



City Council Staff Report

DATE: July 15, 2015 UNFINISHED BUSINESS

SUBJECT: DEMOLITION OF THE PROPERTY LOCATED AT 999 S. PALM CANYON DRIVE (FORMERLY MAGRUDER CHEVROLET)

FROM: Marcus Fuller, Assistant City Manager/City Engineer

BY: Office of the City Manager

SUMMARY

Public concern has significantly increased recently over the blighted condition of the former Mac Magruder Chevrolet dealership located at 999 S. Palm Canyon Drive, at the northwest corner of S. Palm Canyon Drive and Mesquite Avenue. Per previous City Council discussion, staff was directed to obtain a bid price to demolish the property. The bidding process was completed on July 9, 2015, and is reviewed below.

RECOMMENDATION:

Direct staff as appropriate.

STAFF ANALYSIS:

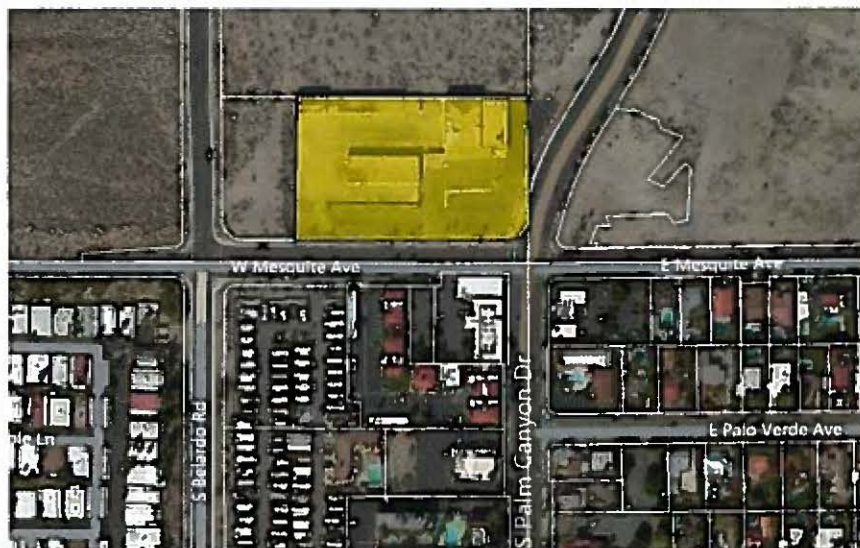
As part of the ongoing efforts to remediate vacant and blighted properties in the South Palm Canyon area, on June 3, 2015, the City Council directed staff to proceed with bidding the demolition of the former Mac Magruder Chevrolet dealership located at 999 S. Palm Canyon Drive. As the property is on allottee land, the discussion began with obtaining Bureau of Indian Affairs approval – which was granted, provided the City not lien the property, and remove the building and foundation. Because it was originally believed that the property was previously remediated of hazardous materials (e.g. asbestos), the City Council was willing to consider paying for the demolition if the estimated price of approximately \$40,000 was in fact the ultimate bid price.

Hence, specifications for the demolition were prepared by staff, and identified as the Mac Magruder Demolition, City Project No. 15-19, (the "Project"). A location map is provided as Figure 1, and a Vicinity Map is included as **Attachment 1**.

Although some remediation of hazardous materials was previously completed by others several years ago, staff commissioned new surveys of the site to confirm or deny the

presence of Asbestos Containing Materials (ACM), lead-based paint and lead-containing materials, and other hazardous building materials to accurately identify the required scope of work for the Project. The recent surveys completed for the City confirmed the presence of hazardous materials, and the Project includes requirements for their removal which adds cost to the demolition.

Figure 1 – Location Map



Staff assembled the Project and bid the work as three Bid Schedules, allowing for the total cost of the demolition of the property to be separated between demolition of the structures, removal of foundations and asphalt pavement, and installation of perimeter security fencing to preserve soil stabilization; the scope of each Bid Schedule is provided here:

Base Bid Schedule (Removal of Structures):

Generally, the Work includes the abatement, removal and disposal (“remediation”) of Asbestos Containing Materials (ACM), lead-based paint and lead-containing materials, and other hazardous building materials; and the demolition, removal, and disposal of existing structures. The scope of work includes: securing the site; providing and complying with water pollution and dust control regulations; utility coordination; remediation of any remaining ACM, lead-based paint and other hazardous building materials; disconnection and capping of all plumbing, gas lines, waste and water piping, electrical wiring and all other utilities to the source; demolition, removal and disposal of all buildings and structures; removal of existing interior block walls; removal of existing interior fencing; removal of existing light posts and foundations; recycling of non-hazardous materials; transportation and legal disposal of all debris; cleanup of the site; and any other appurtenant work.

Additive Bid Schedule 1 (Removal of Foundations/AC Paving):

Generally, the Work includes the removal and disposal of existing foundations and surface improvements. The scope of work includes: removal of existing asphalt concrete pavement; removal of concrete pavement; removal of existing perimeter block walls; removal of existing perimeter fencing; re-grading existing fill slope along west side of property; miscellaneous clearing and grubbing; application of dust suppressant and soil stabilization; transportation and legal disposal of all debris; cleanup of the site; and any other appurtenant work necessary to restore the site to its natural ground.

Additive Bid Schedule 2 (Perimeter Fencing):

Generally, the Work comprises the installation of approximately 1,550 linear feet of 6 feet high chain link fencing, including two vehicle access gates at the existing driveways (1 @ 30 feet wide, 1 @ 40 feet wide) along the perimeter of the site for permanent security fencing.

Staff advertised and solicited the contract bid documents for the Project. On July 9, 2015, the Procurement and Contracting Division received 9 construction bids from the following contractors:

Company	Location	Bid Amount
Anton's Service, Inc.	Lakeside, CA	\$335,839.00
Three D Service Company, Inc.	Fullerton, CA	\$393,123.00
JDML, Inc.	Ventura, CA	\$441,452.00
Clauss Construction	Lakeside, CA	\$484,430.00
T-9 Enterprises, Inc.	La Verne, CA	\$543,593.00
Demo Unlimited, Inc.	Indio, CA	\$547,632.34
G & M Construction	Palm Springs, CA	\$589,300.00
Unlimited Environmental, Inc.	Signal Hill, CA	\$595,000.00
Cutting Edge Concrete Services, Inc.	Oro Grande, CA	\$716,500.00

As reported to the City Council on June 3, 2015, staff obtained informal estimates for the demolition work from two contractors, in the amounts of \$287,829 and \$326,400. These informal estimates generated the cost estimate of \$300,000 reported to Council.

The basis of award was the lowest total bid, inclusive of the Base Bid and two Additive Bid Schedules. On that basis, Anton's Service, Inc. submitted the lowest responsive bid in the amount of \$335,839. A full bid summary is included as **Attachment 2**.

The lowest responsive bid from Anton's Service, Inc., includes the following costs for the three separate scopes of work:

Base Bid Schedule (Removal of Structures):	\$128,852
Additive Bid Schedule 1 (Removal of Foundations/AC Paving):	\$163,161
Additive Bid Schedule 2 (Perimeter Fencing):	\$43,826
Total Bid:	\$335,839

The price to remove the existing structures alone is high, due to the amount of asbestos and lead-based paint, and other hazardous building materials not previously removed. The cost to remediate the remaining hazardous materials is approximately \$47,000 of the \$128,852 cost of the building demolition.

ENVIRONMENTAL IMPACT:

Section 21084 of the California Public Resources Code requires Guidelines for Implementation of the California Environmental Quality Act ("CEQA"). The Guidelines are required to include a list of classes of projects which have been determined not to have a significant effect on the environment and which are exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources identified classes of projects that do not have a significant effect on the environment, and are declared to be categorically exempt from the requirement for the preparation of environmental documents. In accordance with Section 15301 "Existing Facilities," Class 1 projects consist of the demolition of small structures, including up to three commercial buildings on sites zoned for such use; therefore, in the event the City Council directs staff to proceed with the Magruder Chevrolet Demolition, the project is considered categorically exempt from CEQA, and a Notice of Exemption has been prepared and with the City Council's approval will be filed with the Riverside County Clerk. A copy of the Notice of Exemption is included as **Attachment 3**.

FISCAL IMPACT:

The City Council previously appropriated \$25,000 as an initial budget to perform hazardous material surveys for the contract documents and bidding purposes. There remains approximately \$20,000 in that account. If City Council directs staff to proceed with demolition, an additional appropriation would be required from the General Fund balance. In order to award a contract, an additional appropriation from the General Fund will be required.

SUBMITTED:

Prepared by:



Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer

Approved by:



David H. Ready, Esq., Ph.D.
City Manager

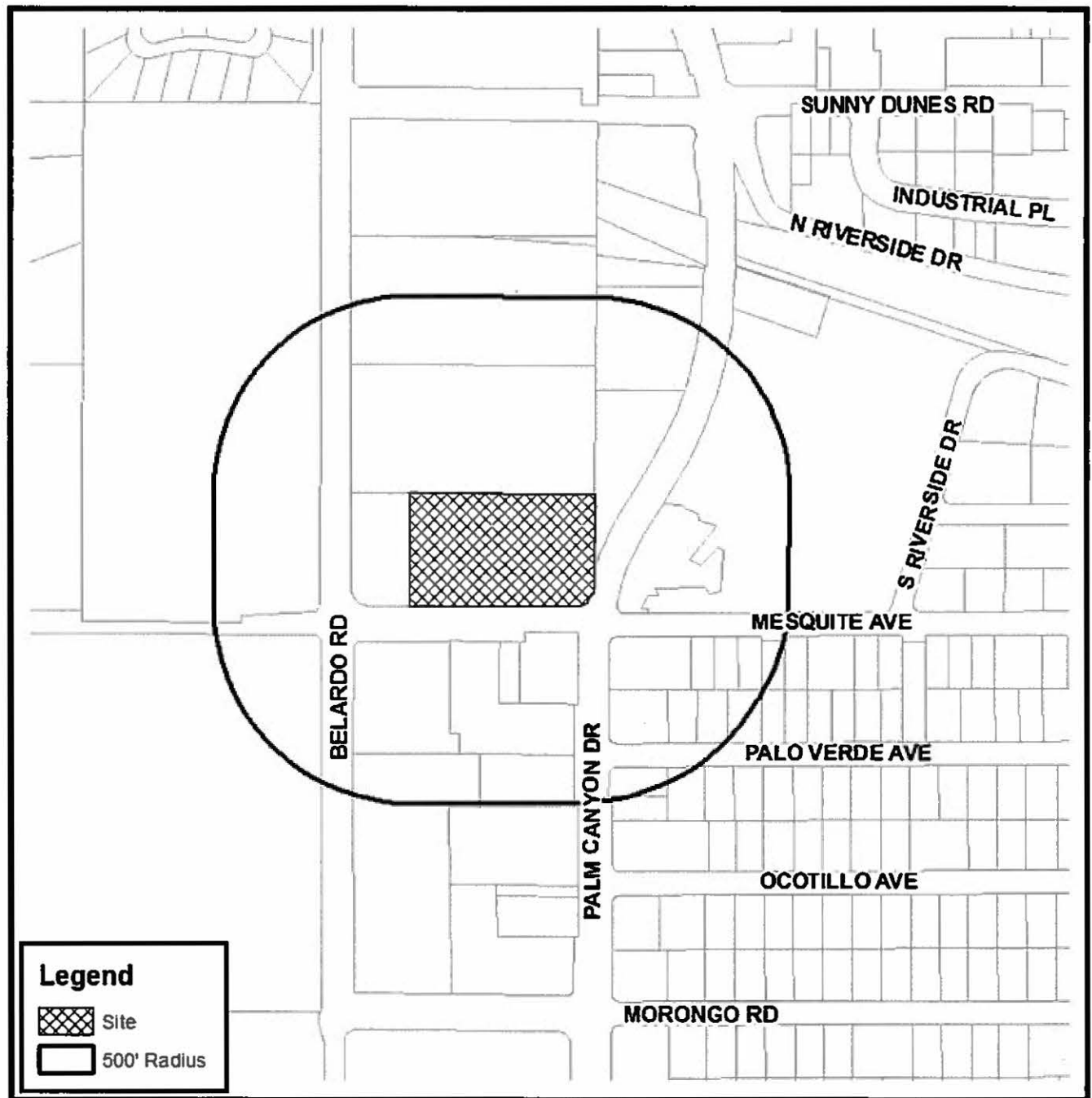
Attachments:

1. Vicinity Map
2. Bid Summary
3. CEQA Notice of Exemption

ATTACHMENT 1



Department of Public Works and Engineering Vicinity Map



Legend

-  Site
-  500' Radius

CITY OF PALM SPRINGS

ATTACHMENT 2

MAC MAGRUDER DEMOLITION CITY PROJECT NO. 15-19

BID SUMMARY

Bid Opening: July 9, 2015

ADDENDUM NO. 2 REVISED BID SCHEDULE	QUANT.	UNIT	ANTON'S SERVICE, INC	THREE D SERVICE CO	STANDARD INDUSTRIES JOML INC	CLAUSS CONSTRUCTION	T-8 ENTERPRISES	DEMO UNLIMITED	G&M CONSTRUCTION	UNLIMITED ENVIRONMENTAL	CUTTING EDGE COSTRUCTION
DESCRIPTION											
The Work comprises the abatement, removal and disposal ("remediation") of Asbestos Containing Materials (ACM) (4-ony), lead-based paint and lead containing materials (4-nyl), and other hazardous building materials; and the demolition, removal, and disposal of existing structures, foundations, and surface improvements located at the abandoned Mac Magruder car dealership located at 999 S. Palm Canyon Drive, at the northwest corner of S. Palm Canyon Drive and Mesquite Avenue. The scope of work will include: securing the site; providing and complying with water pollution and dust control regulations; utility coordination; remediation of any remaining ACM, lead-based paint and other hazardous building materials; disconnection and capping of all plumbing, gas lines, waste and water piping, electrical wiring and all other utilities to the source; demolition, removal and disposal of all buildings and structures, including foundations; removal of existing asphalt, concrete pavement, removal of concrete pavement, removal of existing interior block walls; removal of existing chain-link interior fencing; removal of existing light posts and foundations; miscellaneous clearing and grubbing; application of dust suppressant; recycling of non-hazardous materials, transportation and legal disposal of all debris; cleanup of the site; and any other appurtenant work necessary to restore the site to its natural ground as identified in the Special Provisions.	1	LS	\$128,852.00	\$220,023.00	\$279,068.00	\$263,635.00	\$212,700.00	\$403,705.04	\$402,500.00	\$378,750.00	\$407,000.00

