



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: David Ramsay, City Manager

From: Erin J. Leonhart, Public Works Facilities & Administrative Manager
Daryl Grigsby, Public Works Director

Date: August 24, 2006

Subject: CITY HALL DDC (DIRECT DIGITAL CONTROL) REPLACEMENT PROJECT (23-06-PW) –
AWARD CONTRACT AND BUDGET INCREASE REQUEST

RECOMMENDATION

It is recommended that the City Council award the contract for the City Hall Direct Digital Controls (DDC) Replacement Project (as part of the Kirkland Facility Lifecycle Program) to ESC Automation of Bothell, Washington in the amount of \$186,279.00 (Base Bid plus Additive Alternate 1). It is also recommended that Council approve the transfer of \$47,500 from the Facilities Sinking Fund Reserve to this project to cover the cost overages in engineering and system replacement.

BACKGROUND DISCUSSION

As part of the ongoing Life Cycle program, the City has provided capital funds for the replacement of the digital controls for heating, ventilation, and air conditioning (HVAC) equipment at City Hall in 2006. This replacement is a part of the 2006-2011 Capital Improvement Program. The existing hardware and software that control the system are outdated and are no longer supported by the vendor. The replacement system will improve energy efficiency through enhanced ability to control City Hall's HVAC equipment.

At their August 1, 2006 meeting Council authorized staff to call for bids for the City Hall DDC Replacement Project. Five vendors attended an optional pre-bid conference on August 15, 2006. On Tuesday, August 22, 2006, the City received four bids with ESC Automation as the low bidder with a total bid cost of \$196,553.00 (including Washington State Sales Tax). While still over the original Engineer's Estimate, ESC Automation's bid was significantly lower than the others primarily because they perform the electrical work instead of sub-contracting. The total bid prices are as follows:

CONTRACTOR	BASE BID	ADDITIVE ALTERNATE 1	ADDITIVE ALTERNATE 2	TOTAL
<i>Engineer's Estimate – Lifecycle Model</i>				\$ 154,500
ESC Automation	\$ 172,964	\$ 13,315	\$ 10,274	\$ 196,553
ATS Automation	\$ 202,150	\$ 22,900	\$ 26,170	\$ 251,220
Building Control Systems	\$ 239,500	\$ 12,960	\$ 12,200	\$ 264,660
Automated Controls	\$ 259,900	\$ 24,900	\$ 4,900	\$ 289,700

Escalating construction industry pricing due in part to increasing energy and fuel costs and high nationwide demand continues to impact Facilities' Lifecycle projects and estimates. This situation was taken into account during development of the project specifications and all attempts were made to eliminate any non-essential items/costs. The Public Works Department will review the costs in the Lifecycle Model in conjunction with the Capital Improvement Program review to determine if revisions are necessary for the long term.

Reference checks were conducted on ESC Automation and staff recommends that the Council approve award of the City Hall Direct Digital Controls (DDC) Replacement Project, Job 23-06-PW, to ESC Automation. Staff is recommending a funding increase using \$47,500 of Facilities Sinking Fund Reserve funds (to cover the engineering as well as ESC Automation costs) as identified within the attached Fiscal Note. The remaining balance in the Facilities Sinking Fund Reserve account after this transfer would be \$852,740.

With Council award of this project, construction can be completed by the end of 2006.

