

000645

REQUEST FOR COUNCIL ACTION  
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER (FOR AUDITOR'S USE) 106  
M/A 07/29  
3. DATE: May 28, 2008

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT): ENVIRONMENTAL SERVICES DEPARTMENT

4. SUBJECT: General Requirements Contract (GRC) 2006M Contractor License "C-20" - ESD-2006-002, Contract Change Order No. 1

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)  
Tom Blair, 858.492.6001, MS 1101B

6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.)  
Tom Cartier, 858.492.6009, MS 1101B

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	30250			
DEPT.				
ORGANIZATION				
OBJECT ACCOUNT				
JOB ORDER				
C.I.P. NUMBER				
AMOUNT				

9. ADDITIONAL INFORMATION / ESTIMATED COST:

Contract Award: \$1,000,000  
Option to Extend Contract: \$1,000,000  
Previously Authorized Total: \$2,000,000

As of 6/30/08, \$236,473 of the initial \$1,000,000 contract has been spent.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT.	<i>[Signature]</i>	6/5/08	7	DEPUTY CHIEF	<i>[Signature]</i>	7/14/08
2	E.A.S.	<i>[Signature]</i>	6/10/08	8	C.O.O.		
3	E.O.C.	<i>[Signature]</i>	6/11/08	9	CITY ATTORNEY	<i>[Signature]</i>	7/15/08
4	DOCKET LIAISON	<i>[Signature]</i>	6/18/08	10	ORIG. DEPT.	<i>[Signature]</i>	7/14/08
5	F.M./CIP	<i>[Signature]</i>	7/2/08	DOCKET COORD: _____ COUNCIL LIAISON <i>[Signature]</i>			7/14/08
6	AUDITOR	<i>[Signature]</i>	7/14/08	COUNCIL PRESIDENT <i>[Signature]</i>		<input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION	
				REFER TO: _____		COUNCIL DATE: 7/29/08	

11. PREPARATION OF:  RESOLUTIONS  ORDINANCE(S)  AGREEMENT(S)  DEED(S)

1. Authorizing the Mayor, or his designee, to execute Change Order No. 1 with American Mechanical Systems DBA Fuller Air Conditioning to extend GRC 2006M Contractor License "C-20" - ESD-2006-002 Contract for up to one additional year and up to an additional \$1,000,000 in accordance with Council Resolution No. 301632 dated July 18, 2006.
2. Change the authorized expenditure for the GRC 2006M Contract to an amount not to exceed \$2,000,000 to allow projects funded by all City Funding sources including but not limited to CIP, Operation, and Operation and Maintenance Funds, *contingent upon the City Comptroller first certifying that funds for individual task orders are, or will be, on deposit with the city treasurer.*

11A. STAFF RECOMMENDATIONS:  
Adopt the resolutions.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): Citywide

COMMUNITY AREA(S): Citywide

ENVIRONMENTAL IMPACT: This activity (funding modification of authorized expenditure) is not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3). Future projects utilizing this contract would be subject to further environmental review.

HOUSING IMPACT: None

ATTACHMENTS: Change Order No.1; R-301632; O-19571

CITY CLERK INSTRUCTIONS: Upon Council Approval, please forward two (2) copies of the 1472 and Resolution to Evelyn Lee, ESD, M.S.1101B and one (1) copy to Tom Cartier, ESD, M.S. 1101B

**FISCAL CONSIDERATIONS:**

The funding for projects executed under this contract is currently limited to an amount not to exceed \$2,000,000 from Energy Upgrades CEC Loan Fund 30250 Dept 514. This action would exercise the option to increase the maximum contract value to an amount not to exceed \$2,000,000. This action would modify the source of funding to allow all City Funding Sources including CIP, Operation, or Operation and Maintenance funds to be executed under the GRC 2006M Contract. The GRC Contract contains a guarantee to issue the contractor a minimum value of total work worth \$50,000. To date, the value of work authorized has exceeded \$50,000; therefore, the minimum guarantee has been fulfilled and there is no need to encumber the \$50,000 minimum guarantee for this contract.

**EQUAL OPPORTUNITY CONTRACTING:**

This Agreement is subject to the City's Equal Opportunity Contracting Ordinance (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Section 22.3501 through 22.3517).

Funding Agency: City of San Diego – Prevailing wages apply to this contract.

Other: Workforce Report Submitted – Equal Opportunity Plan not required. Staff will monitor adherence to Non-Discrimination in Contracting Ordinance.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

On July 18, 2006 Council Resolution 301632 approved this agreement.

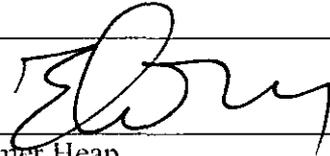
**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

City staff will work with the community during the performance of the projects.

**KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):**



Tom Blair.  
Deputy Director, Environmental  
Services Department



Elmer Heap  
Deputy Chief of Community Services

**EXECUTIVE SUMMARY SHEET**

**DATE REPORT ISSUED:** May 28, 2008  
**ATTENTION:** Council President and City Council  
**ORIGINATING DEPARTMENT:** Environmental Services Department  
**SUBJECT:** GRC 2006M Contractor License "C-20"- ESD-2006-002.  
 Contract Change Order No. 1  
**COUNCIL DISTRICT(S):** Citywide  
**STAFF CONTACT:** Tom Cartier, Project Officer I, 858.492.6009

**REQUESTED ACTION:**

Authorize the execution of Change Order No. 1 with American Mechanical DBA Fuller Air Conditioning to extend the GRC 2006M Contractor License "C-20"- ESD-2006-002 Contract for up to one additional year and up to an additional \$1,000,000 in accordance with Council Resolution No. 301632 dated July 18, 2006. Also, change the authorized expenditure to an amount not to exceed \$2,000,000 to allow projects funded by all City Funding sources.

**STAFF RECOMMENDATION:**

Adopt the resolutions.

**EXECUTIVE SUMMARY:**

On July 18, 2006: the City Council authorized the Mayor or his designee to advertise and award the 2006M Contractor License "C-20"- ESD-2006-002 Contract (Resolution Number 301632). The Engineering and Capital Projects Department advertised and opened bids on January 3, 2007, at which time, Purchasing and Contracting Division (P&CD) received 3 bids. American Mechanical DBA Fuller Mechanical was determined to be the apparent low bidder. P&CD awarded the contract to Fuller Mechanical on July 11, 2007.

The GRC 2006M Contract initiated by ESD staff was originally intended for ESD energy upgrade Projects (Heating Ventilation and Air Conditioning HVAC and building automation) at existing City facilities. Since that time, Engineering and Capital Projects (E&CP) has conducted the Business Process Reengineering. Accordingly E&CP has made ESD aware of additional energy saving projects at various existing City facilities including but not limited to projects on the Mayor's deferred maintenance lists. Also, while conducting energy upgrades, ESD has encountered additional building maintenance needs. ESD's energy upgrade funding source, approved through a separate Council Ordinance, 19571 January 17, 2007, is a California Energy Commission Loan that is not an appropriate funding source for deferred maintenance improvements that do not save energy. ESD has found that the GRC task oriented contracting is an effective means of performing building upgrades. Older City facilities have more energy opportunities because replacing their HVAC building systems with newer technology will routinely provide energy savings. The additional funding options authorized by this action will leverage previously dedicated funding sources for deferred maintenance improvements with the energy funding to obtain additional energy savings by supplementing the existing funding. This whole building approach will enable installation of premium efficiency components where current budgeting only allows standard energy efficiency components, thereby decreasing life cycle costs. Also, providing multiple funding sources to upgrade City buildings promotes economy of scale to reduce project administration costs while leveraging multiple funding sources to expedite upgrades for older buildings that are in most need of maintenance. General Fund facilities, including Park and Recreation and Libraries along with and Fire and Life Safety Service buildings have urgent needs to use GRC task contracts to complete City facility maintenance upgrades.

