



Legislation Text

File #: 15-1309, **Version:** 1

Recommendation to authorize City Manager to amend Contract No. 34080 with Environmental Construction Group, Inc., of Signal Hill, CA, to increase the scope of work to include the demolition of the old County Courthouse building and to increase the contract amount by \$1,559,000, for a revised contract amount of \$5,987,000, and authorize a 20 percent contingency in the amount of \$1,197,400, for a total contract amount not to exceed \$7,184,400;

Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$2,756,400 for a transfer to the Capital Projects Fund (CP) in the Public Works Department (PW); and

Increase appropriations in the Capital Projects Funds (CP) in the Public Works Department (PW) by \$2,756,400, for a total project cost of \$7,184,400, offset by currently appropriated Fiscal Year 2016 (FY 16) one-time General Fund strategic investments, and the remainder from bond proceeds. (District 2)

City Council approval is requested to amend Contract No. 34080 with Environmental Construction Group, Inc. (ECG), to increase the scope to include demolition of the old County Courthouse. ECG was the lowest qualified bidder on Plans and Specifications No. R-7043, the scope of which included environmental abatement and demolition of the old County Courthouse.

On November 10, 2015, the City Council awarded Contract No. 34080 to Environmental Construction Group, Inc. (ECG), in the amount of \$4,428,000 for the environmental abatement of the old County Courthouse to address significant issues of public safety. Staff now desires to amend the contract to include demolition of the old County Courthouse building.

Environmental abatement has begun with an anticipated completion date in late February 2016. In order to deliver this site for start of construction of the Civic Center Project on June 1, 2016, demolition efforts must begin immediately after completion of environmental abatement.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 7, 2015 and by Budget Management Officer Vitoria Bell on December 4, 2015.

City Council action to amend Contract No. 34080 is requested on December 15, 2015, to ensure that the demolition of the old County Courthouse building is completed expeditiously.

The contract amount will not exceed \$7,184,400 and will cover the full amended scope of the bid. Of the total contract award, the environmental abatement cost as approved by City Council on November 10, 2015 is budgeted at \$4,428,000. This contract amendment will increase the amount for abatement and demolition to \$7,184,400, including the recommended 20 percent contingency of \$1,197,000.

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 one-time General Fund strategic investments, and the remaining \$4,129,400 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 old County 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 appropriations increase of \$2,756,400 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 appropriations increase of \$2,756,400 is also requested for the project. Award of this contract anticipates a positive local job impact.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC & PROPERTY DEVELOPMENT

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER