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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2010 JUN 30 AM 10:51

TO: Office of the City Administrator
ATTN: Daniel Lindheim
FROM: Public Works Agency
DATE: July 13, 2010

RE: **Resolution Waiving Solicitation for Fixed, Sealed Bids And Price-Based Award Requirements And Authorizing The City Administrator Or Designee To:**

- 1. Award A Design-Build Agreement To United Comfort Solutions, Inc. For Energy Efficiency Improvements To The Heating, Ventilating And Air Conditioning (HVAC) System Controls For The Civic Center Complex Buildings For An Amount Not To Exceed Six Hundred Ninety-Five Thousand Dollars (\$695,000.00), To Be Paid In Part With Federal Government Stimulus Package Funds; And**
- 2. Accept And Appropriate Energy-Related Rebates In Project Numbers C388910 (Civic Center Data Center Server Virtualization), And C389010 (Civic Center Electronic HVAC Control Upgrades Building Automation System) For Energy Efficiency Improvements To The HVAC System Controls For The Civic Center Complex Buildings; And**
- 3. Appropriate Fifty-Five Thousand Four Hundred Five Dollars (\$55,405.00) Of Energy Rebate Funds In Project H33620 (CEC Loan – HVAC Conservation) For Energy Efficiency Improvements To The HVAC System Controls For The Civic Center Complex Buildings**

SUMMARY

A resolution has been prepared waiving competitive bidding and authorizing a design-build agreement for energy efficiency lighting improvements to City facilities using grant funds from the Federal Government's Stimulus Package (American Recovery and Reinvestment Act (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program). Rapid implementation of projects to spend these funds is a primary expectation of the ARRA grant.

The attached resolution:

1. Waives the fixed, sealed bids, price-based award process and authorizes the City Administrator, or designee, to award a design-build agreement to United Comfort Solutions, Inc. (UCS) for energy efficiency improvements to the Civic Center Complex HVAC systems in an amount not to exceed six hundred ninety-five thousand dollars (\$695,000.00);

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2. Accepts and appropriates energy-related rebates for Projects C388910 and C389010.
3. Appropriates \$55,405 of energy rebates in Project H33620 (CEC Loan – HVAC Conservation) for energy efficiency improvements to the HVAC system controls for the Civic Center Complex buildings.

FISCAL IMPACT

Funding for this project comes from three sources:

1. An ARRA grant in the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), projects C388910 and C389010 in the amounts of \$89,595 and \$535,000 respectively.
2. An estimated rebate of \$15,000 from the PG&E Municipal Improvement Team program to be appropriated into Projects C389010 and C389910 and spent on the Civic Center Complex HVAC Control & Air Flow Improvements work.
3. Rebate funds from previously completed energy efficiency projects that were deposited, and remain unappropriated, in City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), Project H33620 (CEC Loan – HVAC Conservation) in the amount of \$55,405.

The estimated \$57,000 of annual energy cost savings for the proposed Civic Center Complex HVAC work will help to offset rising utility and maintenance expenses in the City Facilities Fund (4400). This project includes elements that would otherwise require capital maintenance expenses estimated of approximately \$250,000.

BACKGROUND

City Council Resolution 82092 C.M.S. dated June 16, 2010 authorized application and acceptance of ARRA funds for this project. ◊

In September, 2009, the Department of Energy awarded the ARRA grant for energy efficiency projects to the City. In March 2010, and as required under Section 2.04.051 of the Oakland Municipal Code, a Request for Qualifications was published for the Civic Center Complex HVAC Control & Air Flow Improvements work. The Civic Center Complex buildings included in this project are City Hall, 150 and 250 Frank H. Ogawa Plaza. One proposal was submitted, but it was non-responsive and subsequently rejected.

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In April 2010, a Request for Proposals (RFP) was published. The City received proposals from United Comfort Solutions, Inc. and Syserco. United Comfort Solutions, Inc. is located in Milpitas, CA and Syserco is located in Fremont, CA. Interviews were held on May 20, 2010. The UCS proposal was scored the highest by the review panel. UCS meets the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program, the Local Employment Program (LEP), and the Oakland Apprenticeship Workforce Development Partnership System (OAWDPS). A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

UCS' proposal met the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program for professional services by providing 35% of its professional services from certified Small Local Businesses. UCS's proposal for construction services also met the City's 35% Local/Small Local Business Enterprise (L/SLBE) criteria. UCS will provide 25% of its construction services from certified Small Local Businesses and 10% from certified Local Businesses. The proposal also committed to meeting the requirements of the Local Employment Program (LEP), and the Oakland Apprenticeship Workforce Development Partnership System (OAWDPS). A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

The scope of work negotiated with UCS allows for up to \$695,000 of HVAC control system and air improvement work to the Civic Center Complex buildings.

The City is eligible for energy efficiency rebates for this project from PG&E.

Staff requests that the City Council find that it is in the best interests of the City to waive the fixed, sealed bid, price-based award process for this project so that staff can use the design-build fast-track project delivery method. Oakland Municipal Code Section 2.04.180 authorizes staff to negotiate design-build contracts, an alternative fast-track project delivery method, "when the circumstances surrounding the project substantiate that it is in the best interests of the city to waive such requirements pursuant to Oakland Municipal Code Section 2.04.050." The ARRA requires the rapid commencement of projects to meet the funding goal which is to create jobs. Acquiring design-build proposals in a single solicitation process is faster than issuing a request for proposals for professional services, creating construction documents, and then advertising and soliciting fixed sealed bids for construction. Design-build solicitations also allow teams of engineers and contractors to negotiate solutions that integrate their engineering and construction expertise to achieve a balance between construction cost and operating cost.

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KEY ISSUES AND IMPACTS

The Civic Center Complex HVAC control system includes eight central nodes that are obsolete and must be replaced as soon as possible. This work will reduce maintenance cost and improve HVAC system efficiency and performance for City Hall, 150 and 250 Frank H. Ogawa Plaza. Modifications are needed to the air handling equipment and controls serving the City's Data Center server room located on the 8th floor of 150 Frank H. Ogawa Plaza. These changes will improve the reliability of the cooling system for this critical Data Center while saving energy. The proposed project will improve energy efficiency and performance for these Civic Center Complex HVAC system elements and at a cost not to exceed \$695,000.

The solution that UCS offers is the most compatible replacement for the eight central nodes in the existing Civic Center Complex HVAC control system. Other solutions require the use of additional hardware and software to communicate with the existing HVAC control equipment.

PROJECT DESCRIPTION

The maximum amount for the proposed agreement with UCS is \$695,000. Four-fifths of the proposed work involves replacing the eight central nodes in the HVAC control system for City Hall, 150 Frank H. Ogawa Plaza and 250 Frank H. Ogawa Plaza. One-fifth of the work involves modifying air handling equipment and controls to improve air flow, increase reliability and save energy in the Data Center cooling operations.

SUSTAINABLE OPPORTUNITIES

Economic: This project will use stimulus funds from the ARRA to provide jobs in the community while increasing energy efficiency of the building and decreasing energy costs for the City operations.

Environmental: This energy efficiency project will avoid an estimated 158 Metric Tons per year of greenhouse gas and other toxic emissions per year.

Equity: This project will include significant participation from certified Small Local Business Enterprises and certified Local Business Enterprises.

DISABILITY AND SENIOR CITIZEN ACCESS

This project does not have direct access impacts on disabled or senior citizens.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution that:

- 1) Waives the competitive bidding process and authorizes the City Administrator to award a design-build agreement with UCS in an amount not to exceed \$695,000 for the Civic Center Complex HVAC Controls & Air Flow Improvement work;
- 2) Allows the City to accept and appropriate energy rebates into Projects C388910 and C389010; and
- 3) Appropriates \$55,405 of energy rebates in Project H33620.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Director, Public Works Agency

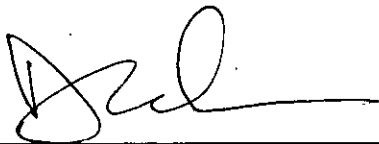
Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Katchee, Environmental Services Manager

Prepared by:
Scott Wentworth, P.E., Energy Engineer
Environmental Services Division

Attachment A: Department of Contracting and Purchasing

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



Office of the City Administrator

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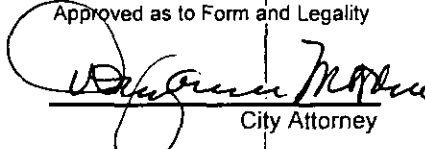
FILED
OFFICE OF THE CITY CLERK
OAKLAND

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OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Approved as to Form and Legality


City Attorney

RESOLUTION WAIVING SOLICITATION FOR FIXED, SEALED BIDS AND PRICE-BASED AWARD REQUIREMENTS AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:

