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FEB 18/12 PM 4:06 City Manager

February 21, 2012

Robert W. Healy, City Manager  
City of Cambridge  
795 Massachusetts Avenue  
Cambridge, MA 02139

Re: Awaiting Report #012-15—Elevators at Manning Apartments

Dear Mr. Healy:

This letter is in response to your February 8, 2012 request for an update on the status of repairs to the elevators at the Frank J. Manning Apartments. In April, May, and June 2011, written updates were forwarded to you and to members of the City Council which described the scope of the present work at Manning as a full modernization of the building's two elevators. Both elevators are original to the building's construction in the mid-1970s. Proactive service and maintenance plans have permitted Manning's 199 households to use the elevators on a 24-hour day, 7-day per week basis for over thirty years. The majority of components, having reached the end of their useful lives, now need to be replaced.

By transferring all 199 apartments at Manning from the State to the Federal Public Housing program in late 2009, the Cambridge Housing Authority seized a one-time opportunity to raise badly needed capital --\$848,000--to fully refurbish the building's elevators. The Board of Commissioners awarded the contract for this work, along with upgrades to the elevator at 116 Norfolk Street, to United States Elevator in February 2010, following two rounds of open, public bidding. After the initial bid documents attracted no bids, CHA revised the documents and re-opened bidding. United States Elevator was the sole firm submitting a bid. Construction began at Manning Apartments in May 2011, shortly after the successful completion of elevator improvements at 116 Norfolk Street. United States Elevator's performance at Norfolk Street satisfied, and in many ways exceeded, the expectations and demands of the CHA and its residents. Work proceeded smoothly and without delay, the elevator passed on initial inspection, and the equipment has functioned effectively and efficiently now for more than nine months.

Although Manning presents a more complex project, due to the building's height and the size of its population, CHA drew on its experience of elevator refurbishment in several other senior housing complexes, including the 2005-6 upgrade of Millers River's two elevators, to develop a schedule with the Contractor that would minimize the number of days each car would be taken out of service. In the case of Miller's River, CHA had planned to construct a third elevator so that residents would have use of two cars at all times while the original cars were modernized. The sheer size of the

building's population (150% greater than that of Manning) called for this approach, although the additional elevator proved cost-prohibitive. Instead, as currently in progress at Manning, CHA shortened the "down time" that contractors had cars off line, and the modernization took place, one car at a time, with minimal difficulties.

Two unexpected obstacles have slowed the orderly progress of elevator modernization at Manning. First, on two separate occasions vandalism disrupted elevator service. Most recently on November 27, 2011, a travelling cable connected to the newly modernized elevator was partially severed by a piece of metal. That provoked a stoppage, followed by interrupted periods of service through late in the day on November 29<sup>th</sup>. Also on November 29<sup>th</sup>, fire service connection to the old car, that had been under heavy use since the start of construction, became compromised. For a number of hours that day, Manning was, therefore, without elevator service. The Cambridge Fire Department and CHA staff collaborated during this period to respond to resident needs. United States Elevator had the old car functioning again by 7:00 pm that evening. Firemen as well as elevator technicians stayed on site overnight as a precaution, but no further interruptions occurred.

A difficult inspection process also has unexpectedly delayed progress on Manning elevators. The same elevator inspector visited the building on three separate occasions. After United States Elevator and/or CHA made corrections based on the inspector's first report, the inspector found other violations that he had not noted. Again, CHA and/or United States Elevator made corrections, called the inspector, and once again, the inspector found new reasons why the elevator could not be returned to service. Finally, after an initial call for inspection on September 3, 2011, the State passed the new elevator at a fourth inspection, held November 18, 2011. These procedural set backs delayed the project by nearly three months.

After the interruption of service to both elevators on November 29<sup>th</sup>, CHA staff has met with representatives from Inspectional Services Department and the Cambridge Fire Department to establish a contingency plan and options for temporary evacuation of the building, should that ever become necessary, for any reason. While CHA is disappointed that Manning residents experienced the hardship that occurred on November 29<sup>th</sup>, CHA is satisfied with the quality of construction work to date at Manning. We emphasize that, despite the aforementioned delays, in no way has poor, unsatisfactory, unsafe, or untimely workmanship by United States Elevator contributed to the inconveniences experienced by the residents of Manning Apartments. Moreover, CHA has commissioned two separate independent third-party reviews of elevator upgrades at Manning and 116 Norfolk Street, in April 2010 and September 2011. Both have supported the process and procedures in place on the projects.

