

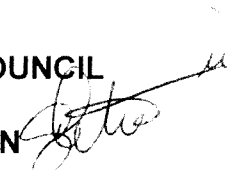
STAFF REPORT

CITY OF YORBA LINDA

Parks and Recreation Department

DATE: JUNE 2, 2009

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: SUSAN LETO, DIRECTOR OF PARKS AND RECREATION 

PREPARED BY: STEVE CAMPBELL, PARKS AND FACILITIES SUPERINTENDENT

SUBJECT: AWARD OF CONTRACT – YORBA LINDA CITY HALL HVAC REPLACEMENT PROJECT

RECOMMENDATION

It is recommended that the City Council:

- Award a contract agreement for the installation of two HVAC systems at City Hall, in the amount of \$32,440 to Coutts Heating and Cooling, Inc. of Corona, CA and reject all other bids; and,
- Approve and appropriate \$37,306 from the General Fund Reserves to fund the project (\$32,440) as well as a 15% contingency (\$4,866) to allow for unforeseen circumstances; and,
- Authorize the City Manager to sign and City Clerk to attest said agreement.

BACKGROUND

The Parks and Recreation Department, along with a City HVAC (Heating, Ventilation, and Air Conditioning) service provider, regularly review the operating condition of all City HVAC systems. Two units located at City Hall have been identified as in need of replacement due to a cracked heat exchanger on one unit and a severely corroded coil on the other.

DISCUSSION AND ANALYSIS

The two HVAC units being recommended for replacement are twenty-five years old and are original equipment for the building. These units have remained in service well

beyond their life expectancy and are considered inefficient by today's standards. The replacement units are energy efficient and have a life expectancy of fifteen to twenty years. A simple payback analysis indicates that replacement of these two units will result in an energy savings of approximately \$4,400 per year for a payback period of approximately 7.4 years. The total energy savings is estimated at \$32,560 over the first 7.4 years of the life of the units.

Quotes were solicited through the informal bid process from three reputable vendors for this type of equipment. The vendors solicited also provide local field service for the proposed equipment. Three quotes were received with the following results:

	<u>Bidder</u>	<u>City</u>	<u>Amount of Bid</u>
1.	Couts Heating and Cooling, Inc.	Corona, CA	\$ 32,440
2.	Johnson Controls	Whittier, CA	\$ 39,107
3.	F.M. Thomas Air Conditioning, Inc.	Brea, CA	\$ 52,239

Couts Heating and Cooling, Inc. has performed other services for the City such as the recent Thomas Lasorda Jr. Field House HVAC Installation Project. This contractor also comes with an excellent service reputation for similar equipment.

FISCAL IMPACT

Funding for equipment failures of this type was not appropriated in the City's Operating or C.I.P Budget. A General Fund transfer of \$37,306 is required to fund the purchase and installation of the recommended equipment.

RECOMMENDATION

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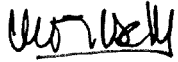
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ALTERNATIVES

The City Council may choose to award a contract for replacement of only the failed unit (cracked heat exchanger) at this time. The remaining unit (corroded coil) will require replacement when it ceases to function and be brought back before the City Council to request additional funding at that time. Staff has created an economy of scale by combining the replacements into one project realizing a total savings from the selected

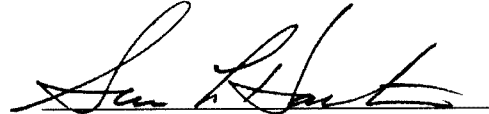
vendor of approximately \$700. Should the City Council direct staff to proceed with this alternative, an appropriation of \$19,055.50 is required from the General Fund Reserves to fund the project (\$16,570) as well as a 15% contingency (\$2,485.50) to allow for unforeseen circumstances.

Approved by:



William R. Kelly
Interim City Manager

Certified as to Fiscal Impacts:



Susan L. Hartman
Finance Director