



City of Santa Clara

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Agenda Report

19-448

Agenda Date: 6/25/2019

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the Police Building Chiller Replacement Project and Related Budget Amendment

BACKGROUND

The Police Department Building Complex located at 601 El Camino Real was constructed in 2000 and consists of a three-story main building with approximately 52,000 square feet of office space, a warehouse with 6,500 square feet of storage room, and an emergency dispatch operations center with an approximate area of 5,553 square feet which was added in 2009. Each building has its own heating, ventilation and air conditioning system. The air conditioning system at the main building consists of two air-cooled chillers with a cooling capacity of 170 tons. In the last several years, the air-cooled chillers experienced numerous issues and system failures. The systems were inspected, and it was determined that they are at the end of their useful life and in need of replacement. The Police Building Chiller Replacement Project (Project) will replace two existing air-cooled chillers, pumps and associated piping at the main building.

DISCUSSION

On April 10, 2019, bids were opened for construction of the Project. Two bids were received in the amounts of \$417,000 and \$444,690. The apparent low bid submitted by Environmental Systems, Inc. (ESI) is 8.4 percent below the engineer's estimate of \$455,198. ESI's bid was reviewed for compliance with the terms and conditions of the bid documents and has been determined to be the lowest responsive and responsible bidder. Staff recommends awarding the contract to ESI.

Construction of the Project is anticipated to start in early 2020 when the chillers are least used. All construction is anticipated to be completed in spring 2020.

ENVIRONMENTAL REVIEW

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301, "Existing Facilities," as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

FISCAL IMPACT

The cost of the contract is \$417,000 plus approximately 15 percent contingency, or \$62,550, for any potential change orders for a total not-to-exceed contract amount of \$479,550. Staff recognizes the potential unknowns and challenges working with the existing building and hence recommends 15 percent construction contingency for this Project. The current available funding in the project is approximately \$142,000, and additional funding of \$260,000 is appropriated in the Project in the FY 2019/20. Staff is recommending the accelerated \$260,000 expenditure of the FY 2019/20 Adopted

Capital Improvement Program Budget for the HVAC Chiller Unit project so that the funds can be encumbered, and the project can begin. Based on this, there is a deficit of \$77,550. Staff recommends accelerating the \$260,000 and appropriate an additional \$77,550 needed to award the contract from the General Fund Capital Projects Reserve.

**Budget Amendment
FY 2018/19**

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Transfers Out</u>			
Transfer to Public Buildings Capital Fund	6,868,592	337,550	7,206,142
<u>Reserves</u>			
Capital Projects Reserve	21,203,581	(337,550)	20,866,031

Public Buildings Capital Fund

	Current	Increase/ (Decrease)	Revised
<u>Transfers In</u>			
Transfer from Capital Projects Reserve	250,000	337,550	587,550
<u>Expenditures</u>			
HVAC Chiller Unit (Fund 538-6149)	250,000	337,550	587,550

**Budget Amendment
FY 2019/20**

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Transfers Out</u>			
Transfer to Public Buildings Capital Fund	3,947,571	(260,000)	3,687,571
<u>Reserves</u>			
Capital Projects Reserve	14,656,039	260,000	14,916,039

Public Buildings Capital FundTransfers In

Transfer from Capital Projects Reserve	260,000	(260,000)	0
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Expenditures

HVAC Chiller Unit	260,000	(260,000)	0
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COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Award the Public Works Contract for the Police Building Chiller Replacement Project (CE 18-19-03) to the lowest responsive and responsible bidder, Environmental Systems, Inc., in the amount of \$417,000 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project; and
2. Authorize the City Manager to execute change orders up to approximately 15 percent of original contract price, or \$62,550, for a total not-to-exceed amount of \$479,550, and
3. Approve the FY 2018/19 and FY 2019/20 related budget amendments to accelerate \$260,000 funding from the HVAC Chiller Unit project and appropriate an additional \$77,550 from the General Fund Capital Projects Reserve for a total of \$337,550 into the Public Buildings Capital Fund for the project.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager