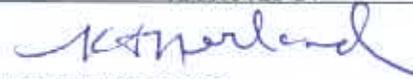


AGENDA ITEM NO. 1HCOUNCIL MEETING 2/3/09

APPROVED BY



DEPARTMENT DIRECTOR

CITY MANAGER



February 3, 2009

FROM: KENNETH A. NERLAND, Director
General Services Department

BY: MARTIN BLOOM, Manager
GSD/Facilities Management Division

SUBJECT: AWARD A CONTRACT IN THE AMOUNT OF \$131,478.00 TO FRESNO PLUMBING AND HEATING OF FRESNO, CA TO REMOVE AND REPLACE THE DOMESTIC HOT WATER AND WATER SOFTENER SYSTEM AT THE FRESNO CONVENTION AND ENTERTAINMENT CENTER
(BID FILE NO. 2887)

KEY RESULT AREA

Resource Management

RECOMMENDATION

Staff recommends the City Council award a contract in the amount of \$131,478.00 to Fresno Plumbing and Heating of Fresno, CA to remove and replace the domestic hot water and water softener system at the Fresno Convention and Entertainment Center (FCEC).

EXECUTIVE SUMMARY

The Phase II Improvements to the FCEC include rehabilitation of basic building infrastructure including chillers, roofing, boilers and the domestic hot water system. The domestic hot water system is the source for hot water for Selland Arena, Valdez Hall and Saroyan Theatre. The system was installed during the original construction of the facility in 1964. The Facilities Management Division of the General Services Department is seeking to replace the domestic hot water unit and water softener system.

KEY OBJECTIVE BALANCE

Phase II improvements to the FCEC, of which the domestic hot water system is an element, balances the Key Objectives of Customer Satisfaction, Employee Satisfaction and Financial Management by providing a safe, reliable source of hot water throughout the complex, maintaining the FCEC as a premium entertainment venue with enhanced marketability and revenue generating capabilities.

BACKGROUND

As part of the renovation of the FCEC, the domestic hot water system was identified to be well beyond its design life expectancy and at potential risk for failure. In order to minimize the threat of failure, replacement of the system has been included as part of the Phase II improvements.

REPORT TO THE CITY COUNCIL

Award a Contract to Replace the Domestic Hot Water System at FCEC

(BID FILE 2887)

February 3, 2009

Page 2

Lawrence, Nye, Andersen provided plans and specifications to furnish and install a new domestic hot water and water softener system for the FCEC. A Notice Inviting Bids was published June 30, 2008, and notification was sent to (10) contractors. One sealed bid proposal was received and opened on July 10, 2008. Because only one bid was received and the bid amount was well above the original estimate, Staff recommended and Council approved rejection of the bid on September 30, 2008.

After evaluation by the Engineer it was determined that the time of year, compressed bidding and completion schedules, and a requirement for inclusion of an Energy Management System to control the domestic hot water and future improvements to the space heating boiler system, caused the bid to exceed the budgeted amount.

Lawrence, Nye, Andersen revised the plans and specifications removing the Energy Management System from the domestic hot water project and will include it in the upcoming boiler replacement project. Additionally, the flue for the domestic hot water system currently connects to the space heating boiler flue and will require a new separate flue. The bidding and completion schedules were extended and a requirement for a continuous source of hot water during construction was also included in the specifications. A new Notice Inviting Bids was published December 1, 2008. Notification was sent to contractors throughout the country via the City's online bidding service. The specifications were distributed to (11) prospective bidders. Four sealed bid proposals were received and opened in a public bid opening on December 18, 2008, with bid amounts ranging from \$131,478.00 to \$158,274.00.

Following analysis of the submitted bids, staff recommends that Fresno Plumbing and Heating of Fresno, CA be awarded a contract as the lowest responsive and responsible bidder. The award is based on the lowest total base bid amount of \$131,478.00. This staff determination was posted on the City's website on January 16, 2009.

