



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 18, 2010

COMMITTEE ON AFFIRMATIVE ACTION

Mr. Richard Lanyon, Executive Director

Authority to Adopt the Hearing Officer's findings, conclusions and recommendations to the Board of Commissioners contained in the Final Order dated February 24, 2010, imposing sanctions for a contractor's noncompliance with the District's Affirmative Action Ordinance in the matter of Metropolitan Water Reclamation District of Greater Chicago v. Gonzales Construction Co., and Dauro Company, Show Cause No. 02-001, Contract No. 96-246-2P.

Dear Sir:

On December 21, 2000, Gonzales Construction Co., ("Gonzales") was awarded District Contract No. 96-246-2P for Replacement of Air Piping, Diffuser Plates and Miscellaneous Improvements at the Calumet WRP ("Contract"). Dauro Company, ("Dauro") was a subcontractor of Gonzales on this Contract and was previously the general contractor on Contract No. 97-779-11. The Affirmative Action Ordinance, commonly referred to as Appendix D, was a part of both contracts.

The District alleged in the Amended Show Cause Complaint that Dauro acted as a conduit for the passage of checks, money, goods, services and information for Gonzales as evidenced by the fact that they shared offices, personnel and bank accounts. Gonzales conducted practically all construction business concerning Contract 96-246-2P within the offices of Dauro at its Lombard address.

The District further alleged that Dauro failed to comply with the terms of a previous Settlement Agreement entered into in Affirmative Action case No. 00-001, Contract No. 97-779-11.

Testimony was heard and evidence presented before Hearing Officer Dennis Beninato on October 10 and November 21, 2007. After proposed Findings of Fact were submitted, Mr. Beninato became unavailable due to extenuating circumstances and failed to render a decision. On November 9, 2009, attorney Byron Bradley was appointed as the replacement Hearing Officer. He reviewed the transcripts and evidence and on January 7, 2010, entered an Order finding in favor of the District and against Dauro. Mr. Bradley denied Dauro's Motion to Reconsider. A copy of that Order is attached.

In his Order, Hearing Officer Bradley found that Dauro engaged in fraudulent behavior, misrepresentation, and in violation of the prior six month no bid settlement agreement. The Final Order found Dauro to be a non-responsible entity and was thus disqualified and barred from bidding on District contracts for one year. Dauro's violation of the prior 6 months no bid settlement agreement was a factor in aggravation for setting the one year penalty. The Director of Procurement and Materials Management herewith transmits said Order to the Board of Commissioners for appropriate action.

The General Counsel requests that the Board of Commissioners adopt the findings, conclusions and recommendations set forth in said Order and that it authorize the imposition of the recommended sanctions for the contractor's and/or subcontractor's noncompliance with this Ordinance.

Requested, Frederick M. Feldman, General Counsel, FMF:HSW:JMB:crb
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Affirmative Action
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for March 18, 2010

Attachment