I have attached a copy of CHA's most recently updated statement, posted on the CHA website and forwarded to you and to members of the City Council in December 2011. We anticipate construction on the Manning elevators to be complete by March 1, 2012. Please do not hesitate to contact me if additional information is needed.

Sincerely yours,



Gregory Russ  
Executive Director



CAMBRIDGE HOUSING AUTHORITY

## Cambridge Housing Authority Statement on Union Action Updated 12/7/11\*

CAMBRIDGE, April 5, 2011, updated 5/16/11, 6/13/11, 12/7/11—Members of Local 4 of the International Union of Elevator Constructors (IUEC) have been picketing two Cambridge Housing Authority (CHA) properties because a non-union contractor, United States Elevator, Inc., was hired to do elevator work at each property. CHA is respectful of the union's right to disagree on the employ of US Elevator however we feel it is important to clarify statements about the process CHA used to select a contractor for the work at 116 Norfolk St. and the Frank J. Manning Apartments on Franklin St. Please find CHA's point-by-point response to each allegation made against us with respect to the selection process following this statement.

US Elevator is the only contractor that submitted bids for the elevator work at the two developments. No union contractors or contractors based in Massachusetts submitted bids for the work. In January 2010, the Cambridge Housing Authority invited contractors to bid for elevator modernization work at the two public housing developments. CHA received no bids in response to the initial invitation to bid.

In February 2010, CHA issued revised bid documents. Only one bid was received for each development, both were from United States Elevator, Inc. At that time CHA also received information that raised questions around US Elevator's ability to work in Massachusetts as well as allegations that deficiencies in our bid documents were the reason no local companies responded to CHA's bid invitation. In response to the latter allegation, CHA had our bid documents reviewed by an independent engineering firm. The independent consultant rejected the allegation and confirmed the acceptability of the specifications included in our original invitation to bid.

With respect to issues raised about the ability of US Elevator to work in Massachusetts, the Commonwealth's Department of Industrial Accidents (DIA) issued US Elevator a stop work order related to another job. The order resulted in the firm's debarment in Massachusetts and prevented US Elevators from immediately moving forward with its CHA contract.

After administrative appeals and court intervention, it was found that the disbarment was erroneous. US Elevator was reimbursed for fines assessed by the Commonwealth, the stop work order was rescinded and US Elevator was removed from the DIA Debarment list.

CHA is a public agency and is required under Chapter 149 of state law to publicly bid all construction work over \$25,000. All contractors are required to be pre-qualified by the Commonwealth's Division of Capital Asset Management (DCAM). At the time of the bid, US Elevator was (and remains) a pre-qualified contractor by DCAM with a rating of 91% out of 100. A score of 80% or higher is required to be eligible to publicly bid in Massachusetts.

\*Updates from 12/7/11 are in bold.

Additionally, CHA did its own independent reference checks and received satisfactory results. Any issues with US Elevator's qualifications for the two CHA jobs, or any other jobs in Massachusetts, should be addressed to DCAM.

CHA's Board of Commissioners awarded a construction contract for each project to US Elevator Corporation with a total budget of \$1,093,770. CHA is satisfied that it followed the law, used due diligence and awarded the contract to the lowest responsible bidder in its selection of United States Elevator, Inc. for the work at 116 Norfolk St. and F.J. Manning Apartments.

Please direct any inquiries to:

**Susan C. Cohen**

**General Counsel**

**P: 617-520-6241**

**E: scohen@cambridge-housing.org**



CAMBRIDGE HOUSING AUTHORITY

## CHA Responds to Latest IUEC Allegations:

IUEC has distributed pamphlets/**flyers** that include allegations against the process CHA used to select the contractor for the elevator work at 116 Norfolk Street and the F.J. Manning Apartments. Please find CHA's responses below:

*Allegation: Job Action is result of CHA's hiring an out-of-state company employing primarily out of state workers with a poor track record of compliance and questionable status in the Commonwealth.*

Fact: IUEC Local 4 contractors had the opportunity to bid for this work but chose not to.

As described in CHA's initial statement, US Elevator was prequalified by the Commonwealth's Department of Capital Asset Management with a rating of 91 out of 100 (80 is "passing"). A firm with a 91% score from the Commonwealth does not have poor compliance or questionable status in Massachusetts.

