



CITY COUNCIL AGENDA REPORT

MEETING DATE: October 17, 2006

ITEM NUMBER:

SUBJECT: SENIOR CENTER HEATING-VENTILATION-AIR CONDITIONING (HVAC) AND CONTROLS REPLACEMENT PROJECT - CITY PROJECT NO. 06-18

DATE: OCTOBER 2, 2006

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: FARIBA FAZELI, ACTING CITY ENGINEER,
(714) 754-5343

RECOMMENDATION:

1. Adopt plans, specifications, and working details for the Senior Center HVAC and Controls Replacement Project, City Project No. 06-18.
2. Award a construction contract to F.M. Thomas Air Conditioning, Inc., 231 Gemini Avenue, Brea, CA 92821, in the amount of \$140,990.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

The Costa Mesa Senior Center (695 W. 19th Street) was constructed approximately 14 years ago, and the existing heating, ventilation, and air conditioning (HVAC) systems were installed at that time. Many of the original units have exceeded their life expectancy and are now in poor condition. Due to high repair costs, poor performance, and frequent repairs needed, the HVAC equipment must be replaced. There are a total of 14 separate rooftop units that provide service to the facility, eight (8) of which are proposed for replacement at this time.

The scope of work for this project consists of all engineering, design, labor, materials, and equipment to remove and replace eight (8) rooftop package HVAC units and furnish and install a Direct Digital Control (DDC) System, per specifications. The replacement of eight (8) units represents a combination of Council approved projects from Fiscal Years 05-06 and 06-07.

ANALYSIS:

On August 28, 2006, the City Clerk received and opened one (1) bid for this project. F.M. Thomas Air Conditioning, Inc. was the apparent low bidder with a total bid proposal of \$140,990. The Engineer's estimate was \$98,000 (see Attachment 1). An analysis of the bid indicates that the apparent low bidder submitted a proposal that is forty-four (44) percent higher than the Engineer's estimate. The bid amount is likely higher than the Engineer's estimate due to the cost increase of the HVAC equipment that has occurred since the project was originally initiated and the current trend of increasing costs to conduct business and transport materials. This project has been competitively bid on two (2) prior occasions with modifications to the scope of work and the combining and/or separating of multiple projects in an attempt to locate qualified contractors at competitive prices. This project combines four (4) separate HVAC projects budgeted for the Senior Center. The current bid, although higher than the Engineer's estimate by 44 percent, exceeds the budgeted amount for the projects by less than ten (10) percent. Staff believes the current bid is likely the lowest bid that may be received and that re-bidding this project will likely result in a higher bid amount.

The license and references of F.M. Thomas Air Conditioning were checked and staff has found them to be in good standing.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all the bids. If all the bids are rejected, the City could readvertise or cancel the project. Staff believes that readvertising the project will not result in lower bids and that cancelling this project would adversely affect the operational status of the Senior Center.

FISCAL REVIEW:

City Council approved funding in the Fiscal Year 2005-06 and 2006-07 Public Services Department and Capital Improvement Program Budgets in the total amount of \$128,500 for the Replacement of Heating/Ventilation/Air Conditioning (HVAC) Equipment at the Costa Mesa Senior Center. The bid amount exceeds budgeted funds by \$12,490. These funds are available from other Public Services Department Operating funds. Partial funding for the project is included in the Maintenance Services Division Operating Budget. Typically, over the course of each fiscal year, Maintenance Services completes 40 to 50 small and medium priced maintenance projects (under \$25,000). Quite often the bid prices received for projects are lower than the budgeted amount. The net savings provides funding for those projects where bids received exceeded the budgeted amount. In any given year, the funding balances to allow all projects to be constructed.

It is anticipated that the utilization of \$12,490 from the Maintenance Services Division Operating Budget will not result in any other maintenance projects approved for FY 06-07 being underfunded.

LEGAL REVIEW:

F.M. Thomas Air Conditioning has furnished the necessary bonds and insurance, which were approved as to form by the City Attorney's office. After the award and subsequent execution of the contract, a "Notice to Proceed" will be issued.

CONCLUSION:

It is recommended that the City Council adopt plans, specifications, and working details for the Senior Center HVAC and Controls Replacement Project, City Project No. 06-18; award a construction contract to F.M. Thomas Air Conditioning, Inc. in the amount of \$140,990; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

FARIBA FAZELI
Acting City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: "1" [Bid Abstract](#)

DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
City Engineer
Maintenance Services Manager
City Clerk
Staff
File

File Name Award SC HVAC Report

Date 10-2-06

Time 2:00 p.m.