



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing Emergency Replacement of Damaged City Hall and Carnegie Forum Air Conditioner Chiller Barrel and Authorizing City Manager to Execute Purchase Order to Indoor Environmental Services (\$57,325)

MEETING DATE: April 16, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing the emergency replacement of damaged City Hall and Carnegie Forum air conditioner chiller barrel and authorizing the City Manager to execute a purchase order to Indoor Environmental Services, of Sacramento, in the amount of \$57,325.

BACKGROUND INFORMATION: The City Hall and Carnegie Forum air conditioning units are serviced by water that has been chilled by a 125-ton, air-cooled chiller unit that is nineteen years old. Two weeks ago, the chiller experienced a significant internal loss of refrigerant that was determined to be caused by the collapse of several copper tubes.

Staff initiated an insurance claim and is working currently to see if any insurance reimbursement may be forthcoming. Estimates for repairing and replacing the chiller were received.

- The lowest cost repair estimate is \$30,000 to re-tube the existing chiller barrel, replacing the existing copper tubing with new tubes; the fastest this can be accomplished is approximately 2 ½ months.
- The second repair option is to replace the existing barrel with a new barrel, at a cost of \$57,325; a company has been found that can supply a replacement barrel in two weeks.
- The third option is to replace the existing chiller unit completely with a new one, and estimates range from \$170,000 to \$205,000; time estimates range from two to seven weeks.

Staff recommends dispensing with the formal bid process for the purchase of a replacement chiller barrel and asks that the Council authorize the City Manager to execute a purchase order for emergency replacement of the existing chiller barrel through Indoor Environmental Services, the company that the City utilizes for heating, ventilation, and air conditioning (HVAC) servicing of our large, commercial HVAC equipment.

FISCAL IMPACT: Funds for major facility HVAC equipment replacement have not been set aside, nor anticipated of this magnitude, in the Capital Fund budget. Although this will tax the Facilities Division Operating budget, this replacement should be paid from there. Consideration for facilities equipment replacement should be given in next year's budget. Staff is also investigating possible Public Benefit funding for energy efficiencies gained through installation of the new chiller barrel.

FUNDING AVAILABLE: Funding will be primarily from the Public Works Facilities Division operational budget, offset by any insurance reimbursement, and considering Public Benefit funds.

Kirk Evans, Budget Manager

F. Wally Sandelin
Public Works Director

Prepared by Dennis J. Callahan, Fleet & Facilities Manager
FWS/DC/pmf

cc: George Morrow, Electric Utility Director
Director of Customer Service Crystal Gross, Indoor Environmental Services

Rob Lechner, Manager, Customer Services & Programs

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
EMERGENCY REPLACEMENT OF DAMAGED CITY HALL
AND CARNEGIE FORUM AIR CONDITIONER CHILLER
BARREL AND FURTHER AUTHORIZING CITY MANAGER TO
EXECUTE PURCHASE ORDER TO FUND REPLACEMENT

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WHEREAS, the chiller unit which services City Hall and Carnegie Forum has experienced a significant internal loss of refrigerant caused by the collapse of several copper tubes; and

WHEREAS, estimates were received for repairing and replacing the chiller; and

WHEREAS, staff recommends replacing the chiller barrel at a cost of \$57,325; and

WHEREAS, staff recommends dispensing with the formal bid process due to the emergency nature of the replacement; and

WHEREAS, staff recommends replacement of the chiller barrel through Indoor Environmental Services, of Sacramento, which is the company that currently services most of the City of Lodi's large, commercial heating, ventilation, and air conditioning (HVAC) equipment for City buildings.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the emergency replacement of the damaged City Hall and Carnegie Forum air conditioner chiller barrel; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to execute a purchase order in the amount of \$57,325 to Indoor Environmental Services, of Sacramento.

Dated: April 16, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 16, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk