

Lompoc City Council/ Redevelopment Agency Agenda Item



City Council/Agency Meeting Date: August 17, 2010

**TO: Laurel M. Barcelona, City Administrator/
Executive Director**

**FROM: Craig Dierling, P.E., Civil Engineering Associate III
c_dierling@ci.lompoc.ca.us**

**SUBJECT: AWARD OF PROJECT NO. FY-07-P-1b
DEHUMIDIFICATION EQUIPMENT PURCHASE FOR THE
AQUATIC CENTER DEHUMIDIFICATION PROJECT**

RECOMMENDATION:

Staff recommends the City Council take the following actions:

1. Adopt the Plans and Specifications for Project No. FY-07-P-1b. Copies of plans and specifications are on file in the City Engineer's Office.
2. Award the Dehumidification Equipment Contract in the amount of \$473,822.66 to Desert Aire Corporation, of Germantown, WI, and authorize the Purchasing Agent to issue a Purchase Order.
3. Authorize the City Engineer to approve Contract Change Orders in an amount not to exceed \$60,000.00.

Staff further recommends the Agency Board take the following actions:

1. For the above purchase and as reflected in the Agency's recently adopted budget, authorize the expenditure of up to \$533,822.66 of the \$1,872,500 the Agency received from the recently issued tax allocation bonds.
2. Authorize staff to transfer up to \$533,822.66 from the appropriate Agency budget account to the appropriate City budget account, when and as needed.

DISCUSSION:

City Project No. FY-07-P-1b is the first step in accomplishing the goal of controlling the humidity and air temperature at the Lompoc Aquatic Center and reducing the corrosion and deterioration to elements within the pool enclosure. In order to expedite completion of the planned dehumidification project, staff recommends ordering several key pieces of equipment now since the equipment takes three to four months to manufacture, and the construction plans are still being finished by the design consultant. Project No. FY-07-P-1b consists of purchasing the dehumidification equipment to be installed at the Lompoc

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Aquatic Center. The current project schedule anticipates the equipment can be delivered this winter once a construction contract has been awarded, and the contractor can then install the equipment in the Lompoc Aquatic Center without the delay of waiting for the equipment to be manufactured.

An addendum to the Aquatic Center's Environmental Impact Report (EIR) was prepared to evaluate the impacts of installing the dehumidification equipment at the Aquatic Center. The EIR addendum found that no new or substantially greater impacts would occur with implementation of the dehumidification project.

At the April 20, 2010, City Council meeting, Council directed staff to solicit bids for the construction of the Project. City staff performed the advertisement and bid procedures for this equipment purchase in accordance with the City of Lompoc Purchasing Code, Chapter 3.36 of the Lompoc Municipal Code. The solicitation was publicly advertised in the Lompoc Record and on the City's website, and was sent directly to suppliers for five different manufacturers of dehumidification equipment who were identified by the City's design consultant for this project. The dehumidification equipment is very specialized for this type of installation. Since the equipment to be purchased must be compatible with both the design, construction plans and specifications prepared for this project, and with the needs of the facility, the advertisement for the dehumidification equipment was made in two steps:

1. Request for Statements of Qualifications to provide acceptable equipment, and
2. Request for Formal Bids.

The City received two statements of qualifications (SOQs): one from DryMaxx Air Solutions, LLC of Los Angeles, CA, and the other from Desert Aire Corporation of Germantown, WI. Drymaxx Air Solutions, LLC, did not submit qualifications and product data compatible with the design, construction plans and specifications for this project, but instead proposed differing equipment performance parameters and sizes which would require re-designing portions of the project improvements. Desert Aire Corporation did submit an SOQ consistent with the project design, plans and specifications. The City's design consultant reviewed both SOQ submittals and provided the City a letter recommending the Desert Aire system, and noting concerns with the Drymaxx submittal including added operational, maintenance, and design costs.

Based on the recommendation of the design consultant, and considering the added long-term cost and schedule impacts associated with the Drymaxx submittal, City staff determined that the only qualified respondent to this solicitation was Desert Aire Corporation, and requested a formal bid from Desert Aire. Desert Aire Corporation's formal bid was in the amount of \$473,822.66. The design consultant's cost estimate for this equipment was between \$450,000 and \$460,000.

The project will be funded with Redevelopment Agency Tax Allocation bonds which were received in June of this year. The total project is budgeted at \$1,872,500 in the currently approved Redevelopment Agency budget, and includes the funds necessary for both the equipment purchase and the construction of the project. The necessary findings required

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by Health and Safety Code sections 33445 and 33679 were made on May 18, 2010 by Agency Resolution 10-140.

Craig Dierling, P.E.
Civil Engineering Associate III

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Larry A. Bean, P.E.
Public Works Director

Brad Wilkie
Management Services Director/Treasurer

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL/AGENCY BOARD:

Laurel M. Barcelona
City Administrator/Executive Director