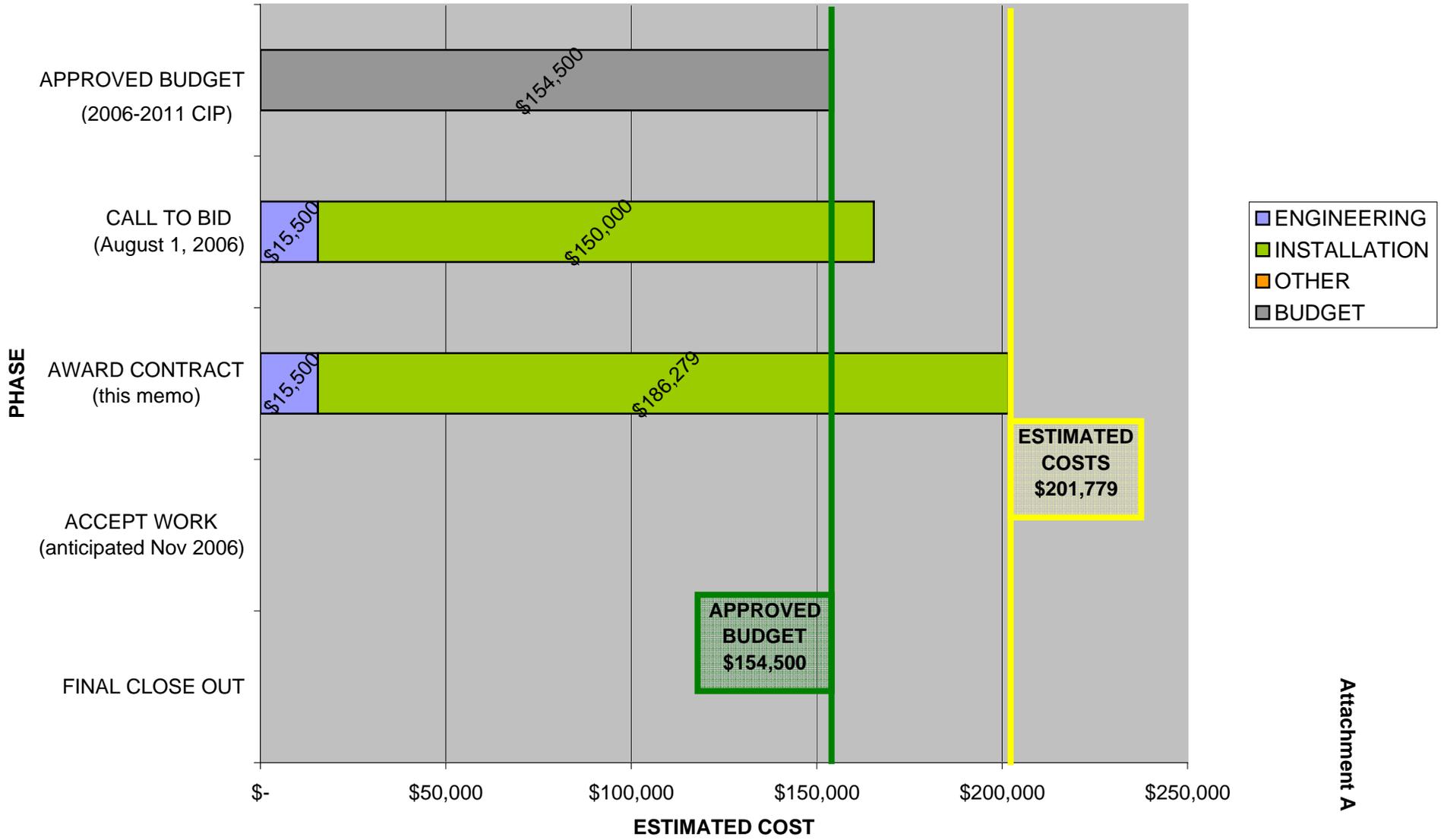
Attachments:

- A – Budget Comparison Graph
- B – Fiscal Note

cc: Tracey Dunlap, Director of Finance and Administration

BUDGET COMPARISON (Expenditures)

CITY HALL DIRECT DIGITAL CONTROL REPLACEMENT, JOB NO. 23-06-PW



FISCAL NOTE

Source of Request							
Daryl Grigsby, Public Works Director							
Description of Request							
Request for additional funding of \$47,500 from the Facilities Sinking Fund Reserve for the City Hall Direct Digital Controls (DDC) Replacement project. The project is approved in the current 2006-2011 CIP at a budget of \$154,500. The total cost of the project has increased, based on recently received bids and higher than expected engineering costs, by \$47,500. This is due to high nationwide demand and continued escalating construction industry pricing due, in part, to increasing energy and fuel costs.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$47,500 of the Facilities Sinking Fund Reserve. The reserve is able to fully fund this request without impacting future obligations against this reserve.							
Recommended Funding Source(s)							
	Description	2006 Est End Balance	Prior Auth. 2005-06 Uses	Prior Auth. 2005-06 Additions	Amount This Request	Revised 2006 End Balance	2006 Target
Reserve	Facilities Sinking Fund Reserve	925,240	25,000	0	47,500	852,740	925,240
	2006 Prior Authorized Uses includes \$25,000 for the North Kirkland Community Center Roof Replacement project.						
Revenue/ Exp Savings							
Other Source							
Other Information							

Prepared By	Sandi Miller, Financial Planning Manager	Date	August 24, 2006
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