



CITY OF SALINAS

COUNCIL STAFF REPORT

DATE: **March 5, 2024**

DEPARTMENT: **PUBLIC WORKS**

FROM: **DAVID JACOBS, PE, PLS, PUBLIC WORKS DIRECTOR**

BY: **SEAN SCHMIDT, FACILITIES MAINTENANCE MANAGER**
ADRIANA ROBLES, PE, CFM, CITY ENGINEER

TITLE: **EMERGENCY CITY HALL HVAC SYSTEM REPLACEMENT**

RECOMMENDED MOTION:

A motion to approve a Resolution to:

1. Approve amendment #1 to increase the compensation for Environmental Systems Inc, Agreement by \$54,414.50 for Emergency City Hall HVAC System Replacement; and
2. Approve an amendment to the Agreement terms to extend completion date through December 31, 2024; and
3. Authorize the Interim City Manager to enter into the amendment on behalf of the City.

EXECUTIVE SUMMARY:

During the City Hall Emergency Roof Repair Project and following shut down of the first floor HVAC system, it was discovered that the electrical and ducted work needs to be changed. We have exhausted the 20% contingency and are seeking funds within CIP 8170 to amend the agreement with ESI for an additional \$54,414.50 for the change orders and authorize an extension to the agreement Term to December 2024. The City Hall HVAC system is 50 years old. Parts are no longer readily available, and it has numerous issues that cannot be repaired. In addition, the extra work will put us over the contract term time frame and needs to be extended.

BACKGROUND:

On April 4, 2023, City Council approved Resolution No. 22627 awarding an emergency construction contract for the City Hall Emergency Roof Repair. The project is replacing the existing roof system for a more efficient one, which will seal the roof and prevent roof leaks. The activities required for the roof repair will inevitably disturb the existing asbestos laden fireproofing. Therefore, it became imperative that staff address asbestos abatement as part of the roof repair. Effective July 17, 2023, the main entrance (Lincoln Street) was closed, and staff were relocated out of the first-floor east side of City Hall. This allowed shutdown and inspection of the HVAC system.

Following shutdown of the system on the last week of July 2023, the on-call service contractor, Environmental Systems Inc. (ESI), reported that the first-floor east side air handling unit had failed and was not repairable. The air-handler interior insulation is delaminating causing debris particles to become airborne and blown into the occupied space. The frame/chassis for the air handler are rusted due to on-going heating water leaks. The structural strength of the metal frame is compromised and could collapse. The condensing unit utilizes R-22 refrigerant (no longer manufactured) and is currently low on charge and sitting idle at atmospheric conditions. The effort to repair and recharge the equipment would not be the most cost-effective decision for the City. ESI would install two (2) new air handlers and plenums, one (1) new condensing unit and refrigerant piping, a new hot water heating valve and piping, and add onto the existing Delta Controller temperature, schedules, building pressure controls and OSA CO2 monitoring.

On August 23, 2023, City Council approved Resolution 22775 awarding a contract to ESI in the amount of \$225,972.50 plus \$45,194.40 for contingencies to address the HVAC issues.

As work progressed more issues have been found and change orders have exhausted the contingencies. ESI is estimating another \$54,414.50 is needed to complete the work for a grand total of \$325,581.40.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This project addresses the current City Council's Goals of Operational Efficiency and Public Safety.

DEPARTMENTAL COORDINATION:

The Facilities Maintenance division along with the City Engineer have collaborated to determine the need of the HVAC replacement at City Hall. Continued ongoing partnership between the divisions of Public Works will ensure timely replacement and proper safety protocols are followed. With an approved replacement plan, Facilities Maintenance division will work with those divisions

who the replacement will affect to ensure a smooth transition and have minimal impact on work efficiency.

FISCAL AND SUSTAINABILITY IMPACT:

Funding is available and appropriated in 3911.50.8170.

ATTACHMENTS:

Amendment
Resolution
Agreement