

City of Culver City, California
City Council Agenda Item Report

Meeting Date: August 11, 2008		Item Number: <u>C-10</u>	
AGENDA ITEM: Approval of an Agreement with La Brea Air, Inc. for the Rental of an Air-cooled Liquid Chiller to Provide Temporary Heating and Cooling to the Police Facility.			
Contact Person/Dept.: Eric Mirzaian Public Works-Maintenance Operations		Phone Number: (310) 253-6410	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Public Notification: Master E-Mail Notification List (08/08/08); La Brea Air, Inc. 08/08/08. .			
Department Approval: Charles D. Herbertson (8/08/08)		City Attorney Approval: Carol Schwab (by H. Baker) (08/08/07)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball)(8/08/08)		City Manager Approval: Jerry B. Fulwood (08/08/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve an agreement with La Brea Air, Inc. in an amount not-to-exceed \$33,120, for a six-month rental of an air-cooled liquid chiller to provide temporary heating and cooling to the Police Facility. <u>BACKGROUND:</u> Currently, heating and cooling for the Police Facility is serviced by co-generation units that were installed by Honeywell, Inc. in 1996. Due to increased maintenance issues and South Coast Air Quality Management District (AQMD) required emission standards, Staff has determined it is appropriate to decommission the existing co-generation units and replace them with a more energy efficient heating, venting and air condition (HVAC) system to effectively meet the cooling and heating needs of the facility. The contract between the City and Honeywell expired on June 30, 2008 and is currently on a month to month basis. Public Works Staff is currently in the process of soliciting proposals from various vendors to permanently replace the co-generation units with a more efficient HVAC system for the facility. The rental of a liquid chiller will provide temporary heating and cooling for the facility until a contract with a vendor is finalized and a new system is in place. Staff estimates approximately a six month time frame to complete the process of obtaining a vendor and installing the new HVAC equipment.			
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DISCUSSION:

Public Works Staff received the following three quotes for rental of the temporary cooling equipment:

La Brea Air, Inc.....	\$33,120
Aggreko, LLC.....	\$36,032
Air Rental, Inc.....	\$43,300

In accordance with Culver City Municipal Code Section 3.07.070 B. 7, a formal competitive bidding process is not required for the rental of equipment.

As the Council may be aware, the co-generation system has required significant maintenance and the operation of the system has been problematic, especially over the past several months. To providing more reliable HVAC to the employees who are stationed in the building, to avoid further enforcement action by the AQMD, and to realize the monthly operational savings, this contract is being recommended.

FISCAL ANALYSIS:

Sufficient funding is available in the Capital Improvement Project P-132, Building Repairs (42000132), to cover the requested six-month rental of a liquid chiller at a cost of \$33,120. If the initial rental period exceeds six months, La Brea Air, Inc. agrees to charge \$5,400 per month thereafter as well. Additionally, decommissioning the co-generation units as early as possible will allow the City to avoid further legal expense in dealing with the AQMD and will save the City \$8,780 per month for maintenance of the cogeneration units (a net savings of \$3,380 per month).

ATTACHMENTS:

1. Quote from La Brea Air, Inc.

MOTION:

That the City Council:

1. Approve an agreement with La Brea Air, Inc. in the amount not-to-exceed \$33,120 for a six month rental of a liquid air chiller; and,

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2. Authorize the Public Works Director/City Engineer to extend the agreement at his discretion on a month to month basis at a charge of \$5,400 per month after the initial six month rental period up to a maximum not-to-exceed amount of \$66,240; and,
3. Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City.