdom of awarding a contract to Innovation Landscape, Inc. as outlined in Memorandum No. M17-027 (attached). As a result of the questions raised, the Board tabled the vote on awarding this contract.

Implications:

After speaking with FFC's supervisor Michael A. Lingl and Compliance Monitor Jodi Frailey, HEPD staff requested FFC provide documentation to substantiate claims made during the meeting. Specifically, HEPD requested documentation regarding infractions or complaints from the Attorney General's Office, OSHA, or any legal proceeding pertaining to Innovation Landscape, Inc.

On March 30, 2017, Jodi Frailey sent an e-mail with 4 PDF attachments to staff. The e-mail and PDFs are attached to this memo in their entirety. To summarize, the information in the e-mail and attachments presents the following:

- Rafael G. Hurtado was the president of Fuertes Systems Landscaping, Inc.;
- During January 2015, Fuertes Systems Landscaping, Inc. received notice of a first violation from the Illinois Department of Labor. The violation alleges Fuertes Systems Landscaping, Inc. failed to properly provide IDOL with the starting and ending time for workers;
- During March 2016, a civil lawsuit for breach of contract was filed in Cook County naming Fuertes Systems Landscaping, Inc. and Rafael Hurtado (individually) as defendants. The court docket reveals Mr. Hurtado filed an appearance but a default judgement was entered against Fuertes Systems Landscaping, Inc. The judge moved the case to the bankruptcy calendar in September 2016, likely because Fuertes Systems Landscaping, Inc. went bankrupt;
- During September 2016, Fuertes Systems Landscaping, Inc. was involuntarily dissolved by the Illinois Secretary of State and as a result is no longer authorized to do business in the state of Illinois; and,
- In November 2016, a Federal tax lien was filed against Fuertes Systems Landscaping, Inc.

The aforementioned evidence pertains to Fuertes Systems Landscaping, Inc., and Rafael G. Hurtado, individually. Fuertes Systems Landscaping is a former business entity no longer in existence. Rafael G. Hurtado is the former president of Fuertes. While Hurtado is currently an employee of Innovation Landscape, Inc., it does not appear he has any ownership stake in the company. FFC was unable to provide any documentation responsive to HEPD's request for prior or present infractions/complaints against Innovation Landscape, Inc.

Staff stands by the original recommendation as presented in M17-027 for the following reasons:

- Innovation Landscape, Inc. is a legitimate company registered with the secretary of state and licensed to do business in Illinois; and they are not on any non-bid list from the state of Illinois or the Attorney General.
- There are no known former or pending violations alleged or proven against Innovation Landscape, Inc.;
- Innovation Landscape, Inc. has not been barred from completing work for government agencies;
- Upon award of contract, Innovation Landscape, Inc. will secure a 100% P&P Bond and deliver to HEPD. Staff contacted the bonding company to substantiate that the Bid Bond was legitimate and received an indication that if Innovation Landscape were to receive the contract, they would be bondable as it relates to the 100% P&P bond;
- Staff confirmed that their insurance as required by this project is of adequate amounts and currently in-place.
- Innovation Landscape, Inc. and its employees have completed projects of similar scope, and repeat calls to professional references provided by Innovation Landscape, Inc. have yielded positive results and recommendations, including St. Charles Park District, Park Ridge Park District, and Butterfield Park District.

Finally, HEPD's legal counsel confirmed that, absent any allegations made directly against Innovation Landscape, Inc., HEPD is not precluded from awarding the contract as originally outlined in M17-027.

Recommendation:

Staff recommends that the B&G Committee reaffirm their prior recommendation to the Board to approve a contract with Innovation Landscapes for the installation of playground equipment at Victoria, Colony and Seascape Parks, concrete work at Evergreen Park and Hassell Road Maintenance, and restoration work at Westbury and Evergreen Parks for the low bid price of \$1,666,650.42.

In addition, staff recommends the B&G Committee recommend the board approve a contingency of 7% (\$11,665.50) be made available for extras deemed necessary by staff to complete each of the projects.