

August 1, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Re-Bid No. 16059 for HVAC Upgrades at City Hall – Phase 1 to Johansen Mechanical Inc., as the lowest responsible and responsive bidder, in the amount of \$204,919.23.

FISCAL IMPACT

Awarding this bid will obligate the City to enter into a contract for \$204,919.23 (includes WSST) for the Phase 1 upgrades to the City Hall heating, ventilation and air conditioning system. This amount is within the range of the revised Engineer's Estimate. Sufficient funding for this project was budgeted in the 2015-2016 Facility Services Budget.

STAFF CONTACTS

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John Koffley, Facilities Manager, 425-452-6153

Emma Johnson, Project Manager, 425-452-5246

Civic Services Department

POLICY CONSIDERATION

Bellevue City Code 4.28.040 requires the City to competitively bid public works in accordance with the Code and state law. Council approval is required to award the bid where the cost exceeds \$90,000.

BACKGROUND

The Bellevue City Hall heating, ventilation and air conditioning (HVAC) system is approximately 30 years old, and now requires significant repair and upgrade of key components to keep the system operational. A detailed assessment of the system was performed by Solarc Engineering and Energy Consulting in fall 2015 and they found serious degradation of some components. Rather than buying a new HVAC system, they recommended upgrading and repairing the fans and cooling coils throughout the building, to be completed in four phases. Their assessment identified and prioritized which air handling units at City Hall needed to be upgraded to avoid potential component failure within five years. Supply fans S-2 and S-5 were deemed a priority as failure of these air handlers and cooling coils would shut down HVAC to several critical areas of City Hall (1st Floor West Wing, Police floors and the primary data center).

Council approved rejecting the single previous bid of \$243,418, from Johansen Mechanical Inc. on December 7, 2015 due to the bid being outside the range of what was expected and having no competition. The Solarc Engineer updated their estimate and recommended a base bid with three add alternates for cleaning the supply fan blades, repair of doors, and replacement of duct connectors, as the Engineer believed that this cost was driving the total bid price. The re-bid came in much lower, for a savings of \$38,498.77.

Re-Bid No. 16059 was issued June 7, 2016 on City of Bellevue and Builders Exchange websites, and advertised in the Seattle Times and Seattle Daily Journal of Commerce. Bids were due and opened June 30, 2016.

Following verification of bid submittals, the bids received were as follows:

Johansen Mechanical Inc.	\$186,257.15
ACCO ES	\$228,570.00
Holmberg Company	\$227,671.20
Engineer's Estimate:	\$190,000-\$210,000

The initial apparent low bidder for the base bid was Johansen Mechanical, Inc. Supplemental reference checks verified that the contractor was qualified for the project.

The three additive alternates included in the invitation to quote were in addition to the base bid listed above, with the City's option to purchase. Johansen Mechanical Inc.'s total for these items is \$18,662.08. Since they are reasonably priced and within budget, staff recommends including them in this contract.

EFFECTIVE DATE

If approved, this Motion will become effective immediately upon Council adoption.

OPTIONS

1. Award Re-Bid No. 16059 for HVAC Upgrades at City Hall – Phase 1 to Johansen Mechanical Inc., as the lowest responsible and responsive bidder, in the amount of \$204,919.23.
2. Reject all bids and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to award Re-Bid No. 16059 for HVAC Upgrades at City Hall – Phase 1 to Johansen Mechanical Inc., as the lowest responsible and responsive bidder, in the amount of \$204,919.23.

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Contract