



## Legislation Text

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**File #:** 21-0107, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Carrie Tai, AICP, Acting Public Works Director

Prem Kumar, City Engineer

Mamerto Estepa Jr., Senior Civil Engineer

**SUBJECT:**

Consideration of:

- A. A Resolution Awarding a Construction Agreement to Bon Air Incorporated for the City Hall HVAC Improvements Project for \$1,017,000; Approving the Plans and Specifications for the Project; and Authorizing the City Manager to Approve Additional Work, if Necessary, for up to \$153,000;
- B. A Resolution Approving an Inspection Services Agreement with TYR, Inc. in the Amount of \$110,000; and
- C. A Resolution Approving Amendment No. 3 with Kitchell in the Amount of \$19,540 for Design Support Services During Construction (Acting Public Works Director Tai).

**ADOPT RESOLUTION NOS. 21-0030, 21-0031 AND 21-0032**

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**RECOMMENDATION:**

Staff recommends that City Council:

- A. Adopt Resolution 21-0030:
  - 1. Awarding a construction agreement to Bon Air Incorporated for the City Hall HVAC Improvements Project (Project) for \$1,017,000;
  - 2. Approving the Plans and Specifications for the Project; and
  - 3. Authorizing the City Manager to execute the agreement and approve additional work up to \$153,000.
- B. Adopt Resolution 21-0031:
  - 1. Approving an Inspection Services Agreement with TYR, Inc. for \$110,000; and
  - 2. Authorizing the City Manager to Execute the Agreement.
- C. Adopt Resolution 21-0032:
  - 1. Approving Amendment No. 3 with Kitchell for Design Support Services during Construction for \$19,540; and
  - 2. Authorizing the City Manager to Execute the Agreement.

**FISCAL IMPLICATIONS:**

Funding for the construction phase of the City Hall HVAC Improvements Project is included in the current 5-Year Capital Improvement Plan (CIP) adopted for Fiscal Years 2020/2021-2024/2025. There is an available balance of \$1,300,000 designated for this project in the Facilities Projects Budget Line Item in the CIP Fund, which can cover the cost of construction, contingency, inspection and design support during construction.

## **BACKGROUND:**

Manhattan Beach City Hall was built in 1974 and consists of two levels with approximately 27,500 square feet of office, administrative and public spaces. The configuration of office space within and utilities serving the building have been modified multiple times through the years, including a retrofit of the Heating/Ventilation/Air Conditioning (HVAC) systems in 1985.

The existing HVAC system consists of multiple air handling units, air cooled chiller, hydronic pumps, exhaust fans, and variable air volume systems (VAVs). The equipment reached the end of its expected useful service life of 15-20 years and currently experiences ongoing operational problems, including periodic system failures and irregular temperature controls. The rusted internal components of the HVAC system have begun to fail, leading to an increased number of maintenance calls during normal work hours and after hours to address thermal discomfort. This has, in turn, created problems for the working environment of nearly 100 employees at City Hall.

In 2016, a Parks and Facilities Energy Efficiency Audit evaluated the energy efficiency of City Hall. Due to the HVAC system's equipment surpassing its expected useful life and its recent history of constantly breaking down, the audit concluded that the system operated inefficiently. The option of maintaining the existing equipment and repairing it after each failure would be costly, time consuming, and disruptive to the comfort of the building. Consequently, the audit recommended replacing the majority of the HVAC equipment with newer, more energy efficient equipment.

The audit also identified that 90% of the basement level did not require air conditioning when City Hall was closed. This could be corrected by installing a dedicated cooling system specifically for the data server room.

To begin developing a project to improve City Hall's HVAC system, the City issued a Request for Proposal (RFP) in August 2018, to identify a firm to complete an assessment of City Hall's existing HVAC system performance, prioritize critical system improvements into manageable budget packages and develop alternative system improvement options. Kitchell was selected to perform this work.

On October 1, 2019, Staff presented to City Council Kitchell's findings and recommendations, which included existing conditions photos, and the attached City Hall HVAC Improvements Executive Summary and Final Report. The key findings included extensive corrosion throughout the three air handler units; an outdated HVAC control system; and VAVs that measured no air flow, due to lack of controls, poorly installed ductwork, or bad controllers. Kitchell developed options for improving City Hall's HVAC system by prioritizing improvements into three categories:

1. Package 1: Critical replacement items involving replacement of major mechanical equipment;
2. Package 2: Impending replacement items involving replacement of all existing VAV terminals, supply and return air diffusers and grills; and
3. Package 3: Maintenance items.

Council directed staff to develop a project based on the Package 1 recommendations. Package 1 centers around the mechanical equipment that is necessary to replace in order to keep building HVAC system operational. The package provides the greatest impact on improving thermal comfort, overall mechanical performance and energy usage. Improvements under this package involve the following:

- Replacing existing mechanical equipment in a like-for-like fashion, including:
  - All three air handling units,
  - Air-cooled chiller,
  - Roof exhaust fans, and
  - Rooftop chilled/heating hot water piping;
- Installing a new, redundant HVAC system to serve the data server room;
- Providing a new energy management control system to control the HVAC system; and
- General building and electrical work associated with the improvements.

## **DISCUSSION:**

### **Construction Work**

The Project was advertised for bids in the Beach Reporter, the City's publisher of record, Bidsync (Persiscope S2G), as well as the City's website. Twelve bids were received and opened on February 10, 2021.