The Stop Work Order issued by the Commonwealth's Department of Industrial Accidents on 3/4/10 which resulted in the debarment of US Elevator in Massachusetts was rescinded on 9/8/10 through an Order of Remand from Superior Court. We are therefore not aware of any compliance issues with this firm in Massachusetts.

*Allegation: The reason for the lack of bids is that the scope of work could not be completed in the required timeline set in the bid documents.*

FACT: The work **is underway at Manning Apartments** and was completed in the required timeline **at 116 Norfolk Street**. The bid documents required the contractor to limit the elevator shutdown at Norfolk Street to 14 consecutive calendar days. US Elevator met this schedule. The elevator was taken out of service on 4/28/11 and required work was completed on 5/9/11. The work passed state inspection on 5/12/11. **This modernized elevator has been running effectively for over six months with only one instance of interrupted service.**

*Allegation: After this contractor was awarded the work, the scope of work was dramatically changed. This reduced the time necessary to complete the project and made the scope of work more realistic after the bid.*

Fact: The bid documents anticipated testing of the hydraulic jack unit at the start of the construction period to determine if it required replacement.

Specifically, Section 01230 – Alternates, part 3.1 of the bid documents states:

"Alternate No. 1: Remove all scope relative to replacement of hydraulic jack unit, and retain and refurbish (scone piston, re-pack head) existing jack."

The hydraulic jack unit was tested and did not require replacement. Therefore, CHA opted to accept the price in US Elevators' bid for deleting this from the contract (\$18,000), which was in the public's best interest. There was no change in the 14 day timeframe for the elevator shutdown because a change in the time of completion for the project was not part of the Alternate in the bid documents. All contractors had the opportunity to bid on the same set of contract documents, which contained the same alternate.

*Allegation: Revised documents that went out for bid in February 2010 were never posted in the Central Register. Thus local contractors who employ local residents never had an opportunity to view and bid on the revised plans.*

Fact: The CHA advertised the first bid opening of 2/4/10 in the Central Register and received no bids. Due the American Recovery and

Reinvestment Act (ARRA) funding deadlines, CHA submitted a waiver request to DCAM for relief from the advertising requirement in the Central Register for the reposting of the revised bid documents in February. CHA proposed and DCAM approved advertising in the Boston Globe, ComPASS and publishing companies. DCAM's approval of CHA's request reflected the fact that CHA risked losing the federal stimulus funds if the grant could not be put to use within the fed's very tight timeline for obligating stimulus funds.

In addition, CHA sent the revised bid documents out to the 12 firms that requested bid documents for the first bid opening. These firms included: Advanced Elevator, Embry Elevator, Otis Elevator, Three Phase Elevator, Kone, US Elevator, United Elevator, Eagle Elevator, Associated Elevator, Stanley Elevator, ThyssenKrupp Elevator and Draper Elevator.

*Allegation: Was the so-called independent consultant the same consultant that created the original documents?*

Fact: No. As detailed in the information supplied to IUEC by CHA, the CHA hired an independent engineering firm to review the bid documents prepared by B Squared Engineering, the engineering firm under contract for the elevator modernization project. These are two different firms that have no contractual relationship – that's why CHA's initial statement used the word "independent" to describe the consultant hired to evaluate the bid documents.

The independent review concluded that CHA's bid documents "exceeded the standards of engineering work" and conformed to the requirements of MGL Chapter 149.

*Allegation: US Elevator has admitted to wage violations in New York.*

Fact: CHA was not aware of any such violations and **was not able to obtain any substantiating** information from the NY Department of Labor. However, all work that has been performed at 116 Norfolk Street **and Manning Apartments** under our contract with US Elevator has been in conformance with Davis Bacon wage requirements.

*Allegation: A non-licensed elevator mechanic is doing rigging at Manning Apartments.*

Fact: No. A licensed elevator mechanic is doing the rigging at Manning Apartments.

*Allegation: A US Elevator employee has taken up residence at Manning Apartments.*

Fact: US Elevator is using Apartment 16-E as a construction field office and for storing equipment. This is typical of many construction projects in occupied buildings.

In addition, to keep up with the project's accelerated schedule, a US elevator employee sleeps in the apartment that is already offline because it is being used to store equipment. Having someone on site allows US Elevator to respond immediately to any mechanical issues with the building's only operating elevator (one of two elevators will be offline throughout construction).

