



Legislation Text

File #: 19-0833, **Version:** 1

Resolution to Approve a Construction Contract with Miller-Boldt Inc. for Replacement of the Primary Chiller at Guy C. Larcom City Hall and to Appropriate Funding from the General Capital Fund (\$190,000.00) and the General Fund Fund Balance (\$25,700.00) (ITB #4576 - \$349,000.00) **(8 Votes Required)**

Staff recommends your approval of the attached resolution authorizing a construction contract in the amount of \$349,000.00 with Miller-Boldt Inc., for the replacement of the primary chiller unit at Guy C. Larcom City Hall.

The chiller is part of the building's HVAC system and the primary component needed to provide air conditioning. The existing 110 ton unit is nearly 30 years old. It is unreliable and obtaining repair parts for it is difficult. In 2014, the City installed a smaller 70 ton chiller which handles cooling during the spring and fall to help minimize operation of the primary chiller and to provide some cooling redundancy in the building when the primary chiller fails.

This project involves removing the 110 ton chiller and cooling tower, minor structural steel work, supply and installation of a new 70 ton air cooled chiller, new electrical supply, and all necessary connections and controls to operate the chiller. When completed, City Hall will have two 70 ton chillers that will normally rotate operations and work collectively when the cooling demand is higher than just one unit can handle.

Consistent with City Council Resolution # R-17-145, the City retained an engineering firm to review and evaluate different chiller technologies for energy efficiency standards. The study evaluated a number of different technologies that would work in City Hall and compared them for energy consumption, life cycle costs, resource usage, installation costs and the ability to be powered by renewable energy generation. The results of this technology study were evaluated by Facilities staff and the Manager of the Office of Sustainability and Innovations and the proposed chiller was selected as the best option to address the sustainability and project needs.

Construction of the project was bid under ITB-4576 and bids were received from two contractors on April 16, 2019. Staff evaluated the bids and recommends that Miller-Boldt Inc., as the lowest responsible bidder, be awarded the contract. The bid tabulation is attached.

Budget Impacts: The project was included in the City's Capital Improvement Plan, and \$280,000.00 in funding is available in the General Fund Capital Budget. On October 16, 2017, City Council approved the reallocation of \$85,500.00 from this project to the Larcom Rear Elevator Modernization project leaving \$194,500.00 available in funding, which is insufficient.

The revised project budget includes technology study/design/engineering (\$50,500.00), chiller work (\$349,000.00), and a 5% contingency (\$17,500.00) for a total of \$417,000.00.

After meeting with Finance to discuss the best way to fund the project, it was decided to use

\$6,800.00 from the approved and recently completed Larcom Rear Elevator Modernization project with the remaining shortage to come from the General Capital Fund fund balance (\$190,000.00) and the General Fund fund balance (\$25,700.00).

This resolution includes a recommended project contingency of \$17,500.00 (5%) to cover potential contract change orders to be approved by the City Administrator if necessary.

Miller-Boldt Inc. complies with the requirements of the City's Conflict of Interest, Prevailing Wage, Living Wage and Non-Discrimination ordinances.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Unit Manager

Reviewed by: John Fournier, Assistant City Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, There a reliable HVAC system is needed at the City Hall building;

Whereas, The existing 110 ton chiller unit at City Hall is beyond its useful life and has become unreliable and expensive to repair;

Whereas, Two bids for the supply and installation of a replacement chiller unit were opened April 16, 2019, and Miller-Boldt Inc. submitted the lowest responsible bid under ITB No. 4576;

Whereas, Miller-Boldt Inc. complies with the City's Conflict of Interest, Prevailing Wage, Living Wage and Non-Discrimination ordinances;

Whereas, The project was included in the City's Capital Improvement Plan;

Whereas, Funding is available in the existing approved General Fund Capital Budget, previously appropriated capital project underruns, the General Capital Fund and General Fund, fund balances;

RESOLVED, That City Council approve a construction contract for the project, per ITB No. 4576, with Miller-Boldt Inc., in the amount of \$349,000.00 and authorize a construction contingency of \$17,500.00 to cover potential contract change orders;

RESOLVED, That the project's budget, which includes costs for design, construction and a contingency be increased to \$417,000.00;

RESOLVED, That the project be funded, in part, by spending the remaining \$194,500.00 budgeted for it and reallocating and spending \$6,800.00 from the Larcom Rear Elevator Modernization project, and \$190,000.00 from the General Capital Fund (00CP) fund balance;

RESOLVED, That additional project funding in the amount of \$25,700.00 be appropriated from the General Fund fund balance increasing the Fleet and Facilities budget and transferred to the Primary Chiller Replacement Project in the General Capital Fund (00CP); thereby, increasing both the revenue and expenditure budget;

RESOLVED, That project funding is available without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to take all necessary actions to implement this resolution including the approval and execution of change orders within the approved contingency amount.