TO: Mayor and City Council

FROM: Robert Murdoch, Interim Director
Public Works Department

SUBJECT: APPROVE FINDINGS AND AUTHORIZE THE PURCHASE OF EQUIPMENT FOR THE CIVIC AUDITORIUM HEATING, VENTILATING, AND AIR CONDITIONING PROJECT - PUR 09-070

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving findings and authorizing the purchase of equipment and services for the Civic Auditorium Heating, Ventilating, and Air Conditioning Project from American Chiller Services, Inc. of Modesto in the amount of $497,240. It is further recommended that the resolution authorize the City Manager to take appropriate actions to carry out the purpose and intent of this resolution.

Summary

Upgrades to the Civic Auditorium's heating, ventilating, and air conditioning system is needed to provide for reliable and energy efficient heating and cooling of the building. Design plans are currently being reviewed by the Community Development Department's Building Division. Construction of the project is scheduled to begin in October 2009. This is another step to make the project "shovel ready" as this is an energy efficiency project anticipated to be eligible for partial funding via the American Reinvestment and Recovery Act of 2009. This balance of the project will be funded by tax-exempt lease financing.

DISCUSSION

Background

On May 12, 2009, the City Council authorized the execution of a contract with Rolfes Engineering, Inc. to perform engineering design services for Civic Auditorium heating, ventilating, and air conditioning upgrades. The City has designated a 6-month window of time for construction from October 2009 thru March 2010.

Present Situation

The engineering design was expedited by Rolfes and the project is currently in plan check by the Community Development Department's Building Division. Staff is assembling the bid documents for construction services and anticipates soliciting bids beginning on August 28, 2009, with a contract award for construction services in late September 2009. Heating, ventilating and air conditioning equipment purchases have a
lead time of 3 – 4 months. In order to meet the established construction timeline, it is necessary to purchase certain equipment (chiller, cooling tower, boiler, pump skid package, heat exchanger, and solids separator) in advance of the award of the construction contract. Public Works staff has worked closely with Rolfes and American Chiller Services, Inc. (Modesto) on the selection of equipment best suited for the Civic Auditorium. Energy efficiency and reliability along with environmental friendly qualities were primary considerations as well as the need for low noise output equipment as the mechanical room is located directly behind the stage. The cooling component, the Smardt water chiller and associated Turbocor compressors, uniquely meets all of the criteria; specifically the Smardt chiller has a low ozone depletion rating and is the quietest chiller available, the compressors are oil free, and both have high energy efficiency ratings. Also, American Chiller Services contacted Brose Company (Danville) for the boiler, Joseph H Schauf Company (Madera) for the cooling tower, Grundfos CBS, Inc, (Stockton) for the pump skid package and gathered firm prices that were 7-12% lower than others. The overall price is within the original project estimate and is approximately $100,000 less than the engineer’s estimate. On behalf of the City, American Chiller Services is also prepared to receive, test, store, and deliver the equipment to the Civic Auditorium.

Findings

Pursuant to Stockton Municipal Code Section 3-105, the following findings support exception to the strict competitive bidding process to allow purchase of heating, ventilating, and air conditioning equipment as specified by Rolfes Engineering, Inc. (Rolfes) and proposed by American Chiller Services:

1. Rolfes recently finalized the heating, ventilating, and air conditioning design and equipment selection. The subject equipment has been specified by the Rolfes based on proven reliability, energy efficiency, and environmentally friendly qualities of the equipment. The Smardt water chiller is uniquely the quietest and most energy efficient chiller system available today.

2. The window of opportunity for construction is from October 2009 thru March 2010 and the lead time for heating, ventilating, and air conditioning equipment delivery is 3 to 4 months so it is urgent that the equipment be purchase immediately.

3. American Chiller Services has a demonstrated commitment to City of Stockton heating, ventilating, and air conditioning systems. For nearly 20 years, they have supplied equipment and provided maintenance services at City facilities. They are proposing to coordinate the purchase of the equipment from various vendors and will inspect and receive the equipment, test the equipment for proper operation, store the equipment, and deliver the equipment pursuant to the
installing contractor's job schedule. American Chiller Services will also provide for start-up, commissioning, and testing for proper system operation and applicable warranties.

4. Using this method of purchasing will insure that there will be no delays with multiple bidders trying to supply equipment or equivalent. This eliminates the potential for inevitable delays for equivalent selection and provides for better use of staff's, consultants' and contractors' time invested and ensures the construction portion of the project starts on time and is completed within the designated construction window.

FINANCIAL SUMMARY

Sufficient funds are available in Account 301-7054-610, Capital Improvements, Civic Auditorium Heating, Ventilating, and Air Conditioning to make this purchase.

PREPARED BY: Kathy Tomura, Program Manager III

Respectfully submitted,

ROBERT MURDOCH, INTERIM DIRECTOR
PUBLIC WORKS DEPARTMENT

APPROVED:

J. GORDON PALMER, JR.
CITY MANAGER
RESOLUTION APPROVING FINDINGS AND AWARDING AN ENGINEERING DESIGN CONTRACT TO ROLFES ENGINEERING, INC., IN THE AMOUNT OF $40,950 FOR THE CIVIC AUDITORIUM HEATING AND AIR CONDITIONING SYSTEM

Findings to support and justify exceptions to the strict competitive bidding process are needed for engineering design services for the Civic Auditorium heating, ventilation, and air conditioning ("HVAC") System; and

Stockton Municipal Code ("SMC") section 3.68.070 provides for an exception to the competitive bidding process in cases where the City has approved findings, which support and justify exceptions to the process; now therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Pursuant to SMC section 3.68.070, the following findings support an exception to the strict competitive bidding process for engineering design services for the Civic Auditorium HVAC system:

   a. In order to be eligible for American Recovery and Reinvestment Act of 2009 funding, a contract for design services for the Civic Auditorium HVAC system upgrades, needs to be awarded immediately.

   b. Competitive proposals were received from four engineering firms, including two in the Citywide Vendor Pool. The lowest proposal was received from Rolfes Engineering, Inc., (Rolfes) of Stockton.

   c. Negotiations with all of the firms submitting proposals were undertaken to reduce their prices, and Rolfes was still the lowest after this process was completed.

   d. Rolfes is qualified to develop plans and specifications for the HVAC upgrades, which will be competitively bid and a contract awarded in time so that construction can start in October 2009.

   e. Rolfes is familiar with the HVAC system, having previously provided consulting services to the City regarding the system.

2. That based on these findings, pursuant to SMC section 3.68.070, the City hereby declares an exception to the competitive bidding process is justified.
3. That the City Manager, on behalf of the City, is hereby authorized to execute a contract with Rolfes Engineering, Inc., in the amount of $40,950.

4. The City Manager is hereby authorized to take all the actions that are appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED ________________________________

ATTEST: ________________________________
ANN JOHNSTON
Mayor of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton