



December 9, 2025

TO:	Capitol Area Development Authority (CADA) Board of Directors
SUBJECT:	December 15, 2025 Special Board Meeting AGENDA ITEM 8 REJECTION OF BIDS, SUSPENSION OF FORMAL BIDDING, AND APPROVAL OF CONTRACT WITH R.F. MACDONALD CO. FOR THE BOILER SYSTEM REPLACEMENT AT 1400 N STREET (THE DEAN APARTMENTS)
CONTACT:	Rachel Mercurio, Maintenance Office & Contracts Superintendent John Dodson, Facilities Maintenance Superintendent

RECOMMENDATION:

Staff recommends that the Board adopt a resolution regarding the Boiler System Replacement at 1400 N Street (The Dean Apartments) to:

1. Reject the formal bid received from Intech Mechanical Company LLC in the amount of \$721,000, thereby suspending formal bidding procedures (requires two-thirds vote); and
2. Authorize the Executive Director, or her designee, to enter into a contract with R.F. MacDonald Co. in an amount not to exceed \$380,000 for the boiler system replacement at 1400 N Street.

BACKGROUND

The Dean Apartments, located at 1400 N Street, is a 6-story, 11-unit apartment building that was built in 1929. The existing steam boiler was installed in the 1960s. The boiler provides heat to the apartments via piping to individual steam radiators in each apartment. Due to a water leak in the steam boiler that no longer has available replacement parts, the boiler will not likely function through another winter season. Replacement at the property with a new steam boiler will result in a significant reduction in energy usage at the property and will ensure reliable heat to the building.

Staff solicited bids for the Boiler System Replacement Project at 1400 N Street through CADA's formal bidding process. The bid package was released on Wednesday, October 22, 2025. The project scope of work calls for contractors to completely remove and replace the existing boiler system at The Dean, including:

- Demolition and disposal of existing boiler equipment, piping, and exhaust ducting.
- Furnishing and installation of two (2) new Cleaver-Brooks vertical tubeless steam boilers with associated feedwater tank, pumps, blowdown separator, softener system, draft inducer, venting, and controls.
- All required electrical, controls, natural gas, steam, condensate, and venting connections.
- Start-up, testing, training, and commissioning of the new system.

The mandatory Pre-Bid Job Walk was held on Wednesday, November 12, 2025 at 10:00 a.m., and was attended by nine contractors (See Attachment 1, Job Walk Sign-in Sheet). One bid submission was received by the deadline of 10:00 a.m. on Thursday, November 20, 2025 (See Attachment 2, Bid Tabulation Form).

Intech Mechanical Company LLC submitted a bid of \$721,500, which was determined to be the only responsive, responsible bid. CADA staff determined that the bid is over what is budgeted for this project, which is an amount not to exceed \$380,000.

R.F. MacDonald Co. is a contractor that specializes in boiler replacement and repair. R.F. MacDonald Co. participated in the job walk, however they did not submit a bid because they are an equipment supplier so they did not want to compete with their installation partners, who also bid on the project. Despite not submitting a bid, R.F. MacDonald Co. confirmed that they are still interested in doing the work for an amount not-to-exceed \$380,000. CADA maintenance staff has determined that R.F. MacDonald Co. is the most qualified contractor to do this specialized work. Accordingly, staff recommends that the Board authorize the Executive Director to reject the formal bid received from Intech Mechanical Company LLC, suspend formal bidding procedures, and enter into a contract with R.F. MacDonald Co. not-to-exceed \$380,000.

If the Board approves this recommendation, staff will issue a notice of award to R.F. MacDonald Co. immediately, will proceed to contract, and the work will take approximately 30 days to complete once all parts of the boiler are available.

POLICY

This item comes before the Board for two reasons: 1) staff recommends rejecting a bid obtained through CADA's formal bidding procedures for the best interests of CADA; and 2) the contract amount exceeds the Executive Director's \$100,000 approval authority. Pursuant to Section V, Section A, Item 4 of CADA's Contracts Policy, the Board may suspend formal bidding "when, upon a two-thirds (2/3) vote of the Board of Directors, it is determined that it is in the best interests of CADA and the Capitol Area Plan to suspend formal bidding for any contract." Staff finds this situation to meet this threshold of being in CADA's best interests to suspend the formal bidding process.

FINANCIAL IMPACTS

Work under this contract will be performed using funds allocated in the Capital Investment Program (CIP) budget. The C24- FY 23/24 Major Construction CIP budget, which was adopted by the Board in June 2023, contains a total of \$380,000 for the boiler system replacement.

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 2024-2029 CADA Strategic Plan goals: "Ensure fiscal strength and operational excellence." Replacement of this boiler furthers CADA goals of being a leader in sustainability and providing quality housing.

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 issue change orders and negotiate supplemental agreements in amounts not to exceed the greater of the following:

- An amount that increase the total contract amount to no more than \$100,000;
- An amount totaling no more than \$50,000; or
- An amount totaling no more than 20% of the original contract price.

Attachments:

1. Job Walk Sign-in Sheet
2. Bid Tabulation Form
3. Resolution 25-45

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

Boiler System Replacement Project – 1400 N Street, Sacramento

Job Walk Date: Wednesday, November 12, 2025 @ 10:00 a.m. @ 1400 N Street, Sacramento

Bid Due Date: Thursday, November 20, 2025 @ 10:00 a.m. @ 1522 14th Street, Sac. – tgandara@cada.org



	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
1.	Air Systems Service & Const. Mike Ferguson	C-4 C-20 B	925-381-8770	M Ferguson @ airtsystems/.com	Mike Ferguson 11-12-25
2.	R. F. MacDonald Cara Brown		209-424-0644	JUSTIN. BUTTER FELD @ R.F.MACDONALD.COM	[Signature] 11-12-25
3.	INTECH MECHANICAL 7501 GALILEO RD. ROSEVILLE, CA. 95678		916-797-4900	estimating@intech-mech.com	[Signature] 11-12-25
4.	KEITH CLARK BAU CITY BOILER		916-265-7212	KCLARK @ BAUCITYBOILER.COM	Keith Clark 11-12-25
5.	UNITED MECHANICAL Keith O'Deu		916-366-6865	kodell@umil.com	[Signature] 11-12-25
6.	MESA ENERGY ENCOR KEVIN DALICE		916-677-7093	KDALICE@ENCOR.NET	[Signature] 11-12-25
7.	PRO BUILDERS 7030 Drywood, Orangevale CA 95662	B, A	916 225-0373	sebastian @ sacprobuilders.com	Joe Fran 11-12-25

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CAPITOL AREA DEVELOPMENT AUTHORITY - JOB WALK SIGN IN SHEET

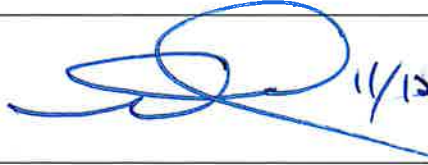

Boiler System Replacement Project – 1400 N Street, Sacramento

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CADA

	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
8.	Nations Restoration / Iron Mach.		916-584-1909	Michael E Iron restoration	 11/12
9.	Jesse Kerr Pur Water - Napa, CA		530-944-8224	JKerr@PurwaterLLC.com	
10.					
11.					
12.					
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CAPITOL AREA DEVELOPMENT AUTHORITY — Bids Received

Project: Boiler System Replacement Project – 1400 N Street, Sacramento
Job Walk: Wednesday, November 12, 2025 @ 10:00 a.m. @ 1400 N Street, Sacramento
Bid Opening: Thursday, November 20, 2025 @ 10:00 a.m. @ 1522 14th Street, Sacramento

	Name of Company	Bid	Non-Responsive
1.	Intech Mechanical Company LLC	\$ 721,900	—
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Verified: 11/20/2025
Date

Signature Rollh

Signature [Signature]

RESOLUTION NO. 25 – 45

Adopted by the Capitol Area Development Authority

December 15, 2025

**RESOLUTION AUTHORIZING REJECTION OF BIDS,
SUSPENSION OF FORMAL BIDDING, AND APPROVAL
OF CONTRACT WITH R.F. MACDONALD CO. FOR THE BOILER
SYSTEM REPLACEMENT AT 1400 N STREET (THE DEAN APARTMENTS)**

WHEREAS, the Capitol Area Development Authority (CADA) conducted a formal bid process for the Boiler System Replacement Project at 1400 N Street and received only one bid, submitted by Intech Mechanical Company LLC in the amount of \$721,000;

WHEREAS, pursuant to CADA's Contracts Policy, competitive bidding may be suspended for rehabilitation work upon a two-thirds (2/3) vote of the Board of Directors when it is determined that doing so is in the best interests of CADA and the Capitol Area Plan; and

WHEREAS, R.F. MacDonald Co., a qualified contractor and supplier of boiler equipment, did not submit a bid due to its partnerships within the industry, but has indicated willingness to perform the work and is the most qualified contractor for this specialized project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Capitol Area Development Authority hereby determines that it is in the best interests of CADA and the Capitol Area Plan to reject the formal bid submitted by Intech Mechanical Company LLC, suspend competitive bidding, and authorize the Executive Director, or her designee, to enter into a contract with R.F. MacDonald Co. in an amount not to exceed \$380,000 for the boiler replacement project at 1400 N Street.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors