



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT  
March 4, 2008

Honorable Mayor and  
Members of the City Council

**Title: Change Order/Supplemental Agreement: Capitol Garage HVAC Replacement Project (VD51, V15420000)**

**Location/Council District:** 1015 L Street, Council District 1

**Recommendation:** Adopt a **Resolution:** 1) authorizing the City Manager or the City Manager's designee to execute Change Order No. 6 to Contract No. 2007-019 with Purdy Builders, Inc. in an amount not to exceed \$9,600; 2) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 2 to Agreement No. 2007-0170 with Analytical Planning Services, Inc. (APSI) in an amount not to exceed \$21,760; and 3) resetting the City Manager's signature authority for this project.

**Contact:** Brian Reilly, Senior Engineer, 808-8427; Cynthia Kranc, Facilities Manager, 808-2258

**Presenters:** Not applicable

**Department:** General Services

**Division:** Facilities & Real Property Management

**Organization No:** 3281

### **Description/Analysis:**

**Issue:** On February 6, 2007, City Council adopted Resolution No. 2007-063, awarding a construction contract in the amount of \$1.195 million to Purdy Builders, Inc. to replace the 35 year old heating ventilation air conditioning (HVAC) system at the City's Capitol Garage, with a much more energy efficient system. Change Order No. 6 will provide sufficient funding to comply with California Code requirements and City standards and to complete the project.

On January 8, 2007, Agreement No. 2007-0170 was executed with APSI in the amount of \$71,360 for asbestos removal and project coordination services. On July 23, 2007, Supplemental Agreement No. 1 was executed with APSI in the

amount of \$27,648. Supplemental Agreement No. 2 will provide additional consultant construction management and commissioning coordination services.

**Policy Considerations:** The recommendations in this report are consistent with: 1) City Code Section 3.60.210(C) requiring City Council approval for change orders in excess of eight percent of the contract price for contracts originally awarded for a value greater than or equal to \$1 million but less than \$10 million; 2) City Code Section 3.64.030 requiring City Council approval for professional services agreements in excess of \$100,000; 3) City Code Section 3.60.210(G) restoring City Manager authority to issue additional change orders; and 4) City Code Section 3.64.040(G) restoring City Manager authority to issue additional supplemental agreements.

**Committee/Commission Action:** Not applicable

**Environmental Considerations:** The Development Services Department, Environmental Planning Services Division has reviewed this project and determined that it is exempt from the provisions of California Environmental Quality Act (CEQA) under Class 1 and 2, Section 15302(c). Replacement or reconstruction of existing utility systems and/or facilities involves negligible or no expansion of capacity, per section 15302(c).

**Rationale for Recommendation:** Change Order No. 6 for the construction contract with Purdy Builders, Inc. is required to comply with codes and standards to correct the following items:

- Revise access hatches at basement accounting office and hall to provide adequate equipment access, and add new ceiling tile in the accounting office.
- Replace and relocate the electrical panel for the makeup air unit to provide proper code clearances.
- Extend existing exhaust air outlet for the utility room from inside the new equipment soffit to outside the soffit.
- Provide appropriately sized and configured reheat coil for the makeup air unit to accommodate the heating load and the available space for mounting.

Previous change orders listed in Attachment 1 were approved within the City Manager's change order authority.

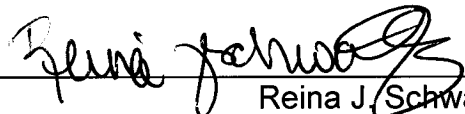
Supplemental Agreement No. 2 for the agreement with APSI is required to provide additional consultant construction management and commissioning coordination services to ensure proper functioning of the HVAC unit prior to project completion.

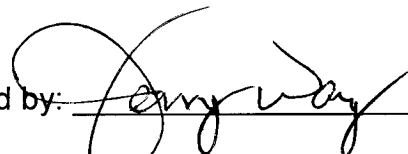
The previous supplemental agreement shown in Attachment 1 was approved within the City Manager's supplemental agreement authority.

**Financial Considerations:** Sufficient funding is available within the Capitol Garage HVAC Replacement Project (VD51, V15420000) to approve Change Order No. 6 with Purdy Builders, Inc. in an amount not to exceed \$9,600, and Supplemental Agreement No. 2 with APSI in an amount not to exceed \$21,760.


**Emerging Small Business Development (ESBD):** With an emerging/small business enterprise percentage total of 43.1%, Purdy Builders, Inc. and its subcontractors are above the City's goal of a 20% ESBD rate.

Respectfully Submitted by:   
Cynthia Kranc  
Facilities Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Approved by:   
Jerry Way  
Director, Department of Transportation

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1**

**BACKGROUND INFORMATION**

On February 6, 2007, Council adopted Resolution No. 2007-063, approving the contract plans and specifications for the Capitol Garage HVAC Replacement Project (VD51, V15420000) for the base bid of \$1.195 million and awarding the construction contract for the Capitol Garage HVAC Replacement Project (VD51, V15420000) to Purdy Builders, Inc. in an amount not to exceed \$1.195 million.

As this was a retrofit of an existing structure, there were a number of unforeseen conditions that were discovered during construction that required the following change orders and supplemental agreements, which were approved under City Manager authority:

Change Order Log

Change Order No.	Amount	Scope of Work
1	\$9,026	Lead paint abatement, revise maintenance access to fan coils, add boiler utility pad for maintenance
2	\$39,028	Addition of fan coils for division of tenant space, soffit design changes, demolition of hidden ceiling, add maintenance shutoff valves
3	0	Contract time extension
4	\$46,858	Replace corroded water piping, provide additional duct transitions, add condensate pumps, add expansion joint to soffit ceiling, seal fire-rated wall penetrations
5	0	Contract time extension

On January 8, 2007, Agreement No. 2007-0170 was executed with APSI in the amount of \$71,360 for asbestos removal and project coordination services. On July 23, 2007, Supplemental Agreement No. 1 was executed with APSI in the amount of \$27,648.

Supplemental Agreement Log

Supplemental Agreement No.	Amount	Scope of Work
1	\$27,648	Coordination and monitoring of additional asbestos removal including tenant space access and investigation and weeknight/weekend supervision, additional tenant, contractor and inspections coordination due to multiple access restrictions, multiple information meetings with tenants prior to work in their spaces, coordinate multiple issues with existing conditions

**RESOLUTION NO. 2008-XXXX**

Adopted by the Sacramento City Council

**March 4, 2008**

**AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 6 TO CONSTRUCTION CONTRACT 2007-019 WITH PURDY BUILDERS, INC. AND SUPPLEMENTAL AGREEMENT NO. 2 TO AGREEMENT 2007-0170 FOR THE CAPITOL GARAGE HVAC REPLACEMENT PROJECT (VD51, V15420000)**

**BACKGROUND**

- A. This project replaces the 35 year old HVAC system at the City's Capitol Garage with a much more energy efficient system by adding a boiler for gas heating, and replacing the air handling units. It also provides an opportunity to locate the new air handlers outside the tenant spaces for ease of maintenance.
- B. On January 8, 2007, Agreement No. 2007-0170 was executed with APSI in the amount of \$71,360 for asbestos removal and project coordination services.
- C. On February 6, 2007, Council adopted Resolution No. 2007-063, approving the contract plans and specifications for the Capitol Garage HVAC Replacement Project for the base bid of \$1.195 million and awarding the construction contract to Purdy Builders, Inc.
- D. During the course of construction, unforeseen site conditions were discovered, requiring change orders within the City Manager's change order authority. However, Change Order No. 6 in the amount of \$9,600 results in net change orders beyond the City Manager's authority of eight percent of the original contract amount.
- E. On July 23, 2007, Supplemental Agreement No. 1 was executed with APSI in the amount of \$27,648.
- F. Supplemental Agreement No. 2 in the amount of \$21,760 results in a total agreement in excess of the City Manager's authority of \$100,000.
- G. Sufficient funding is available within the Capitol Garage HVAC Replacement Project to approve Change Order No. 6 in an amount not to exceed \$9,600 and Supplemental Agreement No. 2 in an amount not to exceed \$21,760.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's designee is authorized to execute Change Order No. 6 with Purdy Builders, Inc. in an amount not to exceed \$9,600.
- Section 2. The City Manager or the City Manager's designee is authorized to execute Supplemental Agreement No. 2 with Analytical Planning Services, Inc. in an amount not to exceed \$21,760.
- Section 3. The City Manager's signature authority is reset for this project.