Keeping an elevator working at all times is critically important in this building which only houses elderly and disabled residents.

## **CHA Respond to Concerns Raised at 12/5/11 City Council Meeting:**

*Concern: A 19-story with elderly and disabled households should not have one of two elevators out of service for modernization.*

Unfortunately, there is no way short of adding a third elevator or relocating residents to other locations around the City to deal with the replacement of antiquated elevator equipment. In 2005, CHA solicited bids for installation of a third elevator at Millers Rivers (304 units, 19 stories). The low bid was \$2,200,000 which grossly exceeded the budget, so the effort had to be abandoned. We later modernized both existing elevators at Millers, as well as D.F. Burns and LBJ Apartments by taking one car out of service at a time. This left each building with only one working elevator for an extended period of time, but short of relocating all residents to alternate locations, it is the only practicable option.

*Concern: A third-party, independent consultant should be hired to review the elevator work at Manning Apartments.*

CHA commissioned an independent third-party review of the elevator modernization at Manning and 116 Norfolk Street in April 2010. A second review was conducted in September 2011. The CHA is satisfied with the quality of construction work to date at both sites.

*Concern: CHA has accused IUEC Local 4 of sabotaging the elevators at Manning Apartments.*

There have been two incidents of vandalism at Manning Apartments which have resulted in loss of service and/or intermittent elevator service for an extended period. These incidents occurred on or about 6/2/11 and 11/27/11 and were reported to CPD. The CHA has no evidence that Local 4 had any involvement and has never made any accusations that they were involved.

*Concern: CHA needs to do a better job communicating with the City Council and the residents of Manning Apartments about the problems with the elevators.*

CHA has made a concerted effort to update residents and explain all new information regarding the status of the elevators on a regular basis. Regular meetings are held in the building, the Resident Council is updated as soon as information is available (sometimes on a daily basis) and an elevator update phone line has been established so that residents can get up to the minute information on service interruptions.

CHA has information on the elevator modernization on its website: [www.cambridge-housing.org](http://www.cambridge-housing.org) and has delivered written copies of this information to the City Council in April 2011, May 2011 and June 2011. The CHA holds public meetings on the second and fourth Wednesdays of each month and CHA Board agendas are posted at City Hall and on the CHA website.

*Concern: The work performed by US Elevator at Manning Apartments is suspect, since the elevator failed state inspection on three separate occasions.*

The elevator had three inspections by the same inspector and each time, different code issues were cited. Each time, the work previously cited was corrected and the inspector found something new. The two substantive inspection issues were:

1. Duct work in the room below the elevator penthouse had to be covered with drywall, even though this was a grandfathered condition and had passed numerous elevator inspections since initial occupancy of the building. This was not in the scope of work with US Elevator and work was completed by CHA.
2. There was an issue with the overhead clearance for the car and counterweight - - even though this design had been reviewed and approved by the State Elevator Inspection Division prior to the start of construction. This issue was resolved after an appeal to the Commissioner of Public Safety and a subsequent meeting with the Chief of Inspection-Elevators. The original design, as approved prior to construction, was found to be code compliant.

In total, the car was ready for inspection on 9/3/11 and was finally passed by the State on 11/18/11. This delayed the project almost three months - - and was not due in any way to the quality of workmanship by US Elevator. The elderly and disabled residents of Manning Apartments bore the brunt of this delay.

*Concern: What happened on 11/29/11. Why were both elevators at Manning out of service twice?*

The new elevator car at Manning was vandalized on 11/27/11, resulting in a partially severed traveling cable (CHA filed a report with Cambridge Police Department (CPD)). This took the elevator out of service on 11/27/11 and resulted in intermittent service on 11/28 and 11/29. At the same time, there was an issue with the fire service connection to the new elevator and the old car, which is antiquated and has been under heavy service since construction began on 6/18/11, which caused it to go out of service twice that day.

While both elevators were down on 11/29, Cambridge Fire Department (CFD) response was outstanding. CHA staff ran errands for residents and had food and water available for individuals who were stuck on the first floor. Everyone involved understood it was a terrible inconvenience for the residents. The elevator was back in service by 7 pm. CFD stayed on site overnight as a precaution, along with US Elevator.

CHA staff met with representatives from Inspectional Services Department (ISD) and CFD on 11/30 to establish a contingency plan and options for

\*Updates from 12/7/11 are in bold.

temporary evacuation of the building, if it ever becomes necessary.