



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 Community Center 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 Petaluma Community Center Repair Project by Downing Heating, Inc., authorizing release of the bonds.

BACKGROUND

On June 24, 2024, Facilities staff and HVAC certified contractors determined the HVAC system was no longer functioning in Craft Room 2. While the HVAC was running, it did not cool, and temperatures would run over 85 degrees on hot days. The Facilities division requested HVAC contractors assess the HVAC unit, who determined the unit was inoperable. The current unit is over 30 years old and is beyond usable life cycle as replacement parts are no longer manufactured.

While staff awaited review and repair of the HVAC system, Facilities staff rented and installed a portable HVAC unit to provide temporary climate control in Craft Room 2. 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 properly disposed of offsite by the contractor.

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. Both contractors who reviewed the site provided a quote for replacement.

Downing Heating, Inc. provided a quote on July 12, 2024 in the amount of \$26,504.00. Another quote was received from Wolf HVAC on July 17, 2024 in the amount of \$27,331.00. The contract was awarded to Downing Heating, Inc. for the lowest responsive quote of \$26,504.00. The contract was executed for that amount on September 9, 2024 for the Emergency HVAC Repair - Petaluma Community Center.

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 this unit is now conditions Craft Room 2 with clean, renewable energy. This was possible, even in an emergency repair situation because the electric service providing electricity to the Petaluma Community Center 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 the Craft Room 2 at the Petaluma Community Center did not allow for adequate heating or cooling of the space. With several days over 90 degrees inadequate cooling jeopardized the ability to run summer camp while providing for a safe environment for camp attendees. 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.

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.”

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 a more efficient way to heat and cool the Petaluma Community Center.

ENVIRONMENTAL REVIEW

The Emergency HVAC Repair - Petaluma Community Center 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 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. This would require additional staff time to respond to and resolve the claim.

ATTACHMENTS

1. Resolution