<b><u>Contractor</u></b>	<b><u>Calculated Total Bid Amount</u></b>
Bon Air, Inc.	\$1,017,000.00
NKS Mechanical Contracting, Inc.	\$1,031,014.00
JCOS Development Inc.	\$1,134,000.00
Liberty Climate Control, Inc.	\$1,145,000.00
Cornejo Construction Co.	\$1,169,021.81
Scorpio Enterprises dba AireMasters Air Conditioning	\$1,176,000.00
NR Development, Inc.	\$1,225,500.00
Metro Builders & Engineers Group Ltd.	\$1,351,826.00
Los Angeles Air Conditioning, Inc.	\$1,482,286.00
Aid Builders	\$1,652,000.00
G2K Construction, Inc.	\$2,754,000.00
ACCO Engineered Systems, Inc.	\$6,885,888.00

All packets were analyzed for arithmetical errors, completeness, accuracy, etc. Staff reviewed the bid, contractor's license, and references for the apparent low bidder, Bon Air Incorporated (Bon Air). The bid and license were in order. References indicate that Bon Air has the knowledge and capability to complete the work in accordance with the plans and specifications.

The City received one bid protest regarding Bon Air's completion of the Bid Forms, the validity of their subcontractor's DIR registration at the time of bid, and the alleged failure of Bon Air to list a licensed contractor the single point contact for commissioning services. The complaint was investigated and reviewed with the City Attorney, and the City determined that Bon Air's bid met all the requirements for acceptance by the City, that their subcontractor in question possessed a current DIR registration

at the time of bid, and that the single point contact for commissioning services is not required to be a licensed contractor. Therefore, Bon Air, Inc. can be considered as the lowest responsible, responsive bidder.

### **Inspection Services**

City issued a Request for Proposals on February 3, 2021, seeking part-time construction inspection services for the Project. The scope of work includes:

- Ensuring the contractor complies with the plans, specifications and applicable standards;
- Performing field project oversight for monitoring damage and repair of existing infrastructure;
- Documenting the daily work and extra work performed by the contractor;
- Verifying the completed work; monitoring, providing supporting documentation and inspecting any additional work performed; and
- Preparing a list of items for correction.

Four proposals were received by the March 1, 2021, deadline. Proposals were evaluated and ranked by a committee of City staff according to the following selection criteria:

- Demonstrated understanding of the scope of services;
- Experience and qualifications with comparable work; and
- Approach to key challenges and Consultant's familiarity with local (sensitivity) conditions.

Based on the selection criteria, TYR, Inc. provided the most responsive proposal. The assigned staff has experience working on similar HVAC projects, identified and understands the key project issues, and proposed an appropriate level of staffing for the size and complexity of the Project. TYR's methodology for executing the scope of work was clear and organized to complete it thoroughly and efficiently. The cost for providing inspection services for the Project is \$110,000. Therefore, staff recommends that City Council approve a Construction Inspection Services agreement with TYR, Inc. for the Project.

### **Design Support Services During Construction**

On February 1, 2019, the City awarded a Design Services Agreement to Kitchell for \$49,900 to assess the performance of City Hall's HVAC system, prioritize the critical system improvements, and to develop alternative system improvement options. On October 1, 2019, the City executed Amendment No. 1 for \$182,784 to the original agreement for Kitchell to develop plans and specifications for the City Hall HVAC Improvements project. On June 30, 2020, the City executed Amendment No. 2 to the original agreement to extend the term of the Agreement through June 30, 2022.

Staff is now recommending that the contract be amended to provide design support services during the construction phase of the Project. This will include attending periodic construction update/review meetings, as well as assistance with submittal reviews and responding to requests for information (RFIs) of technical nature. These services are necessary to ensure that the improvements achieve the intent of the project design. Kitchell submitted a not-to-exceed proposal for \$19,540 to provide these support services during construction of the Project. Staff reviewed and found the proposal to be reasonable and responsive to the City's needs for this Project. Therefore, staff recommends that City

Council authorize the City Manager to execute Amendment No. 3 for these additional support services.

It should be noted that the project may involve excessively noisy construction activities and the relocation of staff in order to access a work area, which may disrupt business at City Hall during open hours, and City Council and commission meetings. To mitigate the potential disruptions, Staff included conditions in the Specifications requiring the Contractor to perform all excessively noisy operations on Fridays, Saturdays and Sundays; and to perform any construction activities that require employees to relocate after City Hall is closed and after all City Council and commission meetings have ended. By approving the Specifications, City Council authorizes the modified construction hours in accordance with Manhattan Beach Municipal Code (MBMC) 9.44.030(F)(2).

**PUBLIC OUTREACH:**

This project is primarily a rooftop and interior tenant improvement that is necessary to restore the function of City Hall's HVAC system. Public outreach may include temporary traffic control and sidewalk signage during construction, to direct vehicle and pedestrian traffic in the event that crane operations and/or temporary cooling equipment interfere with the normal travel paths.

**ENVIROMENTAL REVIEW:**

The City has reviewed the proposed project for compliance with the California Environmental Quality Act and has determined that the project qualifies for a Categorical Exemption pursuant to Section 15301 Class 1(d) (repair and maintenance of existing public facilities, involving negligible or no expansion of use) of the State CEQA Guidelines.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 20-0030
2. Agreement - Bon Air Incorporated
3. Bid Proposal - Bon Air Incorporated
4. Resolution No. 20-0031
5. Agreement - TYR, Inc.
6. Resolution No. 20-0032
7. Amendment No. 3 - Kitchell
8. Agreement and Amendment Nos. 1 & 2 - Kitchell
9. Existing Conditions Photos, Executive Summary, City Hall HVAC Improvements Final Report
10. Plans and Specifications (Web-Link Provided)
11. Budget Expenditure Summary Report