

January 19, 2024

**TO:** CADA Board of Directors

**SUBJECT:** **January 26, 2024 Board Meeting**  
**AGENDA ITEM 8**  
**HVAC UPGRADE PROJECT AT 1317 O STREET**

**CONTACT PERSON:** Frank Czajka, Construction Manager  
Russ Juneau, Facility Maintenance Manager

### **RECOMMENDED ACTION**

Staff recommends the Board adopt a resolution (Attachment 3) authorizing the Executive Director to enter into a construction contract for the HVAC Upgrade Project at 1317 O Street with Air Cool Heating and Cooling, Inc. in the amount of \$88,940.

### **BACKGROUND**

The Valencia at 1317 O Street was built in 1927. The building's heat is currently being provided by an aging and inefficient cast iron steam boiler that distributes steam to individual radiators in each apartment, and which is rapidly approaching the end of its useful life. Cooling in the summer is currently provided by wall-mounted air conditioning units inside each apartment. Staff has determined that the best approach to address the building's heating and cooling needs will be to utilize ductless mini split heat pumps that will serve each apartment individually. CADA has successfully employed ductless mini split heat pumps in a previous project at 1316 O Street.

Staff solicited bids for the 1317 O Street HVAC Upgrade Project through CADA's formal bidding process. The bid package was released on Monday, November 6, 2023. The project scope of work calls for contractors to replace existing inefficient wall-mounted HVAC systems with new high efficiency HVAC split unit heat pump systems. The contractor will install the new HVAC systems using an approach that will minimize inconvenience to tenants. The March project start will preclude the need for AC during installation and heat will still be provided by the building's existing boiler until the project is completed.

The mandatory Pre-Bid Job Walk was held on Friday, December 1, 2023 at 10:00 a.m., and was attended by fourteen contractors (See Attachment 1, Job Walk Sign-in Sheet). Eleven bid submissions were received on the due time/date of 2:15 p.m. Thursday, December 14, 2023 (See Attachment 2, Bid Tabulation Form).

Air Cool Heating and Cooling, Inc. submitted a bid of \$88,940, which was determined to be the lowest responsive, responsible bid following staff review of the bid submissions. Accordingly, staff recommends the Board authorize the Executive Director to enter into a construction contract with Air Cool for the amount of \$88,940.

If the Board approves this recommendation, staff will immediately issue a notice of award to Air Cool. The work should commence by March 2024 and take approximately 45 days to complete.

The approval will allow CADA to move forward with the HVAC Upgrade Project for our building at 1317 O Street and allow our tenants to live in upgraded buildings where their HVAC units are safe, functioning well, and performing reliably.

### **POLICY**

This item comes before the Board because the contract award amount exceeds the \$50,000 contract approval authority of the Executive Director. Construction contracts in excess of \$50,000 must be formally bid in accordance with CADA Contract Policy, and authorization for a contract award must be granted by the Board of Directors.

### **FINANCIAL IMPACTS**

Work under this contract will be performed using funds allocated in the Capital Investment Program (CIP) budget. The C22- FY 21/22 Major Construction CIP budget, which was adopted by the Board in June 2021, contains a total of \$130,000 for these HVAC upgrades. CADA has also applied for a SMUD rebate in the amount of \$43,200 which will be issued following SMUD's installation inspection after completion of the project.

### **ENVIRONMENTAL REVIEW**

Not applicable. This project falls under the categorical exemption for existing facilities in class 1, section 15301. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

### **STRATEGIC PLAN**

The proposed action addresses the following 2016-2021 CADA Strategic Plan goal: "Provide Superior Property Management."

### **CONTRACT AWARD CONSIDERATIONS**

Construction contracts that will be executed to carry out work under the Capital Investment Program are bid and awarded in accordance with CADA's Contract Policy and Outreach Procedures. If construction contract change orders are needed, CADA's contract policy allows the Executive Director to approve them in the cumulative amount of \$25,000 or 20% of the base contract amount, whichever is greater.

Attachments:








1. Job Walk Sign-in Sheet
2. Bid Tabulation Form
3. Resolution 24-07



## PLEASE COMPLETE THE INFORMATION REQUESTED BELOW.

The preferred method of contact is email, so be sure to include the email contact information and provide a business card.

**CAPITOL AREA DEVELOPMENT AUTHORITY - JOB WALK SIGN IN SHEET****HVAC UPDATE PROJECT – 1317 O Street, Sacramento****Job Walk Date: Friday, December 1, 2023 @ 10:00 a.m. @ 1317 O Street, Sacramento****Bid Due Date: Thursday, December 14, 2023 @ 2:15 p.m. @ 1522 14th Street, Sacramento – [tgandara@cadanet.org](mailto:tgandara@cadanet.org)**

	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
1.	Farshad Arman Air 9 5150 Fair oaks Blvd 101 #385 Carmichael CA, 95608	1042708	916-617 7477	air.9@yahoo.com air_nine@yahoo.com	 12/1/23
2.	RPM HVAC Service 6841 Verbena Ct Citrus Heights CA 95621	995282	916-870- 2311	Nick @ rpm hvac service.com	 12/1
3.	CN O'Neill Electric 908 Oxford Way Stockton CA 95204	1023311 C10	209-407-0615	agiac agiakovoni@cnoneill. com	 12/1/23
4.	Pro Ex Construction Inc. 3223 Lugung Dr. Rancho Cordova CA 95670	B.	916 9300087	bids @ pro ex construction.com	 12.1.
5.	Central Valley Air Conditioning 3600 Atwater Blvd Atwater, CA 95301	C20 837012	(209) 676-2890	andrea @ centralvalleyac.com	
6.	UNITED MECHANICAL SACRAMENTO, CA	828335	(916) 250-1353	RRUPE@UMI1.COM	 12.1.23
7.	Air cool Heating & cooling Inc 8255 ALPINE AVE. SOG CA, 95826	899203	916-834 2921	Aircool Inc @ Gmail.com	 9:10



PLEASE COMPLETE THE INFORMATION REQUESTED BELOW.


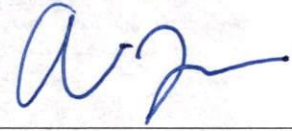
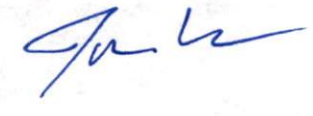
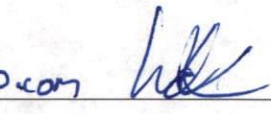



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**HVAC UPDATE PROJECT – 1317 O Street, Sacramento**

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	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
8.	4 Winds Mechanical Inc. 7015 Chris Ave. Sacramento, CA 95828	C-20 1056588	(916) 667-4112	4winds.air@gmail.com	
9.	AK Mechanical Inc. 1040 Pajo Diablo Ct. Placerville, CA 95667	C20 973241	(916) 640-4138	azepeda@gmail.com	
10.	Comfort Air Inc 1406 Fernpike Rd Stockton, CA 95206	C-20-B 85895	209-466-4601	swenrle@comfortairinc	
11.	SqH Construction Inc	786358 A+B	925-917-3160	Maria;shca@yahoo.com	
12.	Grimes Heating + Air 6210 Minero Ranch Rd Orville CA 95966	C-20-B 950254	530 923 6298	Bryan@grimesac.com	 12-1-23
13.	B+M Builders 11330 Sunrise Park Rancho Cordova	861848 B	(916) 758-5060	HVAC@bm-builders.com	 12-1-23
14.	Dos Amigos Const. 2737 Eastern Ave Sacramento CA 95821	B 1072681	(916) 471 8110	dosamigos916@gmail.com	 12-1-23



CAPITOL AREA DEVELOPMENT AUTHORITY — Bids Received

Project: HVAC Upgrade Project – 1317 O Street, Sacramento

Job Walk: Friday, December 1, 2023 @ 10:00 a.m. @ 1317 O Street, Sacramento

Bid Opening: Thursday, December 14, 2023 @ 2:15 p.m. @ 1522 14<sup>th</sup> Street, Sacramento

	Name of Company	Bid
1.	RPH HVAC SERVICE INC.	\$140,000.00 NR
2.	DOS ALIBOS	\$219,585.27 NR
3.	GRIMES HEATING AND AIR INC	\$114,800.00 NR
4.	AK MECHANICAL INC	\$96,470.00 NR
5.	AIR 9	\$89,100.00 NR
6.	AIR COOL HEATING AND COOLING INC	\$88,940.00
7.	CENTRAL VALLEY AIR CONDITIONING INC	\$177,210.00 NR
8.	COMFORT AIR INC	\$89,795.00 NR
9.	4 WINDS MECHANICAL INC	\$113,000.00
10.	B AND H BROS INC.	\$142,069.00 NR

Verified: 12/14/2023  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

NR=Non-Responsive

CAPITOL AREA DEVELOPMENT AUTHORITY — Bids Received

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**Bid Opening: Thursday, December 14, 2023 @ 2:15 p.m. @ 1522 14<sup>th</sup> Street, Sacramento**



	Name of Company	Bid
11. 1.	PRO AX CONSTRUCTION INC	\$117,530.00 NR
2.		
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Verified: 12/14/2023  
Date

  
Signature

  
Signature

NR = Non-Responsive

Attachment 3

**RESOLUTION NO. 24 - 07**

Adopted by the Capitol Area Development Authority

January 26, 2024

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR  
TO ENTER INTO A CONSTRUCTION CONTRACT FOR THE HVAC  
UPGRADE PROJECT AT 1317 O STREET**

**WHEREAS**, CADA conducted a formal bid process for the 1317 O St. HVAC Upgrade Project; and

**WHEREAS**, Air Cool Heating & Cooling Inc. was the lowest responsive, responsible bidder with a bid of \$88,940 and has confirmed with CADA of its interest in being awarded the contract and completing the work.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority Board of Directors that the Executive Director is hereby authorized, on behalf of the Authority, to enter into a contract with Air Cool Heating & Cooling Inc. in the amount of \$88,940.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors