

Agenda Summary

April 30, 2025

Agenda Item No. B-3 **Akeley HVAC Bid Award**

Summary: The Town solicited bids in late winter 2025 for the replacement of the Akeley HVAC systems. The bid included an advanced schedule that required the theater air conditioning to be completed before 4th of July with the intent of the theater being available for shows in Fall 2025, with the remaining work to be completed before the upcoming heating season. The Town received no complete and responsive bids, and only received a bid for the mechanical scope only (estimate 2/3 to ¾ of the total project scope) at \$506k from Thomas Mechanical.

EasTek Commercial Services was interested in the project but was not able to meet the early requirement for completion of the theater AC. Staff extended the project completion date to fall 2025 and attempted to negotiate with both EasTek and Thomas Mechanical. Staff also established contact with two general contractors (J.A. Morrissey and E.F. Wall) during this negotiation process and both declined to provide a proposal citing limitations of our budget and the high cost of overhead in engaging a G.C. for this project. Thomas Mechanical was unwilling to bid on the complete project scope and declined to negotiate further. EasTek was responsive to our needs and provided a proposal for the complete project scope in the amount of \$499k. EastTek is a reputable contractor whose staff were heavily involved in the Public Safety Building's mechanical construction before starting EasTek in 2019. Since that time, Eastek has been responsive to mechanical service and maintenance needs at the Public Safety Facility.

In addition to the in-building scope that was bid as described above, there are additional costs associated with this project including design (\$25k) and removal and remediation of the existing underground oil tank and replacement with a new underground propane tank (\$35k).

Town Plan & Policy Impact: N/A

Fiscal & HR Impact: There is a Capitol Project (FY 23) approved for this project at \$485k. This approved Capitol Project will have to be supplemented by an additional \$115k in order to meet the total project cost of \$559k, plus a modest contingency (\$600k total)

Tariffs are a concern and are specifically excluded from EasTek's bid. It is not believed that these will be impactful to the total project cost at this time, however time is of the essence for at least ordering this equipment and materials to minimize these risks. The estimated value of materials and equipment that is vulnerable to Tariffs is \$200k. EasTek would order these materials and equipment immediately upon award and submit for payment upon delivery. Much of this equipment can be delivered directly to Town property but the steel materials will need to be delivered and fabricated off-site before arriving on-site. Steel materials stored off-site would be available to staff for review and inspection anytime.

Recommendation: Move to supplement the existing Capitol Project with an additional \$115k from Capitol Reserves and award the Akley Building HVAC upgrades project to EasTek and authorize the Town Manager to sign the Agreement on behalf of the Town.