

Decatur Public Library – Local History Museum and Archive

Development Analysis Report

September 17, 2009

J. Alpi

Asbestos Containing Materials (ACMs)

Interior demolition activities of DPL staff exposed and disturbed materials which have subsequently been proven to contain asbestos. Based on recommendations of BWC demolition operations were halted, and air test and material test were performed. Test showed that airborne acm particles were not detected. However some materials such as some floor tile and mastic, which had been partially removed, were acm. Additionally, undisturbed fireproofing on four steel beams, several encapsulated insulated pipe fittings, and the jacket of a boiler scheduled for removal are also acm.

Some or all of these materials will need to be removed by licensed asbestos abatement professionals following an abatement plan designed by a licensed asbestos abatement designer. The extent of abatement may vary slightly based upon use of space, however to execute the design as bid total removal will be required. I think the variation in cost for removing all of the materials vs. some of the materials will be marginal. At a minimum we must have the demolition site cleaned by a licensed abatement contractor even if additional renovations are not pursued at this time.

At our request BWC has had two separate highly regarded Licensed Asbestos Design firms KAM and Analytic Design review our site, offer proposals for design services, monitoring services, and offer opinions on what abatement costs budgets may be. (It is important to understand that cost for abatement cannot be estimated well until designs are created.) Both firms offered similar fee proposals for design, and similar rates for environmental monitoring during abatement (variances were for estimated project duration), and each firm offered similar opinions of abatement costs. BWC has offered a proposal to engage KAM to perform design services. This will allow us to solicit bids and determine cost for abatement and the length of project time, which will in turn allow an accurate proposal for monitoring services to be developed.

When an abatement design is completed it can be presented to State officials and the EPA for approval. This must be done before any further work in the annex building can be performed. After approval of a plan negotiation of any penalties for disturbances of acm's prior to obtaining state approval, can be undertaken. (This process will be necessary for us to determine if any penalties will be assessed DPL and their extent.)

Total costs for professional services, abatement, and penalties are at this point unknown. However based on discussions with the consultants I think a budget range of \$85,000 to \$110,000 is appropriate.

RENOVATION/CONSTRUCTION

Analysis of competitive bids received reveals that regardless of selection of bid alternates, the lowest bid for any combination is offered by Christy Foltz Inc.. Based on conversations with DPL staff, and our architect I think we should consider accepting three deductive alternates to reduce the project cost as shown below.

Base bid	: \$911,297	all work shown and specified
Alt 1	-\$36,645	Delete west entry decorative canopy
Alt 4	_\$ 2,842	Delete south service door canopy
Alt 5	-\$ 4,332	Delete interior finish in unassigned storage area
	<u>\$ 867,478</u>	Proposed Contract Award Amount

Based on Christ Foltz low bid BWC has at our request consulted with CF staff to develop a list of possible value engineering changes to reduce costs. These suggestions have not been fully costed at this date, however based on my conversations with both our consultants and CF staff I think potential savings for uncostered items may be between \$15,000 and \$30,000. Several of the items offered in the spirit of brainstorming for possible savings may result in a compromise of design and functional qualities and may not be appropriate to accept so I suggest we consider the low end of the range. Additionally demolition activities by DPL staff, and concealed conditions have resulted in more demolition than shown in drawings as bid. This may require addition work by CF, which may consume some or all of the potential costs savings. I think it is good practice to budget 2.5% to 5% of the contract amount of renovation projects for potential change orders. In this case a \$22,000 to \$45,000 contingency is appropriate.

Bid documents require bidders to honor their bids for 90 days from the date of bid. This established Oct 22, 2009 as the last day to award a contract at this guaranteed bid amount. Several sub contractors to Christy Foltz have informed them that copper prices among other costs have increased and they will not be able to extend their bid price beyond Oct. 22, 2009. Simply this means we must decide quickly whether to move forward with the construction at this time.

Considerations

Projected Budget

Construction contract	\$867,478
Potential extra savings	-\$ 15,000
Contingency	\$ 45,000
Balance of A/E fees	\$ 28,000
Asbestos total	<u>\$110,200</u> (includes \$25,000 contingency for penalties etc)
Total project budget	\$1,007,678

Available funds **\$ 741,000 max.** (\$295,328 Meyer trust, \$75,000 state grant, \$371,107 foundation)

Gap **\$ 267,000**

Options

1. Close gap by borrowing.
2. Raise additional funds by October 15 , 2009
3. Redesign to meet budget
 - a. this will require significant reduction of scope and size of facility
 - b. consider alternate locations for smaller facility
 - c. create master plan for library future with phased development
4. Raise tax levee with City council consent
5. Obtain a grant from City (or elsewhere) by Oct. 15th

Concerns:

1. DPL budget does not contain a sinking fund or reserve for capital replacements.
 - a. No source of funds for routine improvements such as carpet replacement , painting pavement maint, hvac replacement, roof replacement, etc. other than foundation funds.
2. Project as planned completely depletes foundation funds.
 - a. No funds for enhancements and special programs
 - b. No emergency funds for repairs (were used to replace boiler)
 - c. May be difficult to replenish
3. Operation costs for new facility .
 - a. Projected operating costs unknown
 - b. Annual operating cost for larger area will be greater
 - i. Satellite facility may require more staff than if located in main building
 - c. Source of additional funds unknown
 - i. Risk the need to sacrifice existing services
4. Lack of fund availability for loan payments.
 - a. No existing loans are being retired to allow taking on additional debt.
 - b. No identified source of funds to service debt.
5. Honor commitment to Foundation donors to make improvements to the local history center
 - a. Will a smaller facility or alternate location be acceptable.
6. Placing additional pressure on operating budget without reserves can place continuing operations in jeopardy.
 - a. Will funding from property taxes remain stable or decrease in the near term

BWC, INC.

482-0801
 Decatur Public Library Local History Center
 Partial Remodel of Annex Bldg.
 Decatur Public Library
 3:00 PM

BID OPENING 7/22/2009

ARCHITECTS ESTIMATE: \$1,026,400 (5/11/09)

A 305 Qualif.	BASE BID	ALT 1	ALT 2	ALT 3	ALT 4	ALT 5	ALT 6	TIME (CAL-DAYS)
YES	\$911,297	(\$36,645)	+10,256	+409	(\$2,842)	(\$27,587)	(\$4,332)	230
NO	\$936,600	(\$34,100)	+9,700	+1,200	(\$7,200)	(\$32,000)	(\$3,500)	180
YES	\$1,067,129	(\$45,426)	+17,300	+5,500	(\$5,500)	(\$24,547)	(\$8,400)	180
YES	\$1,079,000	(\$31,600)	+19,000	+1,300	(\$3,000)	(\$6,000)	(\$18,400)	180
YES	\$1,152,542	(\$49,250)	+14,982	+5,588	(\$4,228)	(\$20,820)	(\$1,800)	240