

OFFICE OF INSPECTOR GENERAL
City of Chicago



***INSPECTOR GENERAL'S OFFICE ADVISORY
CONCERNING
UNLICENSED FIRE SPRINKLER CONTRACTORS
PERFORMING INSPECTIONS WITNESSED BY
CHICAGO FIRE DEPARTMENT PERSONNEL***

MAY 2013

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OFFICE OF INSPECTOR GENERAL
City of Chicago

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VIA ELECTRONIC DELIVERY

May 15, 2013

José A. Santiago
Fire Commissioner
Chicago Fire Department
3510 S. Michigan Avenue, Floor 2
Chicago, IL 60653

Dear Commissioner Santiago:

The City of Chicago Inspector General's Office (IGO) has concluded an inquiry which found that the Chicago Fire Department (CFD) Fire Prevention Bureau does not ensure that all City-mandated tests of fire pumps used for standpipe or sprinkler systems are performed by appropriately licensed contractors. The IGO identified and referred to the Illinois Attorney General six contractors that conducted pump tests in the presence of CFD personnel but for which the Office of the State Fire Marshal (OSFM) has no record of any fire sprinkler license. The purpose of this letter is to inform you of our findings and offer suggestions for addressing this situation to minimize future risk to the City and residents.

I. CITY AND STATE REQUIREMENTS

The Municipal Code of Chicago (M.C.C.) requires building owners to obtain tests of all fire pumps, at the time of installation and every year thereafter. Fire pumps, used to provide or enhance water pressure from available water mains, are common features of standpipe and sprinkler systems. Such systems, with varying exceptions, are required in all high rise buildings taller than 80 feet and other specific types of buildings as specified in the Fire Code. Building owners hire private contractors to perform fire pump tests. The City's Fire Code requires that these tests be performed "in the presence of a representative" of the Fire Prevention Bureau.¹

Illinois law requires that any contractor performing inspections or tests of fire sprinkler systems and control equipment (such as fire pumps) meet minimum qualifications and obtain a license from the OSFM.² The stated purpose of the Illinois Fire Sprinkler Contractor Licensing Act is

¹ M.C.C. § 15-16-260 (Standard Sprinkler Systems, System tests); § 15-16-1150 (Standard Inside Standpipe Systems, Test method); § 15-16-1160 (Standard Inside Standpipe Systems, Annual test required).

² 225 ILCS 317/30(f). The license requirement does not apply to individuals performing inspections or tests on behalf of a municipality or other public entity. The tests and inspections at issue here are performed by contractors hired by building owners and not on behalf of the City. Fire sprinkler contractor is defined as any person in the

“to protect, promote, and preserve the public health and general welfare by providing for the establishment of minimum standards for licensure of fire sprinkler installation contractors.”³ If OSFM is notified that an unlicensed contractor is performing fire pump or sprinkler tests, OSFM has a duty to refer the case to the Attorney General’s Office. The Attorney General’s Office may apply for injunctive relief to enjoin an unlicensed contractor from practicing unlicensed activities.⁴ In addition, any person who violates the Licensing Act is subject to Class A misdemeanor and a minimum fine of \$100; each day’s violation is a separate offense.⁵

A representative of OSFM, Chicago Division, stated to the IGO that it is a property owner’s obligation to have the tests completed by a licensed contractor but asserted that if CFD discovers that an inspection was conducted by an unlicensed contractor, CFD is required to notify OSFM. The representative also noted that Chicago’s practice of requiring a fire department representative to watch private contractors perform the pump tests is unusual and not required by other Illinois municipalities.

II. CFD FIRE PREVENTION BUREAU, PUMP SECTION

The CFD Fire Prevention Bureau (FPB) Pump Section schedules and observes annual tests of fire pumps utilized for standpipe or sprinkler systems. The IGO interviewed a senior FPB member who stated that FPB personnel are responsible for ensuring that fire pump tests are done in a safe manner, writing up any fire code violations, and making sure contractors are not defrauding the building owners by recommending excessive repairs.

The FPB representative explained that CFD does not select the contractors performing the tests; rather, building owners are responsible for hiring the contractor. Once hired by the building owner, the contractor submits an application on behalf of the owner to CFD, and a member of the FPB calculates the test fee. The application does not require the contractor or owner to certify that the contractor is licensed. When CFD receives payment from the owner, a member of the Pump Section schedules the test.

A Pump Section inspector attends and observes the private contractor perform the tests. CFD reported to the IGO that a “qualified licensed contractor” must perform the fire pump tests, but FPB inspectors present at pump tests do not require contractors to provide proof that they are licensed before they perform the tests. After the test is conducted, the FPB inspector completes a Pump Data Report, which is entered into Hansen, the City’s permit database.

The FPB representative reported that CFD has no protocol to follow when FPB inspectors discover that contractors are not properly licensed. There have been previous occasions when the State Fire Marshal has notified CFD that certain pump contractors were not licensed and in

business of installing or repairing fire sprinkler systems, including accessory fire pumps and associated piping, fire standpipes, or underground fire main systems. 225 ILCS 317/10. Licensees are required to have certification in sprinkler testing and must have a licensed engineer or individual certified in fire protection technology on staff. 225 ILCS 317/15, 20, 30(f). Licensees must also meet certain insurance and continuing education requirements. 225 ILCS 317/15, 35.

³ 225 ILCS 317/5.

⁴ 225 ILCS 317/12.

⁵ 225 ILCS 317/95.

such instances, FPB has asked the contractor to provide proof of its license. But, the FPB representative noted, even if there is a question regarding a contractor's license, CFD does not prohibit the contractor from performing inspections or tests.

The Fire Prevention Bureau Inspection Manual, Chapter 15, provides instructions for performing inspections of sprinkler systems, and includes the minimum code requirements for a fire pump. The Inspection Manual, however, does not provide instructions for an inspector observing a pump test.

III. IGO ANALYSIS OF CFD FIRE PUMP TEST RECORDS

CFD provided the IGO with a list of the names of all contractors that performed fire pump tests from January 2006 through September 2010 as well certain Hansen database records showing detailed information regarding the pump tests. IGO investigators cross-referenced this information with the list of licensed fire sprinkler contractors posted on OSFM's website.⁶ Based on this review, the IGO identified six contractors performing City-mandated pump tests, which did not appear on the OSFM licensed contractor list. OSFM reported to the IGO that it has no record of fire sprinkler contractor licenses, current or historical, for any of the six companies identified. IGO review of CFD records from the City's Hansen database found that from January 2006 through November 2011, the six contractors performed a total of 3,525 fire pump tests. The IGO has referred these contractors to the Illinois Attorney General's Office for enforcement of the state's licensing requirements.

IV. CONCLUSION

The IGO's finding that CFD's Fire Prevention Bureau does not—at a minimum—check publicly posted lists of licensed fire sprinkler contractors before scheduling a pump test, calls into question CFD's role in administering and observing the pump test process. The state licensing requirements are designed to preserve the public health and general welfare by establishing minimum training and certification standards for fire sprinkler contractors. Moreover, in light of the Fire Prevention Bureau's active role in scheduling and monitoring pump tests, CFD is effectively endorsing the propriety and compliance of the test, implicitly representing that the test complies with all applicable laws and regulations. Allowing unlicensed contractors to perform City-mandated tests exposes the City and its residents to unnecessary risk.

The IGO suggests that CFD, as part of its administration of the City's Fire Code, confirm that a contractor is properly licensed before scheduling any fire pump tests or inspections with that contractor and immediately report any unlicensed contractors to OSFM. Appropriate protocols for such confirmation should be documented in policies and procedures used by FBP inspectors observing pump tests.

More broadly, the IGO's findings here call into question the larger value of the Chicago Fire Code's requirement that an FPB representative personally observe every test performed by a private contractor. The OSFM representative noted that FPB inspectors do not necessarily possess the engineering or technical qualifications of the licensed contractors required to perform

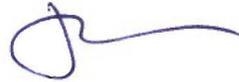
⁶ Office of State Fire Marshal, Fire Sprinkler Contractors, <http://www.sfm.illinois.gov/commercial/buildings/sprinklerlicense.aspx>, accessed April 22, 2013.

the tests, yet the Chicago Fire Code requires FPB to be present at the tests. The FPB representative explained to the IGO that FPB inspectors ensure tests are performed safely and honestly, and they document any fire code violations. The only requirement provided in the municipal code is that the FPB representative be present. But if FPB is not, at a minimum, ensuring that tests are performed by licensed contractors, accomplishment of these objectives are at least partially in doubt.

While we recognize that the City's municipal code requires the presence of FPB representatives during these tests, OSFM reported that this is an unusual requirement within the state, and may not be the best use of limited CFD resources. The IGO therefore encourages CFD to evaluate whether the code requirement that pump tests be performed in the presence of FPB representatives remains the most effective use of resources and CFD expertise.

The IGO invites CFD to respond in writing to the above before June 14, 2013. Any such CFD response will be made public along with the IGO's advisory.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', with a long horizontal flourish extending to the right.

Joseph M. Ferguson
Inspector General
City of Chicago

CITY OF CHICAGO OFFICE OF THE INSPECTOR GENERAL

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The Chicago Inspector General's Office (IGO) is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, and integrity in the administration of programs and operations of City government. The IGO achieves this mission through:

- Administrative and Criminal Investigations
- Audits of City programs and operations
- Reviews of City programs, operations and policies

From these activities, the IGO issues reports of findings, and disciplinary and policy recommendations to assure that City officials, employees and vendors are held accountable for the provision of efficient, cost-effective government operations and further to prevent, detect, identify, expose and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

AUTHORITY

The authority to produce reports and recommendations on ways to improve City operations is established in the City of Chicago Municipal Code § 2-56-030(c), which confers upon the Inspector General the following power and duty:

To promote economy, efficiency, effectiveness and integrity in the administration of the programs and operations of the city government by reviewing programs, identifying any inefficiencies, waste and potential for misconduct therein, and recommending to the mayor and the city council policies and methods for the elimination of inefficiencies and waste, and the prevention of misconduct.