STAFF REPORT

MEETING DATE:	**February 29, 2024**
SUBJECT:	**Approve Contract for the SRTA 1255 East Street Building HVAC and Parking Improvements Project**
AGENDA ITEM:	**9-9**
STAFF CONTACT:	**Michael Kuker, Senior Transportation Planner**

SUMMARY:

It is necessary to replace two HVAC units servicing Suite 100 in SRTA's building at 1255 East Street as well as make improvements to the parking lot. SRTA's on-call architectural firm—Nichols, Melburg, and Rossetto—assisted in preparing plans and specifications for the effort. Plans were reviewed by the city of Redding and SRTA solicited bids on January 29, 2024. One bid was received. Goehring & Son Construction Inc. (G&S Construction) was the sole and lowest bidder at $331,910.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Determine that Goehring & Son Construction Inc. (G&S Construction) is the lowest, responsive and responsible bidder;
2. Authorize the executive director to enter into a contract with G&S Construction for the purpose of HVAC replacements and parking lot improvements of SRTA's property at 1255 East Street in the amount of $331,910;
3. Approve a construction contingency fund not to exceed $50,000, and authorize the executive director to approve any contingency change orders; and
4. Find that this project is exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines, pursuant to Section 15301 – Existing Facilities.

DISCUSSION:

Background – SRTA purchased the property at 1255 East Street on April 15, 2015, a remodel (primarily of the second floor offices and HVAC units) was completed in September 2016. Emergency repairs to the building's roof and stucco were completed in October 2021. At the August 31, 2023, SRTA Board of Directors meeting, staff provided a report (Attachment A) on the need to replace the final two HVAC units that service the first floor (Suite 100), and repair, seal, and re-stripe the parking lot. The board unanimously authorized the executive director to solicit construction bids for the needed improvements.

Request for Bids – SRTA and Nichols, Melburg, and Rossetto prepared final plans and specifications and issued a notice to solicit bids for the project on January 29, 2024. The final architect's estimate was $200,000. One bid was received on February 20, 2024, and the apparent low bidder was G&S Construction for $331,910. Bid results are summarized on the short form bid tabulation sheet (Attachment B). The project is estimated to be completed within 90 days of execution of a contract (i.e., June 30, 2024). Project updates will be provided at subsequent meetings until completed.

A construction contingency fund not to exceed $50,000.00 is recommented for any unexpected work necessary to complete the project per the plans and specifications. Examples of contingency work include fixing corroded material originally thought to be in good condition or changing materials because the specified material is discontinued or out of stock. The executive director will review and approve requests for contingency work in consultation with the architect and based on documentation that the work is within the scope of the project and necessary.

Environmental Review – Staff reviewed this action and determined that it is a project that is categorically exempt from review under CEQA, pursuant to Section 15301 – Existing Facilities. Class 1 exemptions include the repair, maintenance, or minor alteration of existing public structures, facilities, or mechanical equipment, involving negligible or no expansion of use. All work will occur on and within the existing building and paved parking area. Mechanical equipment will be replaced with more efficient units. The project has no potential to have a significant effect on the environment**.**

ALTERNATIVES:

The board of directors may decline to award the contract and direct staff to rebid the project, or decline to proceed with the project at this time. Staff sought input from other potential bidders, who responded they received other projects and therefore did not bid due to workload. Rebidding the project will cause project delays and likely not result in additional bids or cost savings. Declining to proceed may result in units failing completely and more costly fixes.

FISCAL & POLICY COMMITTEE REVIEW:

The executive director provided a verbal update on the status of this project to the Fiscal and Policy Committee on February 20, 2024, and answered clarifying questions.

FISCAL IMPACT:

SRTA can be reimbursed for the $331,910 in repair costs over a 15-year period as part of the capital asset depreciation through the indirect cost allocation plan. Cash to immediately pay for repairs will come from SRTA's available building reserves and the SRTA TDA loan fund. The current maintenance agreement of the building's HVAC system is an annual investment of approximately $3,055, which is also reimbursed through the ICAP.

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Sean Tiedgen, AICP, Executive Director

Attachments:

A. Staff Report Agenda Item 12 from August 31, 2023, Board of Directors Meeting

B. Short Form Bid Tabulation Sheet

STAFF REPORT

MEETING DATE:	**August 31, 2023**
SUBJECT:	**Receive Update on SRTA Property Maintenance Projects and Authorize Executive Director to Solicit Bids for Work**
AGENDA ITEM:	**12**
STAFF CONTACT:	**Sean Tiedgen, AICP, Executive Director**

SUMMARY:

SRTA purchased the building at 1255 East Street on April 15, 2015. Maintenance of the building and property is necessary to keep it in a state of good repair and to extend the life of previous building improvements. Issues related to Suite 100 heat, ventilation, and air conditioning (HVAC) systems and SRTA's parking lot have been identified. SRTA's on-call architecture and engineering consultant Nichols, Melburg, and Rossetto (NMR) is assisting staff to determine the scope of needed improvements.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Authorize the executive director to solicit construction bids for construction maintenance work; and
2. Authorize the Fiscal and Policy Committee to review and approve any cost increases resulting from the city of Redding plan/permit review process, or to refer the matter to the full board of directors.

DISCUSSION:

SRTA purchased the building at 1255 East Street on April 15, 2015. Subsequently, two building remodel/improvement projects were completed in September 2016 and October 2021. Property and building improvements identified for future projects included replacement of two HVAC systems for Suite 100, replacing fencing, and ongoing maintenance of SRTA's parking lot and building.

Suite 100 HVAC Systems – Suite 100, on the first floor, is equipped with three HVAC systems. In January 2022, Air-O-Service completed replacement of one of the original units that failed completely. This unit was replaced in the same location as the original. In October 2022, one of the two remaining original HVAC units in Suite 100 was found to be freezing. Dennis Heating and Air investigated a possible leak; however, a full investigation was not possible due to the evaporative coil location in the subfloor, which is inaccessible. A 'Stop Leak' and refrigerant were added to the unit, and it continued to work normally. In June 2023, the previous unit froze over again. Air-O-Service determined a leak was still present and is likely in an area that is inaccessible to fix due to the tight spaces. Air-O-Service added refrigerant and currently returns bi-monthly to keep levels full but recommends that the unit be replaced.

Staff reached out to SRTA's on-call architectural and engineering firm, NMR, requesting assistance to evaluate the issues and provide contract management assistance. A meeting was held on July 14, 2023, between NMR, SRTA staff, and the HVAC contractors to go over the issues, evaluate equipment, and discuss available options. There is a question whether new units can fit where the existing units are located based on current building codes, the sizes of new units, and the ability to maintain them. New units may need to be relocated to a new closet space on the first floor. NMR and SRTA staff are evaluating options and will be discussing ideas with the Suite 100 tenant, Mountain View Physical Therapy.

Initial repairs to keep the HVAC units functioning short-term have totaled $3,660.17. Additional repairs to keep the badly functioning HVAC unit running until a full replacement can be made are unknown. Current draft estimates by NMR suggest costs of $94,000 if new units can be located where the existing units are, and $172,000 if the units must be relocated elsewhere. These estimates include permitting, construction and materials, prevailing wage labor, and contingencies for unknowns.

Parking Lot Maintenance – SRTA's parking lot was sealed and re-striped in August 2016. Parking lot maintenance is recommended every 6-12 years depending on the level of use, weather, etc. Since 2016, the paint has faded and new cracks have appeared in the asphalt surface. A maintenance project to seal cracks and repaint is necessary to prevent further damage, extending the life of the existing materials, and maintain safe markings for building tenants and visitors. Costs are estimated between $10,000 and $20,000.

Fencing – Fencing is located along the northeast, eastern, and southern edges of SRTA's property. It currently consists of metal posts and wood planks, of which part of it is covered with overgrown bushes. While the fencing is quite old, basic maintenance is expected to keep it functional for a few more years.

ALTERNATIVES:
The board of directors may request additional information and continue this item at a future meeting, which could be another special meeting.

FISCAL & POLICY COMMITTEE:
The Fiscal & Policy Committee met on August 22, 2023, to receive a report and discuss improvement needs.

FISCAL IMPACT:
Architectural and construction support services from NMR on all building maintenance items discussed in this report are charged at a fixed fee of $28,000. HVAC and parking lot construction costs are estimated at a minimum of $104,000 or high of $192,000 depending on the required HVAC solution. This is not based on actual bids.

SRTA can be reimbursed for the repairs over a period of 18-20 years as part of depreciation for the entire building through the indirect cost allocation plan. Cash to immediately pay for repairs will come from SRTA's Local Transportation Fund (LTF) allocations and the SRTA Transportation Development Act loan fund.

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Sean Tiedgen, AICP, Executive Director

BID RECAP

SHASTA REGIONAL TRANSPORTATION AGENCY
HVAC IMPROVEMENTS

NMR #:
Bid Date: February 20, 2024
Bid Time: 11:00 AM

GENERAL CONTRACTOR	BASE BID		Bid Bond	Addenda Issued: 1	Subcontractor List	Non-Collusion Affidavit	Workers Comp Cert
			✓	✓	✓	✓	✓
G + S CONSTRUCTION	331,910.00						