

ITEM #: 35
DATE: 09-10-24
DEPT: Fleet

COUNCIL ACTION FORM

SUBJECT: AUDITORIUM HVAC REPLACEMENT PROJECT

BACKGROUND:

The City Auditorium is currently served by a HVAC system that contains a fan and heating coils dating to the building's original construction in 1938. A condenser and cooling coils were added in 1990. Over the last several years there have been ongoing maintenance issues with the system. Due to the age of the equipment and the ongoing maintenance issues, it was determined that the best course of action is to replace the system and modernize it for ease of use and maintenance.

The project was bid and rejected twice in 2021 due to proposals being significantly over budget. The project was then modified to eliminate the use of natural gas and incorporate a heat pump to replace the air-cooled condenser, which would result in lower electrical use throughout City Hall during the winter months. On August 13, 2024, City Council approved preliminary plans and specifications for the Ames City Auditorium HVAC Replacement project. The project design consisted of removing the existing systems and installing a traditional rooftop unit to provide heating and cooling to the Auditorium.

Bid documents were sent to six contractors. The bid was also advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation.

On September 4, 2024, two bids were received as shown on the table below.

BIDDER	BID AMOUNT
MECHANICAL COMFORT, INC. Ames, IA	\$1,430,000
HPC, LLC Ames, IA	\$1,465,000

The engineer's estimate for this project is \$1,097,912. Design expenses for the project total \$30,221.

The current total funding for the project is \$1,128,140 and the sources of funds are as follows:

\$650,000 from one-time General Fund savings;
\$200,000 from American Rescue Plan funds;
\$150,100 from City Hall Improvements Capital Improvement Project;
\$128,040 from Electric Services through the Department of Energy's (DOE) Energy, Efficiency and Conservation Block Grant (EECBG).
\$1,128,140

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

ALTERNATIVES:

1. Accept the report of bids and delay the award to provide staff additional time for review.
2. Approve final plans and specifications and award a contract to Mechanical Comfort, Inc. of Ames, Iowa in the amount of \$1,430,000.
3. Reject the bids and direct staff to rebid.

CITY MANAGER'S RECOMMENDED ACTION:

The bids received exceed the available funding for this project. However, the existing equipment is becoming increasingly unreliable. Staff would like more time to evaluate the bids and identify if additional funding is available to complete this needed project. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.