- 1. AWARD A DESIGN-BUILD AGREEMENT TO UNITED COMFORT SOLUTIONS, INC. FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE HEATING, VENTILATING AND AIR CONDITIONING (HVAC) SYSTEM CONTROLS FOR THE CIVIC CENTER COMPLEX BUILDINGS FOR AN AMOUNT NOT TO EXCEED SIX HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$695,000.00), TO BE PAID IN PART WITH FEDERAL GOVERNMENT STIMULUS PACKAGE FUNDS; AND**
- 2. ACCEPT AND APPROPRIATE ENERGY-RELATED REBATES IN PROJECT NUMBERS C388910 (CIVIC CENTER DATA CENTER SERVER VIRTUALIZATION), AND C389010 (CIVIC CENTER ELECTRONIC HVAC CONTROL UPGRADES BUILDING AUTOMATION SYSTEM) FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE HVAC SYSTEM CONTROLS FOR THE CIVIC CENTER COMPLEX BUILDINGS; AND**
- 3. APPROPRIATE FIFTY-FIVE THOUSAND FOUR HUNDRED FIVE DOLLARS (\$55,405.00) OF ENERGY REBATE FUNDS IN PROJECT H33620 (CEC LOAN – HVAC CONSERVATION) FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE HVAC SYSTEM CONTROLS FOR THE CIVIC CENTER COMPLEX BUILDINGS**

WHEREAS, the City Council authorized application for American Recovery and Reinvestment Act of 2009 (ARRA) funds for this project in Resolution No. 82092 C.M.S, and the Department of Energy awarded the City a grant for energy efficiency improvements to its municipal assets, including municipal buildings, under the ARRA, Energy Efficiency and Conservation Block Grant (EECBG) Formula Program; and

WHEREAS, the shared goals of the City and the ARRA include creating jobs quickly, improving energy efficiency and reducing greenhouse gas emissions; and

WHEREAS, the City has appropriated funds totaling \$695,000 to implement this project with \$624,595 in Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), distributed among the Civic Center Electronic HVAC Control Upgrades BAS Project (C389010) and the Civic Center Data Center Server Virtualization Project (C388910), and \$55,405 in City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), California Exchange Commission (CEC) Loan – HVAC Conservation Project (H33620); and

WHEREAS, the energy efficiency improvements to the Civic Center Complex HVAC control & air flow systems will result in reduced energy consumption and greenhouse gas emissions; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work; and

WHEREAS, the City Administrator has determined that the services under this agreement are of a technical and temporary nature, and that the performance of this agreement shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, Section 2.04.180 of the Oakland Municipal Code (OMC) allows the City to use the alternative fast-track project delivery method commonly referred to as "Design-Build" with or without advertising and solicitation of bids "when the circumstances surrounding the project substantiate that it is in the best interests of the city" to waive such requirements pursuant to OMC Section 2.04.050; and

WHEREAS, it is in the City's best interests to waive the fixed, sealed bid and price-based award process for this project because: 1) the ARRA provides shortened timeframes for the commencement of projects in order to meet the funding goal of creating jobs and acquiring design-build proposals in a single solicitation process is faster, and 2) the design-build process allows the City to negotiate for and better balance construction and operating costs; and

WHEREAS, the City issued and advertised a Request For Proposals energy efficiency design and construction services to which United Comfort Solutions, Inc. responded in a manner that best complies with the City's engineering, construction and program requirements; now, therefore, be it

RESOLVED: That the City Administrator, or designee, is authorized to negotiate and enter into a Design-Build agreement in an amount not to exceed six hundred ninety-five thousand dollars (\$695,000) with United Comfort Solutions, Inc. for energy efficiency improvements to the Civic Center HVAC control & air flow system; and be it

FURTHER RESOLVED: That pursuant to OMC Section 2.04.180 and Section 2.04.050 I, 5 and the reasons stated in the report accompanying this Resolution and above, the City Council finds that it is in the best interests of the City to use the alternative fast-track project delivery method commonly referred to as "Design-Build" and to waive the fixed, sealed bid, price-based award process for this contract, and so waives said requirements; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to apply for, accept, and appropriate energy related rebates or incentive payments from programs offered by the State, PG&E or other rebate programs and place funds into the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), Projects C389010 and C388910; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to transfer allocations between projects in Fund 2609 as necessary to achieve the optimal use and full expenditure of ARRA grant funds; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to extend, amend (except to increase compensation), and take whatever action is necessary with respect to this agreement consistent with this resolution and its basic purpose; and be it

FURTHER RESOLVED: That all contracts authorized hereunder shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER.

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California