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DATE: October 21, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Cindy Chong, Superintendent of Parks & Facilities  
Drew Halter, Director of Parks and Recreation  
Nicole Stark, Management Analyst II

SUBJECT: Resolution Ratifying Award of the Construction Contract to Downing Heating, Inc. and Accepting the Completion of the Petaluma Police Department Server Room HVAC Replacement Project by Downing Heating, Inc.

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution ratifying award of the construction contract to Downing Heating, Inc. and accepting the completion of the Petaluma Police Department Server Room Replacement Project by Downing Heating, Inc., authorizing release of the bonds and authorizing a budget adjustment.

### **BACKGROUND**

On July 8, 2024, Police staff provided notice that the server room HVAC unit was malfunctioning, and unable to provide adequate temperature control within the Police Headquarters server room. Temperature remained above 80 degrees during hot temperatures, compromising IT equipment that serves Police Department servers.

The Facilities division requested that HVAC companies review status of the HVAC unit, which was found to have frozen coils and a refrigerant leak. Coils were repaired but still did not provide enough output, and the refrigerant leak could not be traced. Upon further investigation by Downing Heating, Inc., it was found that the current unit would continue to work beyond capacity and would require constant and costly ongoing repair in order to sufficiently cool the Police Department server room putting operations at risk.

During the investigation of the unit failure issues, temporary and fan repair were completed on the existing unit to provide some cooling to the server room. The unit capacity remained inadequate, and staff were told to keep the temperature slightly higher as to not stress the unit and force it into failure.

The removal of the old unit was accomplished using a crane. All refrigerant was disposed of off-site by the contractor after consulting with the Facilities Maintenance staff.

Once the HVAC repair need was established, staff drafted a scope of work and requested quotes for repairs.

## **DISCUSSION**

On July 9, 2024, staff contacted three contractors to provide costs for the HVAC repair project. Two contractors were walked through the site to review site conditions and a third denied the request to review the project and provide a quote. After reaching out to the two contractors who walked the project, only Downing Heating, Inc. provided a bid, which was received July 12, 2024. The contract was awarded to the lowest responsive quote of \$15,254.00. The contract was executed with Downing Heating, Inc. on September 9, 2024 for the Emergency HVAC Repair-Petaluma Police Server Room.

The final construction contract cost is \$18,615.00. One change order was executed for this contract (Change Order #1 \$3,361.00: Replace Wiring and Install Correct Size Breaker) which included the costs of the removal of undersized wire and breaker and installation of new wire and breaker.

Pursuant to Petaluma Municipal Code Section 4.04.050, the City's bidding requirements "may be dispensed ... when an emergency requires that an order be placed with the nearest available source of supply." The failure of the HVAC system in the Police Department server room did not allow for adequate heating or cooling of the server room. With several days over 90 degrees inadequate cooling jeopardized server room functionality and Police operations. Additionally, the common law recognizes a bidding exception for circumstances where competitive bidding of public contracts otherwise required by statute may be excused, including circumstances where the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical, or impossible (*Graydon v. Pasadena Redevelopment, Agency* (1980) 104 CA3d 631). While the City may dispense with bidding requirements due to both the emergency exemption and common law, the City did request quotes from three contractors to ensure fair pricing.

Failure of the Police Headquarters server room HVAC combined with high temperatures would cause IT equipment to fail and disrupt Police operations and service to the City. For continuity of public safety services, an emergency repair was conducted on the current unit but was found that the unit would likely fail again due to untraceable refrigerant leak combined with cooling capacity needs.

Review to replace the current unit with a heat pump style unit was conducted, but ultimately electrical capacity at the Police Department prevented installation of a new heat pump HVAC

unit. The lack of electrical capacity has been identified as an issue with other electrical projects as well (e.g. solar canopies and EV Chargers). Police operational needs did not allow for time to design and implement electrical upgrades and a larger scale capital project at this time.

There are no disputed claims, and the project was completed satisfactorily without any significant incidents.

### **PUBLIC OUTREACH**

This agenda item noticed in compliance with the Brown Act.

### **COUNCIL GOAL ALIGNMENT**

This proposed action supports the FY 2021-2023 City Council Goals and Priorities and the following Workplan items: #42, “Find ways for City Operations to reduce greenhouse gas emissions, conserve water, decrease waste, and minimize the use of fossil fuels and investigate and pursue options for carbon sequestration,” and #81, “Promote emergency preparedness and resiliency strategies to our residents and businesses.”

### **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

Efficient HVAC unit with adequate capacity was chosen in order to reduce overproduction by the undersized unit. While staff endeavored to replace the gas units with a heat pump, as it did with other emergency repairs, the available electrical circuit capacity and urgency of the need for cooling did not allow for a heat pump replacement in this instance. Future electrification efforts will address electrical capacity inadequacy at this site.

### **ENVIRONMENTAL REVIEW**

The installation of emergency HVAC project at the Petaluma Police station was determined to be categorically exempt under CEQA Guidelines, Sections 15301 (Existing Facilities) and 15302 (Replacement)).

### **FINANCIAL IMPACTS**

The purchase and installation of the required materials were funded as part CIP project C11202223, ARPA funding source. Due to the emergency nature of this project, staff did not have adequate time to prepare a detailed project estimate. The total project costs, including staff time for project and construction management, were not included in the request and were absorbed under Facilities Division operational budget.

### **ALTERNATIVES**

City Council may choose to not make the required findings in this report. This would risk delays in the project completion and payment to the contractor, for which the contractor may make a claim against the City, requiring additional staff time to respond to and resolve the claim.

## **ATTACHMENTS**

### 1. Resolution