

**COUNCIL ACTION FORM**

**SUBJECT:**                   **AUDITORIUM HVAC REPLACEMENT**

**BACKGROUND:**

The City Auditorium is served by an HVAC system consisting of a fan and heating coils installed when the building was constructed in 1938, and a condenser and cooling coils that were added in 1990. Over the last several years there have been ongoing maintenance issues with the system. It was determined that the best course of action would be to replace the system and modernize it for ease of use and maintenance.

The plans called for the removal of the existing fan and coils and replacement with a rooftop unit that would provide the heating and cooling for the Auditorium. This would also allow for the existing space to become storage for the Auditorium and allow for easier access for maintenance. An alternate was also developed to provide heating and cooling in the lobby areas. These areas currently are not cooled and only have heating provided by radiators.

On Tuesday, December 29, 2020, bids were received as follows:

<b>Bidder</b>	<b>Base Bid</b>	<b>Alternate for Lobby HVAC</b>
<i>Engineer's Estimate</i>	<i>\$370,517.00</i>	<i>\$27,168.75</i>
<b>Stein Heating &amp; Cooling, Inc.</b>	<b>\$556,000.00</b>	<b>\$34,000.00</b>
Modern Piping, Inc.	\$680,800.00	\$61,950.00

The funds available for the project are from one-time General Fund savings in the amount of \$400,000 identified during the development of the FY 2019/20 adjusted City Budget. Engineering and construction administration costs are estimated at \$32,000 bringing the total project cost to \$588,000, if the low bid is accepted.

**Staff has worked with the design consultant to evaluate the bids and design in order to identify causes of the high bids received. Most of the overage is related to the ancillary items in the project such as ductwork, conduit, insulation, etc. Staff and the design team will revise the plans and come back with a modified design for a re-bid.**

**ALTERNATIVES:**

1. Reject the award and direct staff to modify the project for a future bid letting.
2. Award the Auditorium HVAC Replacement to Stein Heating & Cooling, Inc. in the amount of \$556,000.

**CITY MANAGER'S RECOMMENDED ACTION:**

The project bids are significantly higher than available funding. Staff and the design team will make modifications to the plans to reduce costs for a future bid letting. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.