The Council may award a contract in the amount of \$131,478.00 to Fresno Plumbing and Heating. The project will be completed within sixty (60) calendar days from the date of the Notice to Proceed.

The Council may reject all bids. If all bids are rejected, the project will be rebid, resulting in a delay of approximately sixty (60) days.

FISCAL IMPACT

Funds have been appropriated for Phase II improvements to the FCEC which include replacement of the domestic hot water and water softener system and sufficient funds are available to cover award of the contract.

Attachment: Evaluation of Bid Proposals

EVALUATION OF BID PROPOSALS

FOR: DOMESTIC HOT WATER AND WATER SOFTENER REPLACEMENT AT CONVENTION & ENTERTAINMENT CENTER (REBID)

Bid File No. 2887
Bid Opening: December 18, 2008

	BIDDER'S NAME	TOTAL NET BID AMOUNT
1.	Fresno Plumbing & Heating 2585 N Larkin Fresno CA 93727	\$131,478.00
2.	HPS Mechanical, Inc. 3100 E Belle Terrace Bakersfield CA 93307	\$143,517.00
3.	Strategic Mechanical, Inc. 4661 E Commerce Ave Fresno CA 93725	\$150,000.00
4.	Carrier Corporation 2612 N Business Park #101 Fresno CA 93727	\$158,274.00

Each bidder has agreed to allow the City sixty-two (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, January 14, 2009, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 95,000.00. The contract price is 38.4 % above the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

1) The nature of operations at The Fresno Convention and Entertainment Center will require the contractor to provide a source of hot water during the installation of the new equipment. Provision of temporary hot water during construction was not included in the Engineer's estimate.

2) The flue for the domestic hot water boiler currently connects to the space heating boiler flue. With future modifications planned for the space heating boilers a separate flue for the domestic hot water is required. The new flue and associated roof penetration was not included in the Engineer's estimate.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

As part of the renovation of the Fresno Convention and Entertainment Center, the domestic hot water system was identified to be well beyond design life expectancy and at potential risk for failure. In order to minimize the threat of unexpected failure, replacement of the system has been included as part of the Phase II improvements.

EVALUATION OF BID PROPOSALS

FOR: DOMESTIC HOT WATER AND WATER SOFTENER REPLACEMENT AT CONVENTION & ENTERTAINMENT CENTER (REBID)

Bid File No. 2887
Bid Opening: December 18, 2008

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 131,478.00
to Fresno Plumbing & Heating
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Division Head Approval

Mat. J. Bloor
Title Facilities Manager
Date 1/16/09

Department Head Approval

K. Stenlund
Title General Services Director
Date 1/16/09

- Approve Dept. Recommendation Approve GSD/Purchasing Recommendation
 Disapprove Disapprove
 See Attachment

EVALUATION OF BID PROPOSALS

FOR: DOMESTIC HOT WATER AND WATER SOFTENER REPLACEMENT AT CONVENTION & ENTERTAINMENT CENTER (REBID)

Bid File No. 2887
Bid Opening: December 18, 2008

GENERAL SERVICES DEPARTMENT

CITY MANAGER

Jason B. MacDonald 1/17/2009
Purchasing Manager Date

[Signature] 1/16/09
City Manager or Designee Date

[Signature] 1/16/09
Director Date



FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$131,478.00</u>	<u>\$131,478.00</u>
Indirect Cost	<u>\$ 34,900.00</u>	<u>\$ 34,900.00</u>
TOTAL COST	<u>\$166,378.00</u>	<u>\$166,378.00</u>
Additional Revenue or Savings Generated	_____	_____
Net City Cost	<u>\$166,378.00</u>	<u>\$166,378.00</u>
Amount Budgeted (If none budgeted, identify source)	<u>\$149,500.00</u>	<u>\$149,500.00</u>

Indirect costs are comprised of the following:

Construction Contingency:	\$10,900.00
Engineering:	\$19,000.00
Project Management:	<u>\$ 5,000.00</u>
Total Indirect Costs:	<u>\$34,900.00</u>

