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DEPARTMENT OF  
PUBLIC WORKS

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO  
CALIFORNIA

October 12, 1993

CITY HALL  
ROOM 207  
915 I STREET  
SACRAMENTO, CA  
95814-2673

916-264-7110

ADMINISTRATION  
916-264-7100

FAX 916-264-5573

City Council  
Sacramento, California

Honorable Members In Session:

**SUBJECT:** REJECTION OF BIDS, APPROVAL OF MODIFIED PLANS AND SPECIFICATIONS, AND AUTHORIZATION TO ADVERTISE AND RECEIVE NEW BIDS FOR COLOMA COMMUNITY CENTER HVAC REPLACEMENT-PHASE 3 (DB16)

**LOCATION AND COUNCIL DISTRICT:**

4623 T Street, Sacramento - Council District # 5

**RECOMMENDATION:**

This report recommends the City Council:

- Reject all bids for the project;
- Approve the modified Plans and Specifications; and
- Authorize the City Clerk to re-advertise and receive new project bids.

**CONTACT PERSON:** Lee Coleman, Project Manager, 433-6221

**FOR COUNCIL MEETING OF:** November 2, 1993

**SUMMARY:**

This project is the third and final phase of heating and air conditioning upgrades to the Coloma Community Center. This project will replace the heating system of the corridors, auditorium and stage, and will add air conditioning to the auditorium and stage. On September 8, 1993, five bids were received for the subject project, with all bids significantly



City Council

RE: REJECTION OF BIDS, APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZATION TO RE-ADVERTISE AND RECEIVE BIDS FOR COLOMA COMMUNITY CENTER HVAC REPLACEMENT-PHASE 3 (DB16)

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higher than the estimated cost and the budgeted funds. The project drawings and specifications have been modified to use less expensive heating and cooling equipment and systems. Re-bidding the modified project should result in the receipt of acceptable bids within the project budget.

## **BACKGROUND INFORMATION:**

### Project Need

In 1986 and 1989, two of the three phases of the Coloma Community Center renovation project added modern heating and cooling equipment to the individual rooms of the community center. This project, the third and final phase, is necessary to complete the renovation and allow the existing heating system to be completely shut down and abandoned. This project will solve the following heating/air conditioning problems at the Coloma Community Center.

- Replaces the existing heating system with a more cost effective system eliminating frequent repairs.
- Eliminates costly repairs to the existing heating system because the piping and boiler insulation contains asbestos.
- Adds heating and air conditioning to the auditorium and stage making these areas more desirable to renters.
- Brings the auditorium ventilation up to current indoor air quality standards.

### Bid Results

On September 8, 1993, five bids ranging from \$184,616 to \$228,118 were received for the subject project. The bid of the lowest responsive bidder was \$196,000 which exceeds our construction estimate of \$105,000 and our available construction budget of \$146,000. The low bidder indicated that installing the specified equipment and systems in the existing confined spaces and avoiding work in the auditorium during previously scheduled Christmas holiday events added significantly to the project cost.

### Design Modifications

The drawing and specifications have been modified to delete the expensive chilled water and hot water equipment, along with the computerized temperature controls. These systems have been replaced with furnaces, direct expansion cooling units and conventional thermostats which is expected to reduce construction costs by \$50,000. The redesigned cooling system will provide only 75% of the required cooling capacity which will be sufficient for 250 people in the auditorium with outside air at 90 degrees or for 50 people in the auditorium with outside air at 98 degrees. The operators of the Coloma Community Center have agreed to accept the reduced cooling capacity since the occurrence of high occupancy on hot afternoons is minimal.

**FINANCIAL CONSIDERATIONS:**

The project budget for this project is \$212,570 in general funds. The unobligated fund balance as of October 7, 1993 is \$190,861. The project budget for award of a construction contract is \$146,000.

The low bid at \$196,000 is \$50,000 over the project budget, and there are insufficient project contingency funds to cover this deficit.

The project re-bidding costs for staff time, advertisements and miscellaneous City expenses can be covered by the project contingency within the current budget limitations.

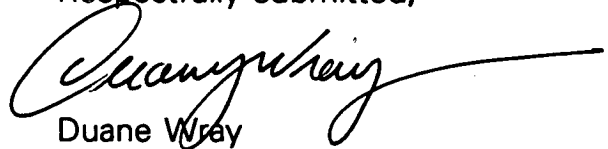
**POLICY CONSIDERATIONS:**

The "Invitation to Bid" and "Instructions to Bidders" of the bidding documents include provisions reserving the City's right to reject any, or all, bids, and stating that award of a contract is contingent upon receipt of at least one bid within the project budget. Since no bids were received within the project budget, all bids can be rejected. Rejection of bids and re-bidding is consistent with Title 58 of the Sacramento City Code.

**MBE/WBE EFFORTS:**

Three of the five bids received were from MBE/WBE contractors. To encourage minority participation, the new plans and specifications will be sent to 7 plan rooms and construction services organization for publication. Four are directly involved with MBE/WBE construction firms. Staff will actively recruit available MBE/WBE firms to participate in the bid process. The project will also be announced on the Facility Management Project Information Line which contains information on Public Works and Utility Department projects.

Respectfully submitted,



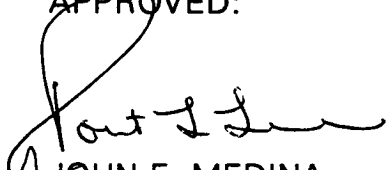
Duane Wray  
Facility Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

APPROVED:



JOHN E. MEDINA  
Director of Public Works