This action requests authorization to modify the existing GRC 2006M contract to execute city projects from all City departments and all funding sources. The resolution (301632) currently requires projects to be funded from ESD funds 370170 Division Fund No.32044 Dept 32044. This modification would apply to all types of funding sources including but not limited to CIP, Operation, Operation and Maintenance.

**EQUAL OPPORTUNITY CONTRACTING:**

Funding Agency: City of San Diego - Prevailing wages apply to this contract.

001649

CITY OF SAN DIEGO - ENGINEERING & CAPITAL PROJECTS  
COUNCIL APPROVAL REQUIRED

Change Order No. 1  
Project: General Requirements Contract (GRC) 2006M Contractor License "C-20" ESD 2006-002  
Contractor: Fuller Mechanical

Job Order: 2006M  
Sheet: 1 of 3  
Date: May 28, 2008

Description:

Payment to the contractor for tasks shall provide full compensation for all equipment, materials, labor, field and home office overhead, indirect and consequential costs, mark-ups, and profit necessary to complete the work. By executing this contract change order, the contractor agrees to proceed with the tasks per the requirements of the General Conditions and waives any rights to additional compensation for any claims relating to any cumulative effect of change orders, delays, productivity, impact or interruption.

CONTRACT INFORMATION

Resolution No. 301632	Amount Authorized	\$1,000,000.00
Fund: NA	Original Contract Amount	\$1,000,000.00
P.O. No: NA	Contract Amount Authorized Through Phase Funding	\$0.00
Contract Doc: K074680	Prior Change Orders	\$0.00
C.I.P. No.	Amount This Change Order	\$1,000,000.00
Aud. Cert. No.	Total Contract	\$2,000,000.00
Ref. Dwg. No.		

The cost of the Change Order ( ) is (x) is not available from the contingency funds authorized for the contract. \$1,000,000.00 additional funds are requested. The change order will: ( ) not change (x) increase ( ) decrease the amount of the contract based on:

- (x) An agreed limit sum of \$1,000,000.00
- ( ) Unit prices agreed upon which may total up to an additional
- ( ) Cost plus as provided in section 1-3 of the Standard Specification for an amount not to exceed

Original/Previous Contract duration: 365 calendar days - Requested by this change order: 365 calendar days - New Contract duration 730 calendar days

ORIGINAL CONTRACT COMPLETION DATE: 7/17/2007 NEW CONTRACT COMPLETION DATE: 7/12/2008

Approved by Council Resolution:

Prepared By: Tom Lester 5/30/08  
Resident Engineer Date

Appr. As to Form: Fritz Ordieb Deputy City Attorney Date

Accepted By: [Signature] 6/23/08  
Contractor Date

No. \_\_\_\_\_ Date \_\_\_\_\_

[Signature] 6/25/08  
Senior Analyst Date

Auditors Cert. No. \_\_\_\_\_

Recommended By: [Signature] 6/25/08  
Program Manager Date

- Return To: Engineering & Capital Projects, MS 18
- Copy To: ( ) AUDITOR w/enclosure
- ( ) CONTRACTOR w/o enclosure
- ( ) W.O. FILE w/enclosure
- ( ) PROJECT MANAGER w/enclosure
- ( ) Stacy Roberts, Auditors, MS 7A

[Signature] 6/25/08  
Tom Blair - Deputy Director Date

Funds Cert. By: \_\_\_\_\_  
Auditor Date

CITY CLERK

\_\_\_\_\_  
Mayor/Designee Date



000651

Description (continued):

Item Nos.

