

CITY OF LONG BEACH

R-8

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 13TH Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

November 10, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. R-7043 for the City of Long Beach Old Court House Abatement and Demolition; award a contract to Environmental Construction Group, Inc., of Signal Hill, CA, in an amount of \$3,690,000 for abatement only, and authorize a 20 percent contingency, for a total contract amount not to exceed \$4,428,000; and authorize the City Manager or designee to execute all documents necessary to enter into the contract, including any necessary amendments thereto.

Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$1,373,000 for a transfer to the Capital Projects Fund (CP) in the Public Works Department (PW); and increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,373,000, for a total project cost of \$4,428,000, offset by \$3,055,000 in currently appropriated Fiscal Year 2016 non-recurring General Fund resources and the remainder from bond proceeds. (District 2)

DISCUSSION

City Council approval is requested to enter into a contract with Environmental Construction Group, Inc., for the abatement of the City of Long Beach Old Court House.

The City of Long Beach currently owns the property located at 415 West Ocean Boulevard, Assessor Parcel Number 7280-025-900 (Subject Property) (Exhibit A). The Subject Property is approximately 165,287 square feet of land area and contains the former Long Beach Courthouse building and appurtenant parking. The Courthouse building measures approximately 330,000 square feet and consists of six stories plus a basement (Improvements). The former Redevelopment Agency acquired the property in 2009 as part of a land exchange with the State of California (State), whereby the State received fee title to the property currently developed as the Governor George Deukmejian Courthouse while the former Redevelopment Agency received fee title to the Subject Property in return. As part of the statewide dissolution of redevelopment agencies, the Subject Property became part of the assets owned by the City of Long Beach, as Successor Agency to the former Redevelopment Agency (Successor Agency) and was included in the Successor Agency's Long Range Property Management Plan (LRPMP), which was approved by the State of California Department

of Finance (DOF) on March 10, 2015 and has been categorized with a permissible use of "Government Use." This approval allowed for the Subject Property to be conveyed to the City of Long Beach and incorporated into the new Civic Center. Before and after conveyance, staff had pursued the State for funding related to environmental abatement and demolition of the old courthouse. Nonetheless, the State unilaterally determined that abatement and demolition is a local obligation and refused to provide funding.

The Improvements contain a substantial amount of asbestos-containing materials and lead-based paint. Regardless of the future use of the Subject Property, abatement of these environmental conditions is required. As such, the City released Plans and Specifications R-7043 for the City of Long Beach Old Court House Abatement and Demolition, requesting a base bid for environmental abatement of the Improvements, as well as several alternatives for related work including demolition, shoring of the basement, removal of all site hardscape, underground utilities, grading, chain-link fencing and an infill of an underground tunnel.

Staff desires to enter into a contract with Environmental Construction Group, Inc. for an amount not to exceed \$4,428,000 to allow for abatement work to proceed. The potential completion of the demolition of the improvements will require future action by the City Council.

The bid was advertised in the Press-Telegram on October 7, 2015 and 6,832 potential bidders specializing in abatement and demolition were notified of the bid opportunity. Of those bidders, 59 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 business groups that represent local, minority and women-owned businesses. Bid documents were also sent to several trade publications and plan rooms catering to these groups within the construction industry. Seven bids were received on October 23, 2015. Of those seven bidders, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), three were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Locals). Environmental Construction Group, Inc., of Signal Hill, CA (SBE), was the lowest responsible bidder.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download bid specifications. Through outreach, 707 Long Beach vendors were notified to submit bids, of which nine downloaded the bid documents and none submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 26, 2015 and by Assistant Finance Director Lea Eriksen on October 29, 2015.

TIMING CONSIDERATIONS

City Council action to adopt Plans and Specifications R-7043 and award a contract concurrently for the Base Bid only is requested on November 10, 2015 to ensure that the contract is in place expeditiously.


FISCAL IMPACT

The contract award amount will not exceed \$4,428,000 and will cover environmental abatement only. Of the total contract award, the total base bid project cost is estimated at \$3,690,000 and 20% contingency of \$864,500. As reported to the Budget Oversight Committee on August 18, 2015, this project will be supported by \$3,055,000 in currently appropriated FY 16 non-recurring General Fund (GF) resources and the remaining \$1,373,000 of the City's cost for this contract will be bond financed. The bond issuance is planned for City Council approval in early 2016. If the Courthouse abatement project precedes the bond issuance, interim funding may be provided by General Fund reserve funds that will be reimbursed from the proceeds of the Courthouse demolition bonds, when issued. An appropriation increase of \$1,373,000 is requested in the General Fund (GF) in the Citywide Activities Department (XC) to transfer funds to the Capital Projects Fund (CP) in the Public Works Department (PW) where an appropriation increase of \$1,373,000 is also requested for the project. Award of this contract anticipates a positive local job impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC &
PROPERTY DEVELOPMENT

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JOHN GROSS
DIRECTOR OF FINANCIAL
MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER