

April 17, 2024

ITEM TITLE: RESOLUTION NO. 2024-026 ADDING THE FY24 DEMPSEY CENTER HVAC PROJECT TO THE CAPITAL IMPROVEMENT PROGRAM; APPROPRIATE \$275,000 TO THE PROJECT BUDGET; AND AWARD A CONTRACT TO TRANE TECHNOLOGIES FOR CONSTRUCTION OF THE PROJECT. (0910-20)

ORIGINATING DEPARTMENT:

Public Works

EXECUTIVE SUMMARY:

Resolution No. 2024-026 (Attachment 1) adds the FY24 Dempsey Center HVAC Project (Project) to the Imperial Beach Capital Improvement Program (CIP). Additionally, the resolution authorizes an appropriation of \$275,000 to the Project budget from the General Fund Unassigned Fund Balance. Finally, the resolution awards a Public Works contract to Trane Technologies to construct the Project for a not to exceed amount of \$275,000.

RECOMMENDATION:

Adopt Resolution No. 2024-026 to: (1) add the FY24 Dempsey Center HVAC Project (F24102) to the Imperial Beach Capital Improvement Program; (2) authorize the appropriation of \$275,000 to the Project budget; and (3) award a Public Works contract for a not to exceed amount of \$275,000 to Trane Technologies to construct the Project.

OPTIONS:

- Approve resolution and recommendation from staff; or
- Reject the project and provide direction to staff on how to proceed; or
- Request additional information and an additional report.

BACKGROUND/ANALYSIS:

The municipal budget is the primary document that links the priorities of the City Council with the funding necessary to accomplish those goals. The City of Imperial Beach has incorporated a two-year budget cycle to project the revenues and expenditures of the City. Throughout the budget period, the City Council considers various anticipated revenues and expenditures in the General Fund as financial needs change over time. Additionally, staff provides periodic budget updates to the City Council and organizes community forums to educate and maintain financial transparency.

The existing HVAC system at the Dempsey Center would be upgraded and expanded in employee work areas. This upgrade was not anticipated when the current budget was adopted. The Project will fund the installation of an upgraded HVAC system for heating and cooling of the first and second floor of the Dempsey Center, including new controls allowing remote access using the latest web-based system. The funding of this Project results in an increase of \$275,000

in the projected expenses in the FY24 Budget to be covered by the General Fund Unassigned Fund Balance (reserves).

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume purchasing. The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives in the past. Trane Technologies is contracted through the OMNIA national purchasing cooperative to provide HVAC products, installation and related products and services to local governments, and it is this cooperative purchasing agreement the City will be utilizing to complete the Project.

ENVIRONMENTAL DETERMINATION:

This project is categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15302 (Replacement or Reconstruction).

FISCAL IMPACT:

Expenditure:

Trane Technologies Public Works Contract (Design & Construction)	\$267,698
Contingency	<u>\$ 7,302</u>
TOTAL EXPENDITURES	\$275,000

FISCAL YEAR: 2024

BUDGETED: No

BUDGET AMENDMENT Yes

ACCOUNT NO(S): 101-1920-419.9003 "Transfer Out" - \$275,000

401-0000-391.9001 "Transfer In-GF" - \$275,000

401-1920-419.5003 "Improvements not Buildings" - \$275,000 (F24102-HVAC)

PROJECT NO(S): F24102

FISCAL ANALYSIS: Resolution No. 2024-026 allocates \$275,000 from the General Fund Unassigned Fund Balance (reserves) to be used for facility improvements expenditures.

CURRENT BUDGET: \$0

ANTICIPATED EXPENDITURE: \$275,000

ATTACHMENTS:

1. Resolution No. 2024-026
2. Trane Technologies Turnkey Proposal