



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Tell and Members of the City Council

THROUGH: David N. Carmany, City Manager

FROM: Jim Arndt, Director of Public Works
Steve Finton, City Engineer
Ish Medrano, Project Manager

DATE: January 17, 2012

SUBJECT: Update from the Ad Hoc Facilities Renovation Subcommittee Related to Value Engineering Items and Additional Costs Related to Lead and Asbestos Abatement at the Joslyn Center, Manhattan Heights Community Center and Begg Pool Locker Room Facilities.

RECOMMENDATION:

Staff recommends that City Council receive an update from the Ad Hoc Facilities Renovation Subcommittee related to value engineering items (\$107,934 credit) and additional asbestos and lead abatement work (\$137,189.43).

FISCAL IMPLICATION:

Funding for this project has been appropriated by City Council in the amounts indicated in Table 1 below.

Table 1	Budget	March 1, 2011 Appropriation	Dec. 6, 2011 Appropriation	Total
Joslyn Center Renovation CIP 11841E		\$718,000	\$908,669	\$1,626,669
Manhattan Heights Renovation CIP 11842E		508,000	1,130,979	1,638,979
Begg Pool Renovation CIP 11843E		706,000	(361,503)	344,497
	Total Appropriations	\$1,932,000	\$1,678,145	\$3,610,145

Tables 2 and 3 on the following page provide anticipated expenditures in summarized format and in detail by facility.

Table 2 SUMMARY OF ANTICIPATED EXPENDITURES - ALL THREE FACILITIES	
Total Appropriations	\$3,610,145
Design Contract (Andresen Architects, Inc.)	\$143,900
Misc. Expenses (CEQA Filing Fee, Bid Advertising)	\$971
Fumigation	\$12,500
Construction Contract Harbor Construction Co. Inc. 12/6/11	\$3,173,000
Change Order No. 1 – Delete Roofing at Begg (credit) 12/6/11	(\$69,115)
Change Order No. 2 – Value Engineering (credit) described on Pg. 4	(\$107,934)
Change Order No. 2 – Asbestos and lead abatement	\$137,189.43
Total Change Order No. 2	\$29,255.43
Asbestos testing and industrial hygienist (ALTA Environmental)	\$10,000
Total Estimated Project Cost	\$3,300,511.43
Remaining Contingency Funding	\$309,633.57

The following is a breakdown of individual facility expenses.

Table 3 EXPENDITURE DETAIL BY FACILITY	
Joslyn Center	
Portion of Andresen Architects, Inc. contract chargeable to Joslyn Center	\$52,745
Fumigation	\$7,500
Lead and Asbestos Abatement	\$71,339.43
Asbestos testing and industrial hygienist (ALTA Environmental)	\$5,200
Misc. Expenses	\$324
<i>Construction Contract - Base Bid</i>	<i>\$1,361,000</i>
<i>Additive Alternate to paint sides and rear of structure</i>	<i>\$19,000</i>
<i>Additive Alternate to include audio system</i>	<i>\$26,000</i>
Total Contract (Base Bid + Alternates)	\$1,406,000
10% Contingency	\$140,600
Value Engineering Items	(\$28,893)
Total Joslyn Center Renovation	\$1,514,215.43
Manhattan Heights Community Center	
Portion of Andresen Architects, Inc. contract chargeable to Manhattan Heights	\$48,255
Fumigation	\$5,000
Lead and Asbestos Abatement	\$49,388
Asbestos testing and industrial hygienist (ALTA Environmental)	\$3,600
Misc. Expenses	\$324
<i>Construction Contract - Base Bid</i>	<i>\$1,410,000</i>
<i>Additive Alternate to paint sides and rear of structure</i>	<i>\$14,000</i>
Contract amount (Base Bid Plus Alternate)	\$1,424,000
10% Contingency	\$142,400
Value Engineering Items -	(\$79,041)
Total Manhattan Heights Renovation	\$1,451,526
Begg Pool and Locker Room	
Portion of Andresen Architects, Inc. contract chargeable to Begg Pool	\$42,900
Misc. Expenses	\$323
Lead and Asbestos Abatement	\$16,462
Asbestos testing and industrial hygienist (ALTA Environmental)	\$1,200
Construction Contract - Base Bid	\$343,000
Value Engineering - Eliminate Re-roofing (Change Order No. 1)	(\$69,115)
10% Contingency	\$27,389
Total Begg Pool Renovation (Maintenance Items Only)	\$334,770

	Total	\$3,300,511.43
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BACKGROUND:

The Joslyn Center and Manhattan Heights Center are two of the City’s most heavily used community buildings. Improvements to these facilities were deferred as the City conducted its Facility Strategic Planning process. The last improvement to the facilities was completed in 1999.

Consideration of Deferred Maintenance Needs

On September 28, 2010, staff presented a report to City Council to illustrate the extent of deferred maintenance needs at City facilities. This list included maintenance items such as paint, air conditioning, windows, flooring, cabinets, restrooms, roofing, etc.

Enhancements

On September 28, 2010, City Council requested that staff meet with facility users to determine what facility enhancements they desired. The users requested enhancements to the audio visual system, Wi-Fi, kitchen upgrades, stage improvements, additional storage and other room modifications to enhance function at the facilities.

Council Direction

On February 1, 2011, City Council considered the desired improvements and directed staff to move ahead with all deferred maintenance items and select enhancements requested by users. On March 1, 2011, City Council appropriated \$1,932,000 for the improvements.

Design Process and Additional Requirements to Meet Code

On August 2, 2011, City Council awarded a contract to Andresen Architects, Inc. in the amount of \$128,900 to prepare plans and specifications for the Joslyn Center, Manhattan Heights Community Center and Begg Pool Renovation Projects. During the design process, it was required that additional work be included in the project to meet code. The additional work consists of accessibility improvements, fire suppression systems and commercial kitchen improvements. These additions added scope and cost to the project; however, total costs were estimated to be within the \$1,932,000 appropriation.

Plan Approval and Bidding

On October 18, 2011, City Council approved plans and specifications for the Manhattan Heights Community Center and Begg Pool Locker Room renovations. On November 1, 2011, City Council approved plans and specifications for the Joslyn Center Renovation Project. Staff combined the three renovation projects into a single bid package. Bids were received on November 17, 2011 with the low bid of \$3,114,000.

Construction Contract Award

On December 6, 2011, City Council awarded the construction contract to Harbor Construction Co., Inc. in the amount of \$3,173,000 including all base bid items and three additive alternate items. City Council also authorized a 10% contingency and appropriated additional Capital Improvement Funds in the amount of \$1,678,145 bringing total appropriations for the project to \$3,610,145 (see ‘Total appropriation’, Table 2). During discussions regarding the award of contract, City Council expressed a desire to perform value engineering to reduce costs.

City Council Ad Hoc Subcommittee

On January 3, 2012, the City manager gave a report related to the progress of value engineering efforts on this project. Earlier at the meeting, residents indicated objection with the value engineering process and the cost savings proposed for the Manhattan Heights Kitchen and Joslyn room partition. In response, City Council established an Ad Hoc subcommittee consisting of Councilmembers Powell and Lesser to identify value engineering items that would be acceptable to the community.

DISCUSSION:

Value Engineering

Cost savings can be achieved through value engineering by reducing costs while retaining intended use. Staff and the contractor explored many potential value engineering items and determined the following can be implemented while maintaining the full use of the intended improvement.

Value Engineering Items	Credit
1. Change flooring at the Joslyn Center and Manhattan Heights from Forbo Marmoleum tile to Forbo Marmoleum Composition Tile. (\$10,478 Joslyn, \$6,115 Heights)	\$16,593
2. Change handicap ramp handrail from aluminum to galvanized steel at the proposed ramp leading from Manhattan Heights to the Creative Arts Center parking area.	\$31,178
3. Construct wood framed roof equipment screens in lieu of removal and replacement with a metal screen wall system at Manhattan Heights.	\$41,748
4. Eliminate room improvements to the northwest green room and staff office north of the main Joslyn Center entrance. Flooring replacement will be provided.	\$9,443
5. Change aluminum chair to paint grade wood in the Joslyn auditorium.	\$8,972
Subtotal New Value Engineering Items	\$107,934
6. Value Engineering item included in previous Change Order Number 1 Eliminate roofing work at the Begg Pool Locker Room.	\$69,115
Total Value Engineering Items	\$177,049

Staff met with the Senior Advisory Committee on December 29, 2011 and presented the list of value engineering recommendations proposed at that time. Members of the Committee expressed objection to two value engineering items related to the Manhattan Heights Kitchen and a room partition at the Joslyn Center Oasis room. Several members of the public spoke at the January 3, 2012 City Council meeting expressing the same objection. Those two value engineering items are not included in the list above and are no longer recommended for implementation. The kitchen at Manhattan Heights will be upgraded to full commercial kitchen status and the partition in the Oasis room will be removed and replaced.

Asbestos and Lead Abatement

Asbestos and lead are common in older structures. The materials are safe when left in-place and not disturbed; however, if disturbed, special procedures must be followed to protect workers handling the material. The Air Quality Management District and Cal OSHA require that special abatement procedures be followed when asbestos or lead containing materials are disturbed during construction and demolition activities.

The City of Manhattan Beach conducted asbestos testing and analysis in 1990. At that time, asbestos was detected in flooring throughout the Joslyn Center and the Manhattan Heights Center and in a small area of spray-applied acoustic ceiling at the Manhattan Heights Center. Staff anticipated abatement of localized areas of asbestos flooring only. As construction approached, staff became aware that the test locations in the original report did not coincide with all locations the contractor needed to disturb. Furthermore, lead testing had not been performed. The contractor could not start work until further testing was performed to determine if lead or additional asbestos containing materials existed at the facilities. In late November 2011, staff commissioned a detailed asbestos and lead testing and analysis to test locations to be disturbed. The report, completed on December 19, 2011, identifies low concentrations of asbestos in wall joint compound, stucco and window putty and low concentrations of lead in paint and ceramic tiles at several locations throughout the Joslyn Center and Manhattan Heights Center. The Manhattan Beach Unified School District recently conducted a survey of the Begg Pool Locker Room building and found asbestos in window putty and lead in wall paint. Any concentration of lead and asbestos concentrations of 0.1% or more require that demolition operations be performed following full abatement procedures. These procedures include full containment of the abatement area with plastic sheeting and use of fans equipped with filters to create negative pressure in the containment. The identification of more extensive asbestos and lead concentrations requires full building containment making full removal of asbestos flooring cost-effective.

Staff negotiated a lump sum cost of \$137,189.43 to abate the lead and asbestos through the general contractor, Harbor Construction Company. This amount is reflected in Change Order Number 2. Harbor Construction Company solicited quotes from three abatement subcontractors. Quotes ranged from \$137,189.43 to \$207,000. At the Joslyn and Manhattan Heights Centers, abatement will address flooring, paint, stucco, window putty and wall board to be disturbed by the project. At the Begg Pool Locker Room building, the abatement will address wall paint and window putty to be disturbed by painting and window replacement activities.

Presently, all lead and asbestos-containing materials are fully encapsulated and pose no risk to users. The abatement effort to be performed will remove lead and asbestos-containing material disturbed by the improvements and will extend further to remove all flooring at the facilities. Lead and asbestos materials not disturbed by the project will remain fully encapsulated at the facility and will continue to pose no risk to users. Future work at the facilities that would disturb material not abated during this abatement effort would require further abatement.

Schedule Impact of Asbestos and Lead Abatement

The original contract provides 60 working days for the contractor to complete the project without incurring liquidated damages. The abatement efforts will require 13 additional working days increasing the number of working days to 73. The Air Quality Management District requires a 10-day notification period prior to the start of abatement activities. The contractor submitted the 10-day notification on January 9, 2012; therefore, the first day of work on the project will be on January 23, 2012. If no further delays are encountered, the project should be completed on May 2, 2012. Originally, construction was to be completed by April 1, 2012.

Impact on Parks and Recreation Programs

Parks and Recreation programs housed in the Joslyn and Manhattan Heights Centers have been

relocated to other City facilities and the Masonic Lodge on Artesia Boulevard. The agreement with the Masonic Lodge is at the cost of \$1,400 per month and has been extended to accommodate project delays discussed herein. The Parks and Recreation Department was planning to hold abbreviated six-week spring programs at the Joslyn and Manhattan Heights Centers; however, the session will be cancelled due to the delays.

Accessibility Improvements (Joslyn and Manhattan Heights Centers)

Both facilities were constructed in the 1960s and were built in compliance with accessibility standards in force at that time. The Americans Disabilities Act of 1990 added accessibility regulations that required enhanced accessibility at facilities accessed by the public. Compliance with these regulations is required when facilities are substantially altered. Previous improvements at the facilities provided accessibility improvements, but did not bring the facilities into full ADA compliance. The proposed project is considered a substantial alteration triggering the full ADA compliance requirement. Although full ADA compliance wasn't the project's original goal, there is a distinct benefit to making the accessibility improvements at this time such that disabled patrons of the facilities can have full facility access. The project will provide accessibility improvements that bring the facilities into full ADA compliance as described below.

Current Condition	Improvement
Joslyn Center stage is not accessible by wheelchairs.	The stage will be modified and a wheelchair lift installed.
Joslyn Center restrooms are not ADA compliant.	The restrooms will be fully renovated with partitions and grab bars complying with ADA standards.
Manhattan Heights Center has no handicap parking.	Handicap parking will be installed in the Creative Arts Center parking lot and a ramp constructed down to the Manhattan Heights Center.
Manhattan Heights Center restrooms are not ADA compliant.	The restrooms will be fully renovated to comply with ADA standards. Requires relocation of walls and installation of compliant fixtures, grab bars and partitions.

Adequacy of Contingency and Potential Cost Risks

At this time, contingency funding in the amount of \$309,633.57 (see 'Remaining Contingency', Table 2) is available to address unforeseen additional construction items required during construction. As in any construction project, it is possible that conditions may be uncovered that require additional work at additional expense. It is possible that additional asbestos or lead containing materials will be discovered that require abatement. It is also possible that deteriorated plumbing and electrical elements may be discovered that require replacement. It is also likely that termite damage and dry rot will be discovered that needs to be addressed. It is estimated that the current contingency funding is sufficient to address these issues.

Additional Funding if Needed

Funding for this project is proved through Capital Improvement Funds (CIP Funds) appropriated by City Council. Presently, there is an unappropriated balance in the amount of \$2.8 Million in the CIP Fund. This funding would be available if project expenses exceeded current appropriations.

Attachment: None