



City of La Quinta

CITY / SA / HA / FA MEETING DATE: January 21, 2014

AGENDA CATEGORY:

ITEM TITLE: REJECT ALL BIDS, AND AUTHORIZE READVERTISEMENT OF BIDS AND ADVANCE PURCHASE OF EQUIPMENT FOR HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS 1 AND 2 AT CITY HALL

BUSINESS SESSION:

CONSENT CALENDAR: 16

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Reject all bids; authorize staff to readvertise the Heating, Ventilation and Air Conditioning Systems 1 and 2 project at City Hall as a non-prevailing wage project; and authorize the advance purchase of equipment at a not-to-exceed amount of \$85,000.

EXECUTIVE SUMMARY:

- This project entails replacing the heating, ventilation and air conditioning systems (HVAC Systems) 1 and 2 at City Hall with a single 80-ton nominal air cooled chiller.
- Construction bids were received on December 19, 2013 for the HVAC Systems 1 and 2 project. The lowest bid was \$188,500, \$49,500 more than the engineer's estimate.
- Since awarding the project at this time would require an additional appropriation of \$63,350 from the City's Equipment Replacement Fund, staff is recommending all bids be rejected and the project be readvertised as a non-prevailing wage project.
- Staff is also recommending the City advance purchase the equipment in an attempt to further reduce the cost from contractor mark up and ensure the equipment still arrives in time to install before summer.

FISCAL IMPACT:

None for this action. The HVAC Systems 1 and 2 at City Hall project is programmed to receive \$162,850 from the City's Equipment Replacement Fund

this fiscal year. Staff will provide the appropriate funding recommendation once new bids are received for the project. The equipment cost is estimated at \$85,000.

BACKGROUND/ANALYSIS:

City Hall was originally constructed in 1991 under the 1988 California Building Code. An additional administration wing was added on the west side in 2008. The HVAC systems that serve the majority of City Hall were installed as part of the original construction. The installed systems typically have a service life of approximately 20 years. The U-shaped east end of the building is heated and cooled by HVAC Systems 1 and 2. These units have required numerous costly repairs in the last few years, including a compressor replacement in the past year.

In order to proactively address the replacement of these critical systems, the City Council established a Citywide Preventative Maintenance Plan as part of its Fiscal Year 2013/2014 Capital Improvement Program. This annual maintenance plan is funded from the City's Equipment Replacement Fund.

On December 19, 2013, three sealed bids were received. A detailed bid comparison summary is provided as Attachment 1. Pacific West Industries, Inc. submitted the lowest bid in the amount of \$188,500.

This lowest responsive bid of \$188,500 is significantly higher than the engineer's construction estimate. Staff researched the cause for the higher bids and believes the higher costs are due to: 1) prevailing wage requirements were added by the addendum after the project was bid; and 2) the manufacturer's HVAC equipment price increased by \$10,000 after the project was advertised.

As this project is not subject to prevailing wage requirements, staff desires to readvertise it to reflect this. In order to ensure that the HVAC equipment is available when the contractor is selected (there is an eight week lead time), staff also recommends ordering and purchasing the equipment at this time. This should allow construction to be completed in late April instead of July 2014.

Contingent upon City Council approval to reject all bids and readvertise on January 21, 2014, the following is the anticipated project schedule:

Project Advertisement	January 22, 2014 – February 21, 2014
Project Award	March 4, 2014
Sign Contract/Mobilize	March 5, 2014 – March 18, 2014
Construction (30 calendar days)	March 2014 – April 2014
Accept Improvements	April 2014

ALTERNATIVES:

The recommended action may result in a cost savings and would not delay the installation of the new HVAC units; therefore, no alternative is recommended.

Report prepared by: Bryan McKinney, Principal Engineer

Report approved for submission by: Timothy R. Jonasson, P.E.

Public Works Director/City Engineer

Attachment: 1. Bid Comparison Summary

**CITYWIDE PREVENTATIVE MAINTENANCE IMPROVEMENTS, CITY HALL BUILDING HVAC SYSTEM 1 AND 2 REPLACEMENT
PROJECT NO. 2013-13B
Bid Comparison Summary**

Engineers Estimate						
Item	Description	QTY	Unit	Unit Price	Est Cost	
1	Mobilization	1	LS	\$ 13,900.00	\$ 13,900.00	
2	City Hall Building HVAC System 1 & 2 Replacement	1	LS	\$ 125,100.00	\$ 125,100.00	
Total Construction Estimate:					\$ 139,000.00	

Pacific West Industries, Inc.	
Unit Price	Extended Price
\$ 47,125.00	\$ 47,125.00
\$ 141,375.00	\$ 141,375.00
\$ 188,500.00	

Desert Air Conditioning, Inc.	
Unit Price	Extended Price
\$ 500.00	\$ 500.00
\$ 217,500.00	\$ 217,500.00
\$ 218,000.00	

F.M. Thomas Air Conditioning, Inc.	
Unit Price	Extended Price
\$ -	\$ -
\$ 291,530.00	\$ 291,530.00
\$ 291,530.00	

