



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: SEE BELOW

DATE: May 30, 2023

Approved

Date

6/5/23

COUNCIL DISTRICT: 3

**SUBJECT: ACTIONS RELATED TO THE 10202 - THE TECH INTERACTIVE
CHILLERS AND COOLING TOWER REPLACEMENT PROJECT**

RECOMMENDATION

- (a) Report on bids and take appropriate action based on the evaluation of bids for the 10202 – The Tech Interactive Chillers and Cooling Tower Replacement Project, and
- (b) Approve a 15 % construction contingency if City Council awards a construction contract.

SUMMARY AND OUTCOME

The 10202 – The Tech Interactive Chillers and Cooling Tower Replacement Project replaces the cooling system and its components at The Tech Interactive which are original to the building and past their expected 20-year life span.

Approval of this contract allows the construction of the project to proceed and start before fall 2023, providing the new cooling system to The Tech Interactive Museum before summer 2024. Approval of a 15 % contingency will provide funding for any unanticipated work necessary for the proper construction or completion of the project.

BACKGROUND

The project is located within The Tech Interactive facility at 201 South Market Street, San José. (See **Attachment** – The Tech Interactive Chillers and Cooling Tower Replacement Project). The Tech Interactive facility cooling system provides cooling via several air-handling units utilizing chilled water supplied by two water-cooled chillers and a cooling tower. The cooling system and its components are original to the building and past their expected 20-year life span. During the

last five years, the chillers have been out of operation numerous times and have required repair repetitively due to various issues.

In 2022, Public Works and The Tech Interactive maintenance staff evaluated the building's cooling system. It was concluded that the cooling system needed immediate replacement due to its unreliability and poor condition, and the cooling tower replacement was highly recommended due to its age and inefficiency.

The base bid of this project will provide two new chillers, two new condenser water pumps, and refurbish the existing single-cell cooling tower.

In addition to the base bid, there are four Bid Alternate bid items:

<u>Bid Alternate Description</u>	<u>Engineer's Estimate</u>
1. Convert the existing constant flow cooling system to a variable flow cooling system	\$310,000
2. Provide a temporary chiller during the replacement of the existing chiller	\$300,000
3. Replace the existing cooling tower fan and motor	\$103,000
4. Replace the existing cooling tower with a two-cell cooling tower with a filtration system and convert the cooling system from constant flow to variable flow	\$1,700,000

Depending on the bids received and if the budget allows, the project aims to award the base bid with Bid Alternate No. 2 and No. 4, which provides new chillers and a new cooling tower to the building. Should budget not allow, an alternative combination of the base bid and Bid Alternates will be evaluated for award.

Construction is scheduled to begin in August 2023 with anticipated completion in December 2024.

ANALYSIS

A supplemental memorandum will be issued after the public bid opening on May 25, 2023.

Contingency

San José Municipal Code Section 27.04.050 sets a standard contingency of 15 % for projects involving the renovation of building or buildings. The standard 15 % contingency is sufficient for this project.

Project Labor Agreement Applicability

The City’s Project Labor Agreement is applicable to this project because the Engineer’s Estimate is over \$1.2 million.

EVALUATION AND FOLLOW-UP

Additional follow up will be provided to City Council through a supplemental memorandum that will be issued after the public bid opening on May 25, 2023.

COST SUMMARY/IMPLICATIONS

This project supports the City’s most urgent repair needs with the goal to ensure uninterrupted operations at the Tech Interactive Museum. The construction of 10202-The Tech Interactive Chillers and Cooling Towers Replacement project will provide the museum a new reliable, highly efficient cooling system. The funding source for this project is through the General Fund Capital Projects Strategic Support CSA.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT

Project Delivery*	\$730,000
Construction**	3,800,000
Contingency	570,000
TOTAL PROJECT COSTS	\$5,100,000
Prior Years’ Expenditures and Encumbrances	\$769
TOTAL REMAINING PROJECT COSTS	\$5,099,231

*Project delivery includes estimates of \$285,000 for Design Services and \$445,000 for Construction Management and Inspection Services.

** Includes Engineer's Estimate for base Bid and Bid Alternates No. 2 and No. 4

2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM: This information will be included in the supplemental memorandum.
3. SOURCE OF FUNDING: Allocated funding for this project in the General Fund (Fund 001) totals \$5,114,000. Of this amount, \$3,914,000 is allocated in The Tech Interactive Controls Module appropriation and \$1,200,000 is allocated in the Tech Interactive Chiller and Cooling Tower Replacement appropriation.
4. FISCAL IMPACT: No additional operating and maintenance costs are anticipated to be generated from this renovation project.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2023-2024 Adopted Capital Budget Page**	Last Budget Action (Date, Ord. No.)
001	7875	The Tech Interactive Controls Module Improvements	\$3,400,000*	\$2,600,000	N/A	6/20/2023
001	New	The Tech Interactive Chiller and Cooling Tower Replacement	\$1,200,000	\$1,200,000	N/A	6/20/2023

*A year-end adjustment is recommended in the Approval of Various Budget Actions for Fiscal Year 2022-2023 memorandum to reallocate \$1,075,000 of project savings from The Tech Interactive Fire Alarm System appropriation to The Tech Interactive Controls Module Improvements appropriation. A rebudget action is recommended in the Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets (Manager’s Budget Addendum) in the amount of \$3,400,000 for the Tech Interactive Controls Module Improvements appropriation.

**The 2023-2024 Adopted Capital Budget is scheduled to be approved by the City Council on June 13, 2023 and adopted on June 20, 2023.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the City Manager’s Budget Office, and the Departments of Fire and Planning, Building, and Code Enforcement.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the June 20, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

May 30, 2023

Subject: 10202 – The Tech Interactive Chillers and Cooling Tower Replacement Project

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CEQA

Categorically Exempt, File No. ER22-272. CEQA Guidelines Section 15301, Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH

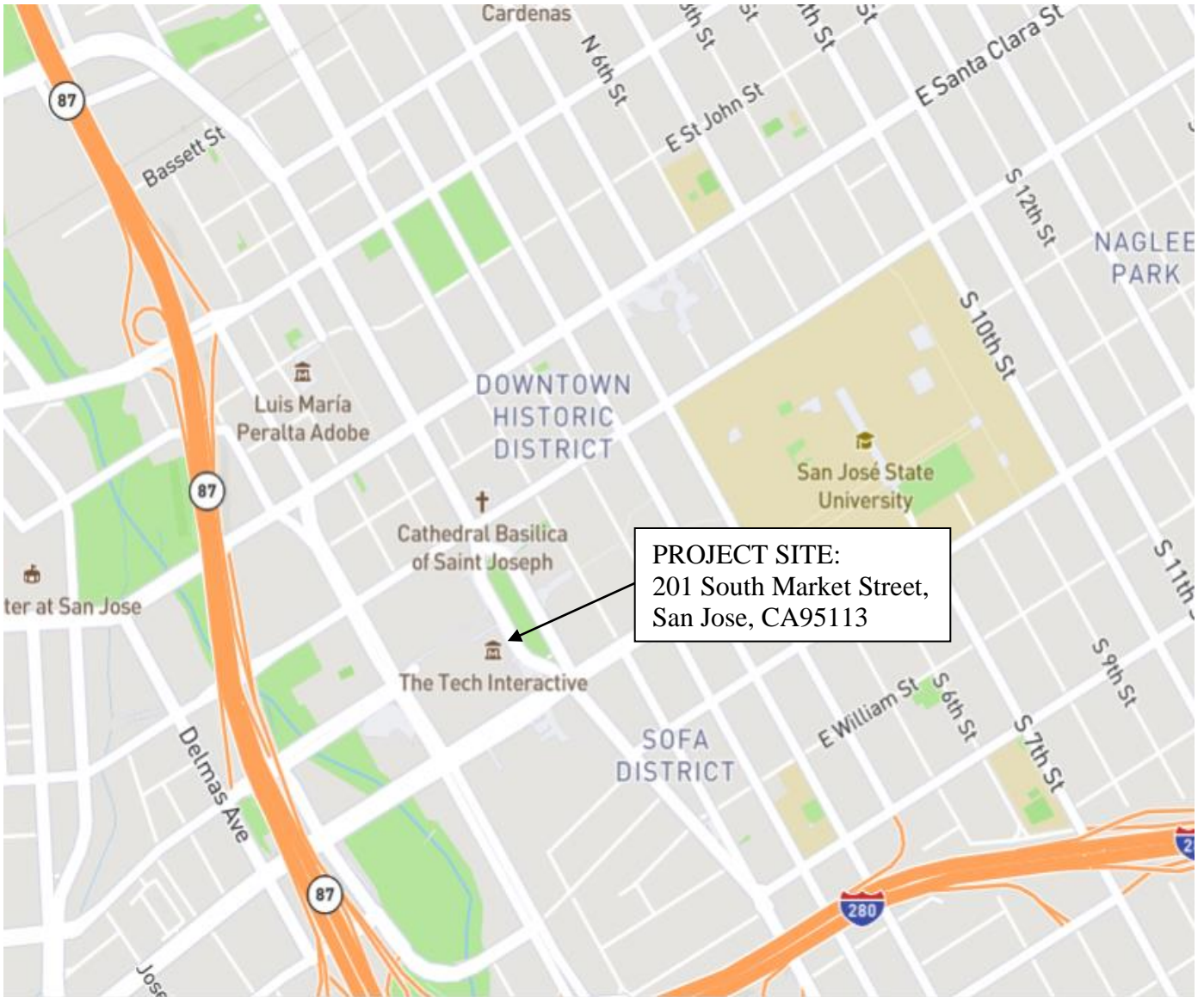
Acting Director of Public Works

For questions, please contact Sal Kumar, Public Works Interim Deputy Director, at Sal.kumar@sanjoseca.gov or (408) 793-5307.

Attachment – The Tech Interactive Chillers and Colling Tower Replacement Project

Attachment

10202 -The Tech Interactive Chillers and Cooling Tower Replacement



The Tech Interactive
NOT TO SCALE

