

COUNCIL ACTION FORM

SUBJECT: **AUDITORIUM HVAC REPLACEMENT**

BACKGROUND:

The City Auditorium is currently served by a HVAC system consisting of a fan and heating coils from when the building was built in 1938 and a condenser and cooling coils 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.

A mechanical engineering firm was hired and completed plans and specifications. The plan calls 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. A rooftop unit would allow for easier access for maintenance and free up existing space to become needed storage for the Auditorium.

This project was originally bid this past winter, with an Engineer’s Estimate for a base bid cost of \$370,517. The project at that time included an alternate for heating and cooling the Auditorium Lobby, estimated at \$27,168.75. The project at that time received two bids. The lower of the two bids was for a combined total of \$590,000, which exceeded the \$400,000 in available funding.

Therefore, on January 12, 2021, City Council rejected the bid and directed staff to modify the project for a future bid. The consultant talked to local contractors and received responses that the timing of the project was the main issue with receiving bids.

The project plans were modified by removing items related to duct work and access into the Auditorium ceiling. An alternate was added for removal of the existing system including removal of the heating and cooling to the stage area. On Wednesday, May 12, 2021, bids were received as follows:

Bidder	Base Bid	Alternate for Removing Existing System
<i>Engineer’s Estimate</i>	\$342,870	\$13,572.30
Stein Heating & Cooling, Inc.	\$575,500	\$15,000.00
Woodruff Construction, Inc.	\$589,347	\$23,200.00
Henkel Construction Co.	\$683,000	\$23,500.00

Engineering and construction administration costs are estimated at \$32,000. With the lowest bid this would bring the total project to \$607,500. Funding for this project is in the

amount of \$400,000 from one-time General Fund savings from the FY 2019/20 adjusted budget.

Even with the modified project plans as noted above the bids came in higher than the original project bid last winter. In talking to the low bidder and the mechanical consultant the cost of materials such as sheet metal have drastically increased in cost in the last few weeks. This seems to be due to supply chain issues; suppliers have stated that they see this increase continuing for an undetermined amount of time.

Staff is working with the consultant and the apparent low bidder to see if there are additional ways to reduce costs. Staff will also explore identifying additional funding for this project. This item will be brought back to City Council at a later date for further action.

ALTERNATIVES:

1. Accept the report of bids for the Auditorium HVAC Replacement.
2. a) Accept the report of bids for the Auditorium HVAC Replacement.
b) Approve the final plans and specifications for the Auditorium HVAC Replacement
c) Award the Auditorium HVAC Replacement to Stein Heating and Cooling, Inc. of Webster City, Iowa, in the amount of \$575,500.
3. Reject all bids and delay moving forward with the project at this time.

CITY MANAGER'S RECOMMENDED ACTION:

By approving the report of bids, staff can explore options to reduce project costs and explore additional funding options.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.