1. Increase Contract Maximum from \$1,000,000 to \$2,000,000
2. Add 365 calendar days to the contract.

INCREASE                      DECREASE

\$1,000,000.00

Net Increase  
Net Decrease

\$1,000,000.00

Total Increase for this Change Order

\$1,000,000.00

By Reason of this contract Change Order, the number of working days shall be increased by  
No additional compensation will be granted for the increase in days

365 days.

009652

Justification for Entitlement:

Item Nos.

1. Option to extend contract up to an additional \$1,000,000 exercised by authority of the City.
2. Option to extend contract up to one additional year exercised by authority of the City.

(R-2006-735) 7/11/06

RESOLUTION NUMBER R- 301632

DATE OF FINAL PASSAGE JUL 18 2006

Mary Valeri  
1101B

A RESOLUTION OF THE CITY OF SAN DIEGO AUTHORIZING THE AWARD OF AN AS-NEEDED GENERAL REQUIREMENTS CONTRACT - MECHANICAL SYSTEMS, FOR THE ENVIRONMENTAL SERVICES DEPARTMENT; AUTHORIZING EXPENDITURES FOR THE CONTRACT; AND FINDING NO ENVIRONMENTAL IMPACT BY THIS ACTION.

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

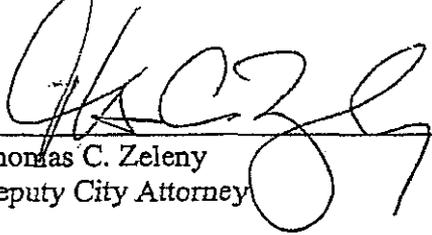
1. That after advertising for bids, the Mayor is authorized to award to the lowest responsible and reliable bidder a General Requirements Contract - Mechanical Systems for the Environmental Services Department, for a minimum of \$50,000 and not to exceed \$1,000,000 for one year, with an option for the Mayor to extend the contract for up to one additional year and up to an additional \$1,000,000; provided that the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

2. That the expenditure of an amount not to exceed \$2,000,000 from Fund No. 30250, Energy Upgrades California Energy Commission Loan Fund, is authorized, solely and exclusively to provide funds for the above contract, of which \$1,000,000 is contingent on the exercise of the one-year extension to the contract and provided that the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

3. That the City Auditor and Comptroller is authorized, on advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

4. That this activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(2) because this activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Thomas C. Zeleny  
Deputy City Attorney

TCZ:mb  
02/23/06  
Aud.Cert:N/A  
Or.Dept:ESD  
R-2006-735

I hereby certify that the foregoing resolution was passed by the Council of the City of San Diego, at its meeting of JUL 11 2006.

ELIZABETH S. MALAND, City Clerk

By   
Deputy City Clerk

Approved: 7-18-06  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

ORDINANCE NUMBER O- 19571 (NEW SERIES)DATE OF FINAL PASSAGE JAN 17 2007

AN ORDINANCE OF THE CITY OF SAN DIEGO AUTHORIZING LOAN AGREEMENT NO. 007-06-ECC WITH THE CALIFORNIA ENERGY COMMISSION FOR THE FINANCING OF ENERGY EFFICIENCY IMPROVEMENTS AT VARIOUS CITY FACILITIES; ADVANCING FUNDS FOR THE CITY'S REIMBURSABLE INITIAL OUTLAY; AND DEPOSITING LOAN REVENUE INTO FUND NO. 30244.

WHEREAS, pursuant to Public Resources Code section 25410 et seq., the California Energy Resources Conservation and Development Commission of the California Energy Commission has low-interest loans available to finance the upgrade of mechanical and electrical systems of City facilities; and

WHEREAS, the Council approved the City's application for such low-interest loan by Resolution No. R-301693, passed on August 4, 2006; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or his duly designated representative is authorized to execute, for and on behalf of the City, a fifteen-year loan agreement with California Energy Commission in the amount of \$2,226,689 at the rate of 4.5% interest, to upgrade mechanical and electrical systems at City facilities, and to comply with all terms and conditions, as set forth in Energy Conservation Assistance Account Loan Agreement No. 007-06-ECC, the form of which is on file in the office of the City Clerk as Document Number OO- 19571.

