

City of Sacramento

Legislation Details (With Text)

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Title:	Contract Award and Budgetary Adjustments for the 35th Avenue Department of Utilities Administration Building HVAC Replacement Project (Z14140600) [Published for 10-Day Review 03/04/2021]				
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Title:

Contract Award and Budgetary Adjustments for the 35th Avenue Department of Utilities Administration Building HVAC Replacement Project (Z14140600) [Published for 10-Day Review 03/04/2021]

File ID: 2021-00248

Location: 1391 35th Avenue, District 5

Recommendation:

Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to transfer \$841,993 from the Water Fund (Fund 6005) available fund balance to the expenditure budget in the Department of Utilities (DOU) Facility Improvements and Rehabilitation Program (Z14140600); 2) awarding a construction contract to Saboo Inc., in an amount not to exceed \$1,590,000 for the 35th Avenue DOU Administration Building HVAC Replacement Project; and 3) authorizing the City Manager or the City Manager's designee to execute the contract as specified above.

Contact: Mark C. Brown, Supervising Engineer, (916) 808-7118, James Christensen, Facilities Manager, (916) 808-5863, Department of Public Works.

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Contract
- 3-Resolution

Description/Analysis

Issue Detail: The existing Heating, Ventilating, and Air Conditioning (HVAC) system at the 35th Avenue DOU Administration Building is 21 years old and beyond its useful service life. The system has not functioned properly in recent years and occupant comfort complaints have been documented. The proposed project will replace the HVAC system.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.60.

City Code Section 4.04.020(C) requires that, unless waived by a two-thirds vote of the City Council, all agreements greater than \$1,000,000 must be posted on the City's website and made available to the public at least 10 days prior to City Council actions. This contract was published for 10-day review on March 4, 2021 as required.

Economic Impacts: This project is expected to create 11.766 total jobs (7.473 direct jobs and 4.293 jobs through indirect and induced activities) and create \$1,552,670 in total economic output (\$995,302 of direct output and another \$557,368 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: The action is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301. The project consists of the repair or maintenance of an existing public facility mechanical equipment involving negligible or no expansion of use.

Sustainability: This project utilizes some of the most efficient systems and equipment available on the HVAC market. The recommended contract supports Climate Action Plan recommendations in this regard by reducing the total capacity of gas-fired equipment and replacing it with electric, thus helping to avoid the impacts of increasing temperature due to climate change.

Commission/Committee Action: None

Rationale for Recommendation: On December 11, 2020, the Department of Public Works issued Invitation for Bid B20014541008 for the 35th Avenue DOU Administration Building HVAC Replacement Project.

The results of Invitation for Bid B20014541008 are listed in the table below:

CONTRACTOR	TOTAL BID	LBE
Saboo, Inc.	\$1,590,000.00	50%
ACCO Mechanical, Inc..	\$1,604,542.00	100%

Staff received two bids, both of which were determined to be responsive in meeting the minimum Local Business Enterprise (LBE) participation requirements. Saboo, Inc. was determined to be the lowest responsive and responsible bidder.

The Engineer's Estimate was \$1,527,000.

Work is anticipated to commence in March 2021 and be complete in July 2021.

Financial Considerations: Sufficient funding is available in the Water Fund (Fund 6005) available fund balance to transfer \$841,993 to the DOU Facility Improvements and Rehabilitation Program (Z14140600) to fund the 35th Avenue DOU Administration Building HVAC Replacement Project. With the transfer of \$841,993, sufficient funding will be available in the project to award the construction contract to Saboo, Inc. in the amount not to exceed \$1,590,000 and fund the remaining project management and administration costs.

Local Business Enterprise (LBE): Saboo, Inc. is not an LBE, but has partnered with Top Notch Mechanical, for this project to exceed the minimum LBE participation requirement. Top Notch Mechanical will provide the HVAC and Plumbing associated with this project.

Background: In 2018, the Facilities Division of Public Works was authorized to commence a project to replace the failing HVAC system at the 35th Avenue DOU Administration Building - HVAC Replacement Project (Project). A pre-design study was executed via use of an on-call Mechanical Engineer (consultant) which produced a report with four potential HVAC system replacements with associated cost estimates for each. The objective was to choose the best system for the facility based on the cost and quality of each HVAC system presented.

The option chosen by the Facilities Division was for an HVAC system that yielded a construction cost of \$991,876. From this cost, Facilities applied the appropriate project delivery soft costs factors and recommended to DOU that a project be funded in the amount of \$1,380,000. DOU proceeded with the project on that basis and allocated funding from the DOU Facilities Rehabilitation Program (Z14140600) in the amount of \$1,380,000.

As the final construction documents were being prepared in 2020, the on-call consultant contacted Facilities and informed them that the construction cost for the project were going to increase due

to escalation and other factors. The new construction estimate was calculated to be \$1,527,000, and the new estimated total cost was approximately \$2,100,000. Facilities worked with DOU to obtain the necessary funding based on the revised estimate.