163600

ADDENDUM NO. 2 ADDITVE BID SCHEDULE 1	QUANT.	UNIT	ANTON'S SERVICE, INC	THREE D SERVICE CO	STANDARD INDUSTRIES JOML INC	CLAUSS CONSTRUCTION	T-8 ENTERPRISES	DEMO UNLIMITED	G&M CONSTRUCTION	UNLIMITED ENVIRONMENTAL	CUTTING EDGE COSTRUCTION
DESCRIPTION											
The Work comprises the removal and disposal of existing structures foundations and surface improvements. The scope of work will include: removal of existing asphalt concrete pavement, removal of concrete pavement; removal of existing perimeter block walls; removal of existing perimeter fencing; regrade existing fill slope; miscellaneous clearing and grubbing; application of dust suppressant and soil stabilization; transportation and legal disposal of all debris; cleanup of the site; and any other appurtenant work necessary to restore the site to its natural ground as identified in the Special Provisions.	1	LS	\$183,161.00	\$183,600.00	\$146,414.00	\$181,045.00	\$308,893.00	\$124,830.00	\$144,750.00	\$188,000.00	\$267,000.00

ADDENDUM NO. 2 ADDITVE BID SCHEDULE 2	QUANT.	UNIT	ANTON'S SERVICE, INC	THREE D SERVICE CO	STANDARD INDUSTRIES JOML INC	CLAUSS CONSTRUCTION	T-8 ENTERPRISES	DEMO UNLIMITED	G&M CONSTRUCTION	UNLIMITED ENVIRONMENTAL	CUTTING EDGE COSTRUCTION
DESCRIPTION											
The Work comprises the installation of approximately 1,550 linear feet of 6 feet high chain link fencing, including two vehicle access gates at the existing driveways (1 @ 30 feet wide, 1 @ 40 feet wide) along the perimeter of the site for permanent security fencing.	1	LS	\$43,826.00	\$9,500.00	\$15,950.00	\$39,750.00	\$22,000.00	\$18,208.40	\$42,050.00	\$18,250.00	\$42,500.00

TOTAL =	\$335,639.00	\$393,123.00	\$441,452.00	\$484,430.00	\$543,583.00	\$547,832.34	\$589,300.00	\$595,000.00	\$718,500.00
	1	2	3	4	5	6	7	8	9

ATTACHMENT 3

NOTICE OF EXEMPTION

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Clerk of the Board
County of Riverside
P.O. Box 751
Riverside, CA 92502-0751

Project Title: Demolition of McGruder Chevrolet, City Project No 15-19

Project Applicant: City of Palm Springs

Project Location (Specific): 999 South Palm Canyon Drive; APN 513-250-014

Project Location (City): City of Palm Springs

Project Location (County): Riverside

Project Description: The scope of work is to demolish the existing building, facilities and improvements located at the former Mac McGruder Chevrolet dealership, including removal of all asphalt and concrete foundations.

Name of Public Agency Approving Project: City of Palm Springs

Name of Person or Agency Carrying Our Project: City of Palm Springs, Public Works & Engineering Department
3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262

Exempt Status: (check one)

- Ministerial (Sec. 21080(b) (1); 15268);
- Declared Emergency (Sec. 21080(b) (3); 15269(a));
- Emergency Project (Sec. 21080(b) (4); 15269 (b)(c));
- Categorical Exemption. State type and section number: 15301 Class 1(l) – Demolition and removal of small structures
- Statutory Exemptions. State code number:

Reasons why project is exempt: Class 1 projects consist of the demolition of small structures, including up to three commercial buildings on sizes zoned for such use. Therefore, the demolition of the McGruder Chevrolet, City Project No. 15-19, is considered categorically exempt from CEQA.

Lead Agency Contact Person: Marcus Fuller, P.E., P.L.S. Area Code/Telephone/Extension: (760) 322-8380

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:  Date: _____ Title: Assistant City Manager/ City Engineer

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code. Date received for filing at OPR: _____