Section 2. That the expenditure of an amount not to exceed \$300,000 from Capital Outlay Fund No. 30245 is authorized, solely and exclusively to provide reimbursable funds as an advance for the above upgrades at City facilities.

Section 3. That the City Auditor and Comptroller is authorized to deposit loan proceeds received from the California Energy Commission into Fund No. 30244 and to expend funds as directed by the administering department.

Section 4. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Frederick M. Ortlieb  
Frederick M. Ortlieb  
Deputy City Attorney

FMO:mb  
11/16/06  
Aud.Cert:2700363  
Or.Dept:ESD  
O-2007-51

I hereby certify that the foregoing ordinance was passed by the Council of the City of San Diego, at its meeting of JAN 09 2007

ELIZABETH S. MALAND, City Clerk  
By [Signature]  
Deputy City Clerk

Approved: 1.17.07  
(date)

[Signature]  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE CITY OF SAN DIEGO AUTHORIZING THE OPTION TO RENEW THE GENERAL REQUIREMENTS CONTRACT FOR MECHANICAL SERVICES; AUTHORIZING CHANGE ORDER NO. 1 FOR SUCH MECHANICAL SERVICES; AND AUTHORIZING FUNDING FOR SUCH SERVICES FROM MULTIPLE FUNDING SOURCES.

WHEREAS, the Council by Resolution No. R-301632 on July 18, 2006, authorized the Mayor to advertise and award a General Requirements Contract [GRC], to be administered by the Environmental Services Department, for mechanical system upgrades at City facilities; and

WHEREAS, the Mayor was authorized to execute a one-year contract and to execute an option to extend that contract an additional year; and

WHEREAS, advertising was conducted and a contract was awarded to Fuller Mechanical for a one-year term with an option to renew for an additional year; and

WHEREAS, Resolution No. R-301632 authorized the expenditure of funds solely from Fund No. 30250, Energy Upgrades California Energy Commission Loan Fund; and

WHEREAS, at this time the City desires to extend the contract with Fuller Mechanical for an additional one-year term, and desires to include other City sources of funding for that purpose; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That Resolution No. R-301632 is hereby reaffirmed, and the Mayor is authorized to execute the option extending for one year the term of Fuller Mechanical, Contractor License "C 20"-ESD 2006-002, for mechanical system upgrades at various City facilities.

2. That Change Order No. 1, dated May 28, 2008, on file with the City Clerk as Document No. RR-\_\_\_\_\_, issued in connection with the contract between the City and Fuller Mechanical, said contract having been filed with the City Clerk as Document No. RR-301632, is hereby approved, together with the changes set forth, amounting to a net increase in the contract price of \$1,000,000 and an extension in the contract time of 365 calendar days.

3. That the sources of funding for the above Change Order No. 1 are hereby expanded to include but not be limited to the Capital Improvement Program, Operation, and Operation & Maintenance accounts, and the expenditure of an amount not to exceed \$1,000,000 is hereby authorized for Change Order No. 1, expended to include but not be limited by the following accounts: General Services Department Fund No. 30244, Job Orders 370689, 370690, 370692, 370693, 370695, 370699, 370700, 370701; and Fire Department Fund No. 10530; provided that the City Controller certifies that the funds necessary for individual task orders are, or will be, on deposit with the City Treasurer.

4. That the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Frederick M. Ortlieb  
Deputy City Attorney

FMO:mb  
07/15/08  
Aud.Cert:N/A  
Or.Dept:ESD  
R-2009-24

I hereby certify that the foregoing Resolution was passed by the Council of the City of Diego,  
at its meeting of \_\_\_\_\_.

ELIZABETH S. MALAND, City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor