



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 Council Chambers HVAC Repair Project by Downing Heating, Inc.

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 Council Chambers Repair Project by Downing Heating, Inc., authorizing release of bonds and authorizing a budget adjustment.

BACKGROUND

On July 1, 2024, the HVAC cooling system servicing the City Hall Chambers had malfunctioned. While the system was operating, temperatures remained above 80 degrees through the duration of the Council meeting. The Facilities Division requested several HVAC contractors review the status of the HVAC unit, which was found to have a failed compressor and refrigerant leak. Upon further investigation by the Downing Heating, Inc., it was found that the refrigerant leak would be too costly and difficult to perform while needs for heating and cooling of Council Chambers remained a priority for fostering civic engagement during the warmer months.

During the repair activities, two portable HVAC units were rented and installed in Council Chambers. Portable units are not a long-term solution as they do not have the capacity to provide adequate heating and cooling on particularly hot or cold days.

The removal of the old unit was accomplished using a crane and all refrigerant was disposed of off-site by the contractor. After consulting with the Facilities Maintenance staff and the contractor, the project was modified to proceed with the installation of a protective condenser cover to provide protection against vandalism to the unit.

Once the HVAC repair need was established, staff requested quote for unit replacement and repairs.

DISCUSSION

On July 2, 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 one, Downing Heating Inc., provided a bid, which was received July 12, 2024. The contract was awarded to the lowest responsive quote of \$47,136.00. The contract was executed with Downing Heating, Inc. on September 9, 2024 for the Emergency HVAC Repair-Council Chambers project.

The final construction contract cost is \$49,122. One change order was executed for this contract (Change Order #1, \$1,986: Condenser Protective Guard), which included the costs of required contract bonds and the installation of a protective condenser cover.

In alignment with the City's commitment to carbon neutrality by 2030, staff was able to replace this HVAC unit, where natural gas was the heating fuel, with a heat pump, which uses electricity as a fuel source for both heating and cooling. The City is subscribed to Sonoma Clean Power's EverGreen 100% renewable electricity in its facilities, so the Council Chambers is now conditioned with clean, renewable energy. This was possible, even in an emergency repair situation because the electric service providing electricity to City Hall had sufficient capacity to accommodate the new electrical load from the heat pump; this would not necessarily be the case will all City facilities.

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 Council Chambers did not allow for any heating or cooling of Council Chambers. During several days reaching over 90 degrees, no cooling was available for any Council, Commission, or Committee meetings. 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). As the City was already renting portable HVAC units, it was not advantageous for the City to pay the additional rental fees while it went through the formal bidding procedures. 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.

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

PUBLIC OUTREACH

This agenda item was 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.”

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The unit selected was a heat pump style HVAC unit. Replacing the old gas unit with heat pump HVAC systems will reduce greenhouse gas emissions and provide for a more efficient way to heat and cool Council Chambers.

ENVIRONMENTAL REVIEW

The Emergency HVAC Repair Council Chambers project 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 of CIP project C11202223. 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 the 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