



CITY COUNCIL AGENDA REPORT

MEETING DATE: August 15, 2006

ITEM NUMBER:

SUBJECT: HAZARDOUS MATERIALS ABATEMENT - COSTA MESA POLICE FACILITY - CITY PROJECT NO. 06-12

DATE: JULY 24, 2006

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. Approve Budget Adjustment No. 07-002 (Attachment 1) in the amount of \$72,000 as detailed under the Fiscal Review section of this report.
2. Award a construction contract to TEG/LVI Environmental Services, Inc., 13320 Cambridge Street, Santa Fe Springs, CA 90670, in the amount of \$72,000.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

At the June 21, 2005 City Council meeting, Council approved the FY 2005-06 Operating and Capital Improvement Budget, which included \$22,500,000 for the Police Facility Expansion and Renovation Project. The project consists of an approximate 11,000 square-foot expansion to the existing building; a renovation of approximately 75 percent of the existing building; a seismic retrofit of the existing building; and the construction of additional parking areas. The construction of the entire project is anticipated to last approximately 30 months with a tentative start date of October 2006.

In March 2006, City staff retained the services of EMG Group, an environmental consulting firm, to perform a hazardous materials survey within the existing Police Facility to test suspicious materials for hazardous material content. The consultant conducted a survey and laboratory testing of various materials to determine the level of hazardous material content, if any. The report identified certain materials that were found to contain asbestos or lead to the level that hazardous materials abatement would be required, pursuant to local, state, and federal regulations. The most significant materials identified were the floor coverings (tile and linoleum), a small segment of the built-up roofing, and the spray-on acoustic ceiling. In order to remove these materials prior to renovation of the existing facility, the abatement work must be performed by a licensed hazardous materials abatement contractor.

The scope of work for this project includes removal and disposal of hazardous materials (including asbestos and lead containing materials) per the project specifications. The contractor shall furnish all materials, tools, equipment, and incidentals necessary to perform and complete the work as described in the contract documents, to the satisfaction of the Engineer.

ANALYSIS:

The City Clerk received and opened four (4) bids for this project on June 22, 2006. TEG/LVI Environmental Services, Inc. was the apparent low bidder with a total bid proposal of \$72,000. The Engineer's estimate was \$145,000; and the average of the four (4) bids received amounted to \$163,100. An analysis of the bids indicates that the apparent low bidder submitted a proposal that is 50 percent lower than the Engineer's estimate. The Bid Abstract is included as "Attachment 2."

The license and references of TEG/LVI Environmental Services were checked and staff has found them to be in good standing.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all the bids. If all the bids are rejected, the City would have to readvertise or cancel the project. Staff believes that readvertising the project will not result in lower bids.

FISCAL REVIEW:

The attached Budget Adjustment, No. 07-002, appropriates \$72,000 towards the contract to TEG/LVI Environmental Services. Funding for the Police Facility Expansion and Renovation Project will come from debt proceeds. Finance anticipates issuing the debt sometime this year; at that time, staff will provide debt-financing options to the City Council. Council approved Resolution No. 05-83, a reimbursement resolution, on December 6, 2005 to allow the City to incur expenditures related to this capital project prior to issuance of the debt.

Should the City determine not to proceed with the project or the debt financing in the future, the funds expended for hazardous materials abatement would be funded from the General Fund undesignated fund balance.

LEGAL REVIEW:

TEG/LVI Environmental Services has furnished the necessary bonds and insurance, which were approved as to form by the City Attorney's office. After the award and subsequent execution of the contract, a "Notice to Proceed" will be issued.

CONCLUSION:

It is recommended that the City Council approve Budget Adjustment No. 07-002 in the amount of \$72,000; award the contract to TEG/LVI Environmental Services, Inc. in the amount of \$72,000; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: "1" [Budget Adjustment No. 07-002](#)
"2" [Bid Abstract](#)

DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
City Clerk
Staff
File

File Name Award Hazardous
Materials Abatement Rpt

Date 07-24-06

Time 4:30 p.m.