



**Date:** January 13, 2015

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Joel V. Reitzer, Jr., Director, General Services Department

**Subject:** Amendment to contract with Terracon Consultants, Inc. for additional investigation and testing services for the Police Headquarters Complex Project

**Executive Summary:**

As part of the pre-development process and site analysis for the future Police Headquarters Complex Project, the City contracted with Terracon Consultant, Inc. (“Terracon”) for a Phase I Environmental site assessment, pre-demolition asbestos and lead paint survey and geotechnical and environmental engineering services for the selected Police Headquarters site. Terracon has completed the original scope of work; however, additional testing is recommended in order to quantify and specifically provide potential abatement/remediation estimates for soil management plans for the construction phase of work. The additional scope of work is recommended and will provide the Design and Construction Management at Risk team the information that will be necessary as part of the preconstruction phase of work.

This request is for authorization to issue a contract amendment with Terracon for additional testing and investigation services for the Police Headquarters Complex Project.

**Recommendation:**

The Department of General Services recommends that City Council:

Authorize the City Manager to execute a contract amendment to the engineering services contract with Terracon Consultants, Inc. in an amount not to exceed \$40,000.00, so that the total contract amount will not exceed \$82,691.00.

**Background:**

CIP funding in the amount of \$62,434,057.00 has been approved for the Police Headquarters Complex Project. A contract, dated November 13, 2014 was executed by the City and Terracon in the amount of \$42,691.00 for asbestos and lead paint survey report, Phase I Environmental Site Assessment report, geotechnical preliminary findings summary letter and environmental limited site investigation report. As a result of the preliminary findings, additional testing and investigation is recommended in order to provide an updated soil

management cost estimate and asbestos roof sampling investigation for use during construction.

**Issues/Analysis:**

Additional soil borings will be conducted in locations determined to have the highest potential for contamination. Additional testing of the roofing materials is recommended to identify and quantify asbestos-containing materials present in the existing site structures. Also, additional geotechnical borings and testing will be coordinated in conjunction with GWC Properties and tenants. The additional data and testing will further refine the scope and cost of potential soil and other hazardous material abatement and remediation that will be necessary as part of the development of the project. The City has received an estimate from Terracon for potential environmental remediation in the amount of \$254,000. Further, the City has received an environmental review from the Seller’s environmental consultant. The City and property sellers have negotiated an escrow agreement whereby \$500,000.00 of the purchase price will be deposited into an escrow agreement to address the potential soil remediation and other hazardous material abatement that will be required as part of the construction project.

**Alternatives:**

An alternative is to not proceed with the proposed amendment for additional services. This alternative is not recommended as additional testing will provide guidance as to future costs that may be incurred as part of project development and will be required during the preconstruction phase of the project.

**Financial Impacts:**

|   |                       |                 |
|---|-----------------------|-----------------|
| <b>Project Funding</b>                  |                       | \$62,434,057.00 |
|   |                       |                 |
| <b>Funding Uses Summary:</b>            |                       |                 |
|   |                       |                 |
| Terracon professional services contract |                       | \$42,691.00     |
| Terracon Amendment                      | 3501B952 731003 CK002 | \$40,000.00     |
| Total                                   |                       | \$82,691.00     |

**SDBE Summary:**

This is a contract amendment. The Department of Equal Opportunity/Equity Assurance did not conduct a compliance review in accordance with the Ordinance to Promote Equal Business Opportunities in City Contracting.