



CITY COUNCIL AGENDA REPORT

MEETING DATE: March 1, 2005

ITEM NUMBER:

SUBJECT: COSTA MESA POLICE FACILITY BASEMENT RENOVATION

DATE: FEBRUARY 10, 2005

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUNOZ, CITY ENGINEER, (714) 754-5343

RECOMMENDATION:

1. **COSTA MESA POLICE FACILITY BASEMENT RENOVATION - CITY PROJECT NO. 04-26**

- A. Approve Budget Adjustment No. 05-065 (Attachment 1) in the amount of \$85,000.
- B. Approve Budget Adjustment No. 05-066 (Attachment 2) in the amount of \$50,650.
- C. Award a construction contract to Pardess Air, Inc., 1769 Kelton Avenue, Los Angeles, CA 90024, in the amount of \$310,000 (base bid only).
- D. Authorize the Mayor and Deputy City Clerk to execute the Public Works Agreement.

2. **ASBESTOS ABATEMENT AT COSTA MESA POLICE FACILITY BASEMENT - CITY PROJECT NO. 04-27**

- A. Authorize staff to negotiate a contract with a qualified asbestos abatement contractor for the total amount not to exceed \$18,000; and authorize the City Manager to execute the Public Works Agreement.

BACKGROUND:

In February of 2002, the City Council approved an appropriation of \$883,100 to fund the architect and consultant fees for the design and development of construction documents as well as bidding/negotiation and the construction administration for the entire Police Facility Renovation and Expansion Project. In May of 2003, due to fiscal constraints, it was determined the project should be suspended at the completion of the construction document phase pending the identification of a funding source for the construction phase of the project.

Due to the pressing space needs of the Police Department, the architect (Meyer and Allen Associates, Inc.) was asked to provide a cost estimate for a separate set of construction documents that isolated the proposed women's locker room and provided a temporary remodel of the basement evidence storage rooms. This abbreviated project was identified as the Police Facility Basement Renovation Project.

At the June 16, 2003 Council meeting, the City Council approved staff's recommendation to proceed with the design of the Basement Renovation Project based upon the preliminary cost estimate of \$300,000.

The construction documents were subsequently prepared for the Basement Renovation Project. The firm of Davis Langdon Adamson (DLA) was utilized by the architect to perform the formal construction cost estimates. DLA submitted their cost estimates on August 10, 2004, after the architect completed the construction documents for both the larger Police Facility Expansion and Renovation Project and the smaller Basement Renovation Project. The construction cost for the Basement Renovation Project was estimated at \$570,000. This estimate reflected a 90 percent increase in the cost previously estimated in June 2003.

At the City Council Study Session meeting on November 8, 2004, staff presented the issue of the disproportion between the initial and subsequent cost estimates and explained that the industry had suffered sharp rises in construction costs during the past year. This increase is based on the high demand for labor and materials in the industry over the preceding year. Staff requested direction from Council as to whether the project was still supported considering the significant increase in costs. Direction was given to proceed and solicit bids for the project and analyze the results that were obtained.

During the design of the Police Facility Expansion and Renovation Project and subsequently the Basement Renovation Project, several areas of asbestos-containing materials were identified throughout the facility. Most of the materials are limited to floor tiles, floor-molding mastic, mastic behind mirrors in the gym, and an abandoned shower facility. The City retained the services of EMG, an environmental consultant, to evaluate the asbestos-containing materials that would be affected by the Basement Renovation Project. To that end, EMG prepared specifications to abate the materials in areas directly impacted by the Basement Renovation Project. These specifications were incorporated into a separate project that would abate the asbestos-containing materials immediately prior to the commencement of the Basement Renovation Project.

ANALYSIS:

Costa Mesa Police Facility Basement Renovation - Project No. 04-26

The Deputy City Clerk received and opened seven bids for this project on January 19, 2005. Pardess Air, Inc. was the apparent low bidder with a base bid proposal of \$310,000. As previously mentioned, the Engineer's estimate was \$570,000. The average of the seven bids received amounted to \$491,059.65. The Bid Abstract is included as "Attachment 3."

The bid from Pardess Air is 45.6 percent lower than the Engineer's estimate and 37 percent lower than the average of the seven bids. The disparity between the Engineer's estimate and the apparent low bidder's estimate can possibly be attributed to a slow-down in the industry during the holiday period in addition to a slight decrease in industry costs noted in the last quarter of the year. Staff has reviewed the schedule of values presented by Pardess Air and confirmed with them that their bid represents a responsive bid to this project and there are no apparent erroneous calculations contained in their bid. The license and references of Pardess Air were checked and staff has found them to be in good standing. Pardess Air has performed as a general contractor on similar renovation projects, including the Wilson Elementary School Modernization Project, and the Coolidge Elementary School Library and Media Center Construction Project (both in the San Gabriel Unified School District); and the City of Upland's Fire Department HVAC Replacement/Remodel Project.

Asbestos Abatement at Costa Mesa Police Facility Basement - Project No. 04-27

The bid opening was scheduled for January 24, 2005. The Deputy City Clerk received no bids for this project.

The Public Contract Code, Section 20166, allows the City Council to direct the work to be performed without further complying with the formal bid procedures since no bids were received. The City Attorney's office has reviewed this action and has found it to be in compliance with the applicable regulations. Upon approval of this recommendation by the City Council and in order to allow for this work to proceed in a timely manner, staff will begin negotiations starting with the contractors who attended the mandatory walk-through. The negotiated price shall not exceed the amount of \$18,000 budgeted for this project.

ALTERNATIVES CONSIDERED:

An alternative to the recommended actions would be to postpone the Basement Renovation Project and incorporate it into the larger Police Facility Expansion and Renovation project when a funding source becomes available. This alternative does not address two of the most critical space needs of the Police Department: the women's locker room, and the evidence storage areas.

The second alternative to the recommended actions would be to readvertise the projects. Staff believes that readvertising the projects will not result in lower bids and will significantly delay the construction of the Basement Renovation Project.

FISCAL REVIEW:

The City Council first appropriated funding for this project in Fiscal Year 2002-03. There is currently \$264,486 appropriated and available for this project in the PD Locker Room Remodel Project. The attached Budget Adjustment, No. 05-065, executes the transfer of \$85,000 from the General Fund undesignated balance to the Capital Outlay Fund and appropriates the same amount to the PD Locker Room Remodel Project 200019. Additionally, Budget Adjustment No. 05-066 will transfer \$50,650 from the PD Facility Remodel Project 200018 to Project 200019. Both of these adjustments and the existing balance in Project 200019 will provide sufficient funding for the PD Locker Room Remodel.

LEGAL REVIEW:

Pardess Air has furnished the necessary bonds and insurance for the Basement Renovation Project, which have been approved as to form by the City Attorney. After the award and subsequent execution of the contract, a "Notice to Proceed" will be issued.

Public Contract Code 20166 allows the legislative body, in its discretion, to direct the work to be performed without further complying with the formal bid procedures since no bids were received for the Asbestos Abatement Project. The City Attorney concurs with the recommended action. If successful in negotiating a contract, the selected contractor will furnish all necessary insurance and bond documents, which will be approved as to form by the City Attorney.

CONCLUSION:

Staff recommends that the City Council approve the two Budget Adjustments, Nos. 05-065 and 05-066; award a contract to Pardess Air, Inc. in the amount of \$310,000; authorize the Mayor and the Deputy City Clerk to execute the Public Works Agreement; authorize staff to negotiate a contract and proceed with the Asbestos Abatement Project; and authorize the City Manager to execute the Public Works Agreement.

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DISTRIBUTION: City Manager
City Attorney
Deputy City Clerk
Chief of Police
Staff
File

ATTACHMENTS: "1" [Budget Adjustment No. 05-065](#)
"2" [Budget Adjustment No. 05-066](#)
"3" [Bid Abstract](#)

File Name Award PD Basement
Renovation Report

Date 02-10-05

Time 4:15 p.m.