



City of San Antonio

Agenda Memorandum

File Number:19-2375

Agenda Item Number: 11.

Agenda Date: 6/20/2019

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Razi Hosseini, P.E., R.P.L.S.

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Market Square Centro de Artes: HVAC Rental & Job Order Contract Task Order for Dual HVAC and Partial Roof Replacement Project

SUMMARY:

Consideration of the following items related to the Market Square Centro de Artes Building for the Center City Development and Operations Department:

- A. An ordinance authorizing a contract with Sunbelt Rentals, Inc. for the nine month rental of two 40-ton air conditioning units at the Market Square Centro de Artes Building for the Center City Development and Operations Department in the amount of \$84,264.72. Funding is available from the FY 2019-2024 Capital Improvement Program Budget.
- B. An ordinance authorizing a task order to a Job Order Contract in an amount not to exceed \$770,000.00 from FY 2019-2024 Capital Improvement Program Budget payable to Kencon Constructors/Construction Managers, Ltd. for the Market Square Centro de Artes Building Dual HVAC and Partial Roof Replacement Project, a Market Square Operating Fund project.

BACKGROUND INFORMATION:

The Centro de Artes building located within Market Square currently serves as a public gallery space housing various art exhibits throughout the year as well as City staff from various departments. The building currently has an evaporative, cooled dual deck packaged HVAC unit which was installed when the building was

remodeled in 2007. This HVAC unit has since reached its life expectancy and is not providing air condition to the building. The unit must be replaced with a new HVAC unit in order to continue to operate as a public facility.

- A. Submitted for Council consideration and action is the attached offer submitted from Sunbelt Rentals, Inc. in the amount of \$84,264.72 for the rental of two 40-ton air conditioning units and accessory ducts for the efficient penetration of air to cool two floors, approximately 30,672 square feet, at the Market Square Centro de Artes building. In the interim, an informal procurement was awarded to Sunbelt Rentals, Inc. in an amount not to exceed \$50,000.00.

The HVAC unit at the Market Square Centro de Artes Building has reached its useful life expectancy and is not providing air conditioning to the building. The lead-time for the fabrication of a new HVAC unit is approximately six months. This contract is for the nine month rental for the two units installed on February 11, 2019 through October 31, 2019. The City shall have the right to extend this contract on a month to month basis, not to exceed three months for an additional total amount of \$28,428.33. Sunbelt Rentals, Inc., provided two 40-ton air conditioning units and accessory ducts, labor, supplies and all miscellaneous fees and charges, such as the crane rental and transportation fees, to accomplish the delivery, installation and subsequent removal and pick-up of the equipment. The rental equipment was procured through the National Intergovernmental Purchasing Alliance contract number #R151501 and authorized by Ordinance 2013-06-13-0414.

- B. Transportation & Capital Improvements Department will utilize a Job Order Contract Task Order with Kencon Constructors/Construction Managers, Ltd for the Market Square Centro de Artes Building Dual HVAC and Partial Roof Replacement Project.

This task order will provide for a new, air-cooled HVAC unit with a dehumidifier including electrical work to accommodate the new unit and a partial roof replacement under the unit to alleviate water seepage into the second floor offices, storage areas and the rear stairwell from heavy rain events. The upper main building's roof is estimated to have been replaced in 2014 and roofs have on average a life span of about 20 years. The back lower roof where the HVAC unit resides was not replaced in 2014 because of the indeterminate status of the HVAC unit and limited funding at that time. With this, only the lower roof of the back building in which the HVAC unit currently resides will be replaced. The project is anticipated to begin in July 2019 and estimated to be completed in January 2020. The seven-month timeframe is necessary to allow for the fabrication and delivery of the custom manufactured HVAC unit.

Procurement of Services

This project was selected to utilize Job Order Contracting (JOC), an alternative project delivery method in which ten contractors were approved through Ordinance 2019-02-21-0134 by City Council on February 21, 2019. The use of the JOC delivery method provides the City with on-call construction, renovation and maintenance services for City buildings and facilities. The assignment of JOC contractors to specific jobs is based on the contractor's current workload, overall capacity and familiarity with a specific facility, expertise in completing a specific task and/or managing a specific trade needed to carry out the requested repair or rehabilitation.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 24% Minority/Women Business Enterprise (M/WBE) subcontracting goal and a 4%

African American Business Enterprise subcontracting goal. Kencon Constructors/Construction Managers, Ltd. has committed to a 24% M/WBE and 4% AABE subcontractor participation.

The Discretionary Contracts Disclosure Form, as required by the City's Ethics Ordinance for all Projects where subjective criteria are used to select the contractor or consultant rather than by low bid, is attached.

ISSUE:

Consideration of the following items related to the Market Square Centro de Artes Building for the Center City Development and Operations Department:

- A. This contract is for the rental of two 40-ton air conditioning units and accessory ducts, labor, supplies and all miscellaneous fees and charges, such as the crane rental and transportation fees, to accomplish the delivery, installation and subsequent removal and pick-up of the equipment. The two 40-ton air conditioning units and accessory equipment are needed to cool Market Square Centro de Artes building for the period February 11, 2019 through October 31, 2019. The City shall have the right to extend this contract on a month to month basis, not to exceed three months for an additional total amount of \$28,428.33. The air conditioning units are required due to the failure of the current HVAC unit which will be replaced by January 2020.

This contract is exempt from competitive bidding and is excluded from the scope of the SBEDA program.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to non-professional service contracts so no preference was applied to this contract.

- B. This ordinance authorizes a task order to a Job Order Contract in an amount not to exceed \$770,000.00 from FY 2019-2024 Capital Improvement Program Budget payable to Kencon Constructors/Construction Managers, Ltd. for the Market Square Centro de Artes Building Dual HVAC and Partial Roof Replacement Project, a Market Square Operating Fund project, located in Council District 1.

This task order will provide for the additional modifications, the partial roof replacement and the new, air-cooled HVAC unit with a dehumidifier to allow for the continued use as a gallery space housing various exhibits throughout the year as well as City staff from various departments. The project is anticipated to begin in July 2019 and estimated to be completed by January 2020. The seven-month timeframe is necessary to allow for the fabrication and delivery of the custom manufactured HVAC unit.

ALTERNATIVES:

- A. Should this contract not be approved, the various art exhibits at the Market Square Centro de Artes building would be adversely affected due to climate conditions, humidity, dampness and heat. City staff would need to relocate to another building. The rental of the two air conditioning units will provide the correct climate for the art exhibits and City staff until a new HVAC unit can be installed at Centro de Artes.

- B. As an alternative, this project could be delivered utilizing another delivery method. However, considering the additional time required for the solicitation process, this would adversely affect the timely completion of the project and would increase costs associated with providing temporary heating and air conditioning to the building.

FISCAL IMPACT:

- A. This ordinance approves a contract with Sunbelt Rentals, Inc. for the rental of two 40-ton air conditioning units and accessory ducts for the Center City Development and Operations Department in the amount of \$84,264.72. Funding is available from the FY 2019-2024 Capital Improvement Program Budget.
- B. Construction of this project has been accelerated to replace the temporary HVAC units with a new HVAC unit to continue to service the building. Funding capacity is available from the FY 2019-2024 Capital Improvement Program Budget and the Market Square Operating Fund.

This ordinance authorizes a one-time capital improvement expenditure in an amount not to exceed \$770,000.00 payable to Kencon Constructors/Construction Managers, Ltd. Funds in the amount of \$500,000.00 are available from the FY 2019-2024 Capital Improvement Program Budget. This item will appropriate an additional \$345,363.00 from the Market Square Operating Fund and amend the 2019-2024 Capital Improvement Program Budget.

RECOMMENDATION:

Staff recommends approval of these ordinances:

- A. Approval of a contract with Sunbelt Rentals, Inc. for the rental of two 40-ton air conditioning units at the Centro de Artes building for the Center City Development and Operations Department for a total cost of \$84,264.72.

This contract was procured on the basis of cooperative purchasing and a Contract Disclosure form is not required.

- B. Approval of a task order to a Job Order Contract in an amount not to exceed \$770,000.00 payable to Kencon Constructors/Construction Managers, Ltd. for the Market Square Centro de Artes Building Dual HVAC and Partial Roof Replacement Project, Market Square Operating Fund project.