

**Council Meeting: August 19, 2008****SUBJECT: Rejection of Bids for Public Safety Building Data Center Heating, Ventilating and Air Conditioning Improvements (F0706-101)****REPORT IN BRIEF**

Request is made that Council reject the two bids received in response to Invitation for Bids No. F0706-101 for the Public Safety Building Data Center HVAC (Heating, Ventilating and Air Conditioning) Improvements for the Department of Public Works Engineering Division.

BACKGROUND

The existing HVAC system for the Public Safety Building is over twenty years old, obsolete and unable to keep up with the demands of the 24 X 7 operations in the facility. Additional technology placed in the Computer Room has strained the cooling capacities of the system. The Parks & Recreation Department has developed a Capital Project for the DPS HVAC replacement (Project 819610 – Public Safety Buildings – HVAC to replace systems at headquarters and five fire stations). The project is in final design in the Public Works Engineering Division, and should be bid for construction this fall.

The Data Center (Computer Room) on the second floor of the Department of Public Safety (DPS) has recently been experiencing overheating problems. Staff has been reporting room temperatures as high as 90 degrees (F) in the room, which houses the computer hardware that runs the Public Safety applications, including Computer Aided Dispatch (CAD). The problem is further complicated by the lack of an external thermal alarm in the Public Safety Building, which would warn support staff of increasing temperatures in the Computer Room. Room temperature in excess of 90 degrees could cause thermal shutdown, taking the applications off-line.

In the interim, facilities Services staff has responded on an emergency basis to several of the highest temperature spikes and found mechanical causes (i.e. a belt came off or a component failed), but even when the existing HVAC system is operating smoothly, the room temperature is in the mid-80 degree range, which gives little cushion for response should the system suffer a catastrophic failure. As an emergency measure, a portable cooling system has been ordered and will be installed until the large project can be bid.

DISCUSSION

In order to address the current overheating problems, the Engineering Division contracted with a local mechanical engineering firm to develop specifications for a pre-packaged stand-alone “split system” that was cost efficient, with a short delivery time, that could be bid, awarded and installed quickly but would still integrate with the rest of the DPS project when it was constructed later this year. The system designed consisted of a 20-ton chiller unit, to be located on a concrete pad in the DPS parking lot which would connect to a 12.5 ton fan coil unit located on the second floor of the building.

Bid specifications were developed by Public Works and Purchasing staff, and Invitation for Bids No. F0706-101 was direct mailed to nine local HVAC contractors with a quick turnaround time. The engineer’s estimate on the project was between \$90,000 and \$100,000.

Two bids were received and publicly opened on Wednesday, June 25, 2008.

<u>Bidder</u>	<u>Total Bid</u>
O.C. McDonald Co., Inc. of San Jose	\$205,234
Environmental Systems, inc. of Santa Clara	\$261,300

Given that the bid amounts were well in excess of the initial estimate, and given that a temporary cooling system will be put in place to mitigate temperature spikes in the near future, staff recommends that Council reject all bids received.

FISCAL IMPACT

There is no fiscal impact associated with rejecting the bids. A temporary cooling system at an approximate cost of \$10,000 has been ordered and will be utilized until the larger project can be bid. Funds are budgeted in Program 769 to cover the costs of this temporary system.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION

It is recommended that Council reject all bids received in response to Invitation for Bids No. F0706-101 for the Public Safety Building Data Center Heating, Ventilating and Air Conditioning Improvements

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