

Regular Meeting

Agenda Item #	3
Meeting Date	March 11, 2013
Prepared By	Daryl Braithwaite Public Works Director
Approved By	Suzanne Ludlow Acting City Manager

Discussion Item	Two Reading Ordinance Awarding a Contract for Completion of HVAC Improvements in the Community Center
Background	<p>The City received a \$93,000 Energy Efficiency Community Development Block Grant through the Maryland Energy Administration (MEA) to be used towards the improvement of energy efficiency in a City operation. Those funds, together with Equipment Replacement Reserve Funds, were allocated to the replacement of the chiller and two air handling units in the Community Center.</p> <p>On January 23, 2012, the Council passed Ordinance 2012-4 authorizing award of a contract to Horizon Mechanical for \$197,000. The contract required the work to be completed by June 30, 2012.</p> <p>Horizon Mechanical started the work, but was unable to complete the project by the required time frame and the City notified the contractor they were in default of the contract and would be penalized \$1,000 for each day after June 30, 2012 that the project was not completed. Horizon continued work for several months but was unable to complete the job to the City's satisfaction. Horizon was paid \$141,000 of the \$197,000 contract award.</p> <p>CTA Engineering, the project's design engineers, were asked to help the City assess the status of the project and identify the remaining work required for the equipment to be fully operational. CTA recommended the use of American Mechanical Services to assess the installation. American Mechanical Services (AMS) was the second lowest bidder for the original installation project and CTA had previously had very good experience with their quality of work and expertise in the field.</p> <p>AMS assessed the chiller and two air handling units on January 2, 2013, and provided the City with a proposal for \$27,370 to complete all remaining work to finish the project.</p> <p>The Public Works Director has confirmed with the City Attorney that City procurement regulations will allow the selection of American Mechanical Services (AMS) to complete the project because they were the second lowest bidder on the original project (bid of \$229,306).</p> <p>Since there were no funds allocated in the FY13 budget for this project, as it was to be completed in FY12, the award of a contract will require a two reading ordinance and a budget amendment. First reading of the ordinance was held on March 4, 2013.</p>
Policy	The City maintains its equipment to ensure the safety of employees and provide a high quality of customer service.

	<p><u>City Code Section 7.04.060</u></p> <p>“The City Council shall, by ordinance duly enacted, approve all expenditures of \$5,000.00 or more for professional services and all expenditures of \$10,000.00 or more for any other single purchase of goods or services other than professional services, provided, however, that ordinances approving such expenditures may be enacted upon a single reading...if such expenditure is specifically authorized in the budget...”</p>
Fiscal Impact	\$27,370
Attachments	Two Reading Ordinance awarding a contract to American Mechanical Services
Recommendation	Approve Second Reading of Two Reading Ordinance
Special Consideration	

Introduced by: Councilmember Schultz

First Reading: March 4, 2013
Second Reading:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2013-8

**AWARDING A CONTRACT FOR COMPLETION OF THE INSTALLATION OF A
CHILLER AND TWO AIR HANDLING UNITS IN THE COMMUNITY CENTER**

WHEREAS, Ordinance 2012-4 was passed on January 23, 2012, and a contract was awarded to Horizon Mechanical for the installation of a new chiller and replacement of two air handling units on February 23, 2012; and

WHEREAS, On August 1, 2012, the City notified Horizon Mechanical that they were in default of the contract because they did not meet the June 30, 2012 deadline for project completion and provided until August 10, 2012 to complete all remaining work; and

WHEREAS, Horizon Mechanical attempted to complete additional installation and the City scheduled two commissioning meetings to assess whether the equipment would operate as designed, but the equipment did not pass either commissioning; and

WHEREAS, CTA Engineering, the design engineers for the project, recommended the City bring in American Mechanical Services to assess the installation and determine what other work was required in order for the equipment to function as designed; and

WHEREAS, American Mechanical Services was the second lowest bidder on the original request for proposals with a complete project bid of \$229,306; and

WHEREAS, the City Attorney has confirmed that City procurement regulations will allow for the award of a contract to the second lowest bidder in this situation due to the contract default of the lowest bidder; and

WHEREAS, American Mechanical Services has provided a proposal for \$27,370 to complete the installation and commissioning of the chiller and two air handling units, per the design specifications.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT:

Section 1. The City Manager is authorized to enter into a contract in the amount of \$27,370 with American Mechanical Services for the completion of the installation of a chiller and two air handling units in the community center.

Section 2. This Ordinance shall become effective upon adoption.

Adopted this ____ day of March, 2013 by roll-call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: