

REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org



CONSENT
April 10, 2007

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Central Library Chiller Renewal (CE21)

Location/Council District: 828 I Street, Council District 1

Recommendation: Adopt a **Resolution:** 1) Suspending competitive bidding in the best interests of the City and 2) authorizing the City Manager or his designee to execute an agreement in the amount of \$158,730 with Indoor Environmental Systems to renew the existing Central Library Chiller (CE21).

Contact: Keith Roberts, Senior Engineer, 808-4726; Cynthia Kranc, Facilities Manager, 808-2258

Presenters: None

Department: Department of General Services

Division: Facilities and Real Property Management

Organization No: 3283

Description/Analysis:

Issue: The current chillers at the Central Library are over 15 years old and near the end of their useful and rated lives. Chiller 2 has become an extreme maintenance burden in the last three years and failed during the heat storm in summer of 2006. Facilities and Real Property Management and Central Library staff believe that it is imperative to renew or replace the chiller before summer 2007. City Council approval of this agreement is required to provide renewal of the existing chiller at the Central Library.

Policy Considerations: Sacramento City Code Chapter 3.60 identifies the general guidelines for completing contracts for public projects and procedures for bidding and issuing contracts over \$100,000. In accordance with Sacramento City Code Section 3.60.170, staff used a design-build selection process which requires suspension of competitive bidding it is in the best interests of the City.

Environmental Considerations: The approval of this agreement is not considered a project as defined by Section 15378 of the California Environmental Quality Act guidelines. The recommended action involves no physical construction and has no potential to cause significant impact to the environment.

Rationale for Recommendation: During the summer of 2006, Chiller 2 at the Central Library failed during a two-week long heat storm. As a result, the Central Library had to be temporarily closed. Chiller 2 is 15 years old, near the end of its life and has become an extreme maintenance burden in the last 3 years.

- Cost Per Quality Point: Under this competitive process, the City issued a Request for Proposal (RFP) for design-build services using the standard Consultant/Contractor notification process.
- Responders to the RFP submitted a proposal outlining the intent of their design solution and submitted a sealed bid for the work identified.
- An evaluation team, consisting of staff from Facilities and Real Property Management Division, the Department of Convention, Culture and Leisure and Central Library, reviewed the proposals and awarded points based on pre-determined criteria identified in the RFP. The criteria included were: proposed cost, energy efficiency, maintenance, references, controls interface, experience, warranty, and sustainable business practices.
- At the end of the evaluation process, the sealed bids were opened. For the Central Library Chiller project three alternatives were proposed by two firms American Chiller Service (ACS) and Indoor Environmental Systems (IES). The results of the process follow:

Firm	Proposal	Proposed Cost	Points Awarded	Cost Per Point	Ranking
IES	Renew Chiller	\$158,730	65	2,432	1
ACS	New Chiller	\$283,684	91	3,128	2
ACS	Renew Chiller	\$263,800	79	3,335	3

Based on the results of the analysis, Indoor Environmental Systems was ranked one because of lowest cost per point, and the evaluation team recommends that IES be awarded a design-build agreement based on their proposed design solution:

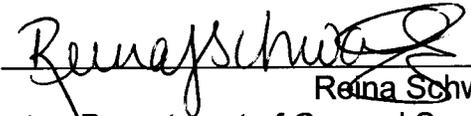
- Renewed chiller is 35% more energy efficient than current chiller.
- Energy efficiency improvement is a key consideration and will assist the City in meeting energy efficiency targets identified in Resolution 2005-725 and in the Urban Environmental Accords, signed by Mayor Fargo on April 22, 2006.
- An efficient chiller will assist the City in meeting an Urban Accords goal to reduce greenhouse gas emissions by 25% by 2030.

- In keeping with the spirit of the City’s goal to achieve sustainability, both internally and within the community, green contracting has been incorporated into this project in the form of a 2% bid preference. Preference was given to firms that showed that they operate in a sustainable fashion.

Financial Considerations: Sufficient funding is available within the City Facility Deferred Maintenance Project (CE21) to approve the agreement with Indoor Environmental Systems in an amount not to exceed \$158,730. The City will also receive a \$35,000 incentive from SMUD for the use of this energy efficient and advanced technology solution, which will be placed in CE21 to support project funding.

Emerging Small Business Development (ESBD): The selection of consultants and contractors for this project followed City established guidelines for inclusion of ESBD firms.

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager 

Approved by: 
Reina Schwartz
Director, Department of General Services

Recommendation Approved:

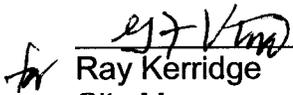

Ray Kerridge
City Manager

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Attachment 1

BACKGROUND INFORMATION:

On December 19, 2006, the Department of General Services posted a Request for Proposals (RFP) to the City's Contract website. A mandatory site walk through was done on December 28, 2006. Twelve firms attended the walk through.

The RFP closed on January 10, 2007, and a total of three firms responded to the RFP. A panel of City staff from the Facilities and Real Property Management Division, the Department of Convention, Culture and Leisure, and the Central Library reviewed and evaluated the firm's written proposals based on energy efficiency of the solution, firm experience and qualifications, maintenance friendliness of the proposed solution, and proposed cost for the project.

Two firms demonstrated they were highly qualified for the project. Based on this, the panel held interviews with both firms to better define the top-ranked firm. Based on the selection process Indoor Environmental Systems was ranked the top firm.

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

APRIL 10, 2007

**SUSPENDING COMPETITIVE BIDDING IN THE BEST INTERESTS OF THE CITY
AND APPROVING AN AGREEMENT WITH INDOOR ENVIRONMENTAL SYSTEMS
TO RENEW THE EXISTING CENTRAL LIBRARY CHILLER (CE21)**

BACKGROUND

- A. On December 19, 2006 the Department of General Services posted a request for proposals (RFP) to the City's Contract website. A mandatory site walk through was completed on December 28, 2006.
- B. The current chillers at the Central Library are 15 years old and near the end of their rated lives. Chiller 2 has become an extreme maintenance burden over the last 3 years and failed during the heat storm in the summer of 2006.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Competitive bidding is hereby suspended as it is in the best interests of the City.
- Section 2. The City Manager or his designee is authorized to execute a contract in the amount of \$158,730 with Indoor Environmental Systems to renew the existing Central Library Chiller (CE21).

