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DEPARTMENT OF
GENERAL SERVICES

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

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BUILDING FOUR
SACRAMENTO, CA
95822-3699

March 22, 1988

916-449-5548

DIVISIONS:

Budget and Finance Committee
Sacramento, California

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Honorable Members in Session:

SUBJECT: TRANSFER OF GENERAL FUND CONTINGENCY APPROPRIATIONS TO THE CITY HALL REMODELING PROJECT FOR THE REMOVAL OF ASBESTOS FROM THE COUNCIL CHAMBERS, AWARD OF THE ASBESTOS REMOVAL CONTRACT, AND VARIOUS TRANSFERS OF APPROPRIATIONS BETWEEN THE CITY HALL REMODELING BUDGETS

SUMMARY

It has been previously reported to the Budget and Finance Committee that additional General Fund appropriations would be required to remove the asbestos found in the City Council Chambers before the Chamber remodeling could be completed. The final estimate of cost for this additional element of work is \$41,000 and is recommended for transfer from the General Fund Contingency. Also recommended are a series of appropriations transfers between the various City Hall project budgets which cause no net change to the total project budget.

BACKGROUND

The issue of removing asbestos from the City Council Chambers and the need for additional funds to cover the associated costs have been previously reported to the Budget and Finance Committee. Funds were not transferred at a earlier date due to the disparity in potential costs with a potential maximum being quoted at \$250,000 early in the identification process. The actual bids for the asbestos removal have been received allowing a final calculation of the total costs associated with this unforeseen element of the City Hall remodeling project.

On November 24, 1987 the City Council approved plans and specifications for asbestos abatement in the City Hall Council Chambers. Bids were received and opened by the City Clerk in the Council Chambers on December 15, 1987. Eight bids were received and are as follows:

1. P.W. Stephens Contractors, Inc.	\$19,144
2. Hess & Hess Construction, Inc.	25,000
3. Jerry Brown Co. Inc.	25,297
4. Hazardous Materials Contracting	29,600
5. Jerry Eaton, Inc.	44,700
6. Asbestos Control Group, Inc.	67,000
7. SOS Environmental Engineering	69,182
8. AECS Corporation	73,775

All previous reports on the status of the 1987-88 General Fund contingency have identified the need to reserve funds for this purpose.

The City Hall Remodeling project was budgeted as a total project of \$805,000 in the 1987-88 Capital Improvement Program. To facilitate project management and expenditure monitoring, a series of "subproject" budgets were created and the \$805,000 distributed based on an estimate of what each element of the project would cost. Also brought under the City Hall project "umbrella" were several capital projects with prior funds budgeted for improvements to City Hall.

The remodeling of City Hall has proven to be a multi-year project with changing schedules and cost estimates due to unforeseen circumstances (i.e. asbestos), the passage of time (some estimates were at least three years old), and changes in project scope. In addition to the transfer of funds from the General Fund contingency for asbestos removal, it is now necessary to transfer funds between the various project budgets in order to reflect the most current cost estimates. These transfers would have been handled administratively if the project had been kept within a single budget but the transfer of funds between budgets must be approved by the City Council if the transfer exceeds \$20,000.

FINANCIAL DATA

In addition to the \$19,144 required for the asbestos abatement contract, the following additional costs associated with the asbestos work have not been previously budgeted:

o Clean-up map wall (not included in the bid)	\$7,500
o Asbestos consultant	4,800
o City staff	5,700
o Contingency (10%)	3,714

Total additional costs	\$21,714
o Asbestos abatement contract (low bid)	19,144

Total required augmentation	\$40,858

The General Fund contingency is the recommended source for the additional funds needed to accomplish the asbestos

removal. The current balance in the General Fund Contingency is \$352,504. The transfer of \$40,858 will leave a balance of \$311,646. As was previously mentioned, this transfer appears on the projected expenditure list for the General Fund Contingency.

The transfers recommended between the various City Hall Remodeling budgets cause no net change to the budget. The following list summarizes the proposed budget changes to the individual project elements:

o City Hall Basement (CA06)	\$ (30,188)
o Public Works Mechanical (DA01)	25,540
o Public Works Interiors (CA01)	16,467
o City Council/City Clerk/ Council Chamber (CA71)	145,880
o City Hall First Floor (CA16)	(144,374)
o City Hall Contingency (CA76)	(8,325)
o City Hall Training Center (CA96)	(5,000)

Net Change	0

These recommended project budget transfers are supported by available funds within the City Hall project. The total amount of the appropriations change is \$187,887.

RECOMMENDATION

It is recommended that the Budget and Finance Committee recommend approval of the attached resolution transferring General Fund contingency funds for the removal of asbestos from the Council Chambers, awarding the contract for asbestos removal, and transferring funds between the various City Hall remodeling projects.

Respectfully Submitted,


Frank Mugartegui
Director of General Services

Recommendation Approved:


Jack R. Crist
Deputy City Manager

March 29, 1988
District 1

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING THE TRANSFER OF \$40,858 FROM THE GENERAL FUND CONTINGENCY FOR THE REMOVAL OF ASBESTOS FROM THE CITY COUNCIL CHAMBERS, THE TRANSFER OF \$187,887 BETWEEN THE VARIOUS BUDGETS FOR THE CITY HALL REMODELING PROJECT, AND THE ACCEPTANCE OF THE BID FROM P.W. STEPHENS CONTRACTORS, INC. AND AWARD OF A CONTRACT IN THE AMOUNT OF \$19,144 FOR THE REMOVAL OF ASBESTOS

WHEREAS, the City Council has approved the budget for the City Hall Remodeling project which included the renovation of the City Council Chambers and during the development of this project asbestos was found in the project area, and

WHEREAS, changes in schedule, scope and costs estimates have occurred in various elements of the overall City Hall Remodeling project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The amount of \$40,858 be transferred from the General Fund Contingency (101-710-7012-4999) to the Capital Improvement Project Budget to cover the cost of the removal of asbestos from the City Council Chambers (101-500-CA71-4820), and
2. The following transfers of appropriations be made between the various subprojects of the City Hall Remodeling project:

City Hall Basement (101-500-CA06-4820)	-	\$ 30,188
Public Works Mechanical (101-500-DA01-4820)	+	25,540
Public Works Interiors (101-500-CA01-4820)	+	16,467
Council/Clerk/Chambers(101-500-CA71-4820)	+	145,880
City Hall First Floor (101-500-CA16-4820)	-	144,374
City Hall Contingency (101-500-CA76-4999)	-	8,325
City Training Center (101-500-CA96-4630)	-	5,000

and,

3. The bid of P.W. Stephens Contractors, Inc. in the amount of \$19,144 for the removal of asbestos in the Council Chambers be accepted and a contract awarded.

ATTEST:

MAYOR

CITY CLERK