



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: NOVEMBER 12, 2024

DEPARTMENT: PUBLIC WORKS AND LIBRARY AND COMMUNITY SERVICES

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TITLE: EMERGENCY SHERWOOD HALL HVAC BOILER REPLACEMENT, CHILLER MAINTENANCE AND WATER TREATMENT

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. Delegating authority to the City Manager to execute an agreement with Environmental Systems Inc. and Water One Industries Inc. for the HVAC boiler and chiller system improvements and water treatment at Sherwood Hall in an amount not to exceed \$552,000.
2. Authorizing the transfer from the Facilities Maintenance Reserve to the Recreation Department – Facility Services Division, to cover the expenses related to the improvements.

EXECUTIVE SUMMARY:

Sherwood Hall’s HVAC boiler and chiller systems have failed. The boiler is original to the building construction and is having nuisance failures and service calls due to its age and condition. The only heat source for Sherwood Hall is the existing single boiler. When the boiler fails or trips off, the building does not have any heat and cannot meet minimum occupancy code standards. The existing boiler’s energy consumption/efficiency is no longer allowed to be installed in California. The chiller system cooling operation is inoperative. The chiller has no flow and needs to be cleaned and serviced. In addition, the chiller software needs to be updated. This service is designed to ensure that the chiller operates at peak efficiency and extends its operating life expectancy. Once the HVAC boiler and chiller systems have been addressed, water treatment needs to be in place. The HVAC system requires a water source and having treated water will not only help minimize scale and bacteria growth but will also extend the life of the equipment.

BACKGROUND:

The Public Works Facilities Division has been working with Library and Community Services Recreation-Park Division and the on-call service contractor, Environmental Systems Inc. (ESI) on issues pertaining to Sherwood Hall's HVAC System for a couple of years. On March 13, 2024, Facilities informed Recreation-Park staff that the building's HVAC control air system had failed. The system was assessed as part of its quarterly maintenance, and it was determined that there were large air leaks causing the buildings air compressor to operate continually and ultimately fail. The failed control system caused the building to drastically overheat. The assessment recommended to replace the nomadic HVAC control system to digital. The replacement not only allowed Facilities to detect proper function, but it improved efficiencies by allowing them to address any issues remotely.

On August 12, 2024, the boiler and chiller were shut off to upgrade the control valves for the system. Once the new valves were in place, Facilities and ESI found that the boiler would not fire back up and the chiller had no water flow. Upon further inspection, the boiler was leaking water, and the gas igniter would not work. ESI brought MFG, the chiller manufacturers, to inspect the chiller and found that bells, tubes and tube sheets were fouled and in need of a more aggressive acid cleaning. Two flow sensors were found to be inoperative, and the chiller software needed to be upgraded. MFG also shared that no maintenance / service had been done to the system since its purchase.

Staff is requesting to enter into an agreement for services with ESI for the replacement of the HVAC boiler and chiller maintenance and cleaning and allow for a 10% contingency for any unforeseen issues in an amount not to exceed \$517,356 and use Facilities Maintenance Reserves to fund the improvements. Pursuant to Section 12-27 of the Salinas Municipal Code, staff is requesting exceptions to competitive bidding for this agreement given that ESI is the City's on-call service contractor for the HVAC systems and is familiar with the system and that competitive bidding of this item would further extend the timeline for replacement of the system.

Staff is also recommending entering into an agreement for services with Water One Industries Inc. in an amount not to exceed \$52,000 for water treatment at Sherwood Hall for a period of three years. Staff is requesting the first year of maintenance and system improvements (\$34,634) be covered by the Facilities Maintenance Reserve. The two remaining years will be covered by the Community Center's operating budget. Sherwood Hall's water was previously treated; unfortunately, the company left the area, and treatment has been halted ever since. Water One Industries will make repairs to the system and provide monthly water treatment service to Each Cooling Tower System, Each Chilled Water Closed Loop and Each Hot Water Closed Loop system. These HVAC components require a water source and without adequate treatment corrosion and additional damage to the system will occur.

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 15269 (b)).

STRATEGIC PLAN INITIATIVE:

This project addresses the current City Council’s Goals of Infrastructure and Environmental Sustainability by improving city facilities.

DEPARTMENTAL COORDINATION:

The Facilities and Recreation-Park Divisions along with the City Manager’s Office and Finance have worked together to identify funding for the replacement of the HVAC Boiler and Chiller System maintenance. The Facilities Divisions will ensure timely replacement and proper protocols are followed.

FISCAL AND SUSTAINABILITY IMPACT:

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)*
1000	38.0197	Facilities Maintenance Reserve	\$1,800,000	\$552,000	N/A	6/13/23; 22685
1000	55.6243	Outside Services – Maint & Repairs	\$0	\$552,000	N/A	N/A

There are sufficient funds within the City’s Facilities Maintenance Reserve Fund.

ATTACHMENTS:

- Resolution Agreement 1
- Agreement 2