TO:       HONORABLE CITY COUNCIL
FROM:     CITY MANAGER        DEPARTMENT: PUBLIC WORKS
DATE:     FEBRUARY 2, 2004      CMR:130:04

SUBJECT: APPROVAL OF A CONTRACT WITH MONTEREY MECHANICAL CO. IN THE AMOUNT OF $519,880 FOR THE OPERATIONS BUILDING HEATING, VENTILATION, AND AIR-CONDITIONING UPGRADE PROJECT AT THE REGIONAL WATER QUALITY CONTROL PLANT (WASTEWATER TREATMENT CAPITAL IMPROVEMENT PROGRAM PROJECT WQ-80021)

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Monterey Mechanical Co. (Attachment A) in the amount of $519,880 for the Operations Building heating, ventilation, and air-conditioning (HVAC) Upgrade Project at the Regional Water Quality Control Plant (RWQCP).

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Monterey Mechanical Co. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $51,988.

DISCUSSION
The work to be performed under the contract is to upgrade the HVAC system in the Operations Building at the RWQCP. Planning and design documents have addressed the existing system problems, which originate from the age of the system and the changes in the building’s uses. Once primarily used for the operations function, the building now houses both an active laboratory and an upgraded operations center. The high level of laboratory exhaust and computer heat has overburdened the original design. The project will correct the efficiency and capacity problems for a healthy environment in addition to replacing the equipment. Without an upgrade, the HVAC system would become more dysfunctional and overburdened than at present. By using the expertise of HVAC contractors, this project efficiently focuses needed improvements into one project.
This project was originally bid in April 2003. The bids were over-budget and were rejected by Council on May 12, 2003 (CMR 272:03). Staff and the design engineer evaluated redesign options. A viable project, within budget, was achieved by using a less sophisticated control system and decentralizing some air handling.

Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Operations Building HVAC Upgrade/IFB 103369</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>11 months</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>10</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>0</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>44</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>8</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>4*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $519,880 to a high of $622,700</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B.

A notice inviting formal bids for the Operations Building HVAC Upgrade was sent to ten contractors and posted at City Hall on December 1, 2003. The bidding period was 44 days. A prebid meeting was held on December 15, 2003. Bids were received from four qualified contractors on January 13, 2004, as listed on the attached bid summary (Attachment B). Bids ranged from a low of $519,880 to a high of $622,700. Contractors not responding indicated that they were too busy, could not get bonding, or could not be competitive.

Staff has reviewed all bids submitted and recommends that the low bid of $519,880 submitted by Monterey Mechanical Co. be accepted and that Monterey Mechanical Co. be declared the lowest responsible bidder. The bid is 4.3 percent below the engineer’s estimate of $543,512. The change order amount of $51,988 (which equals ten percent of the total contract) is requested to resolve unforeseen problems and/or conflicts that may arise during the construction period.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. Staff checked references supplied by the contractor for previous work performed and found no significant complaints.

RESOURCE IMPACT

Funds for the Operations Building HVAC Upgrade Project have been appropriated under the FY 2003-2004 Wastewater Treatment Capital Improvement Program Project WQ-80021.
POLICY IMPLICATIONS
Recommendations of this staff report are consistent with existing City policies.

ENVIRONMENTAL REVIEW
This project is an equipment replacement project and is categorically exempt from the California Environmental Quality Act.

ATTACHMENTS
A: Contract
B: Bid Summary

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William D. Miks, Manager RWQCP

DEPARTMENT HEAD: GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: EMILY HARRISON
Assistant City Manager