



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Ramiro A. Chavez, P.E. PgMP, Director, Environment & Public Works 
David Pagel, Engineering Project Manager, Public Works
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Stan Rowden II, Senior Buyer, Finance/Procurement
SUBJECT: Tacoma Police Headquarters HVAC Decarbonization Upgrades Re-bid
Request For Bids (RFB), Specification No. PW26-0049F, Contract No.
CW2282927– July 21, 2026 City Council
DATE: June 24, 2026

RECOMMENDATION SUMMARY: The Public Works Department recommends a contract be awarded to Morgan Mechanical Inc, Redmond, WA, in the amount of \$2,311,355, plus a 20 percent contingency, for a projected contract total of \$2,773,626, plus applicable taxes, budgeted from the 3211 Capital Project Fund, for replacement of the HVAC system at the Tacoma Police Department Headquarters.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.

This contract supports the City’s sustainability and decarbonization efforts by replacing inefficient building systems with energy efficient equipment and will bring the building into compliance with Washington State Clean Building Performance Standard (CBPS).

BACKGROUND: The Tacoma Police Department Headquarters (TPD-HQ), constructed in 2003, is served by an aging HVAC system that is inefficient and is experiencing increasing maintenance and reliability issues. To address these deficiencies and improve building energy performance, the City secured a grant, in the amount of \$1,672,000, from the Washington State Department of Commerce through the CBPS Compliance Program to help fund a comprehensive HVAC system replacement.

ISSUE: The existing HVAC system at TPD-HQ has reached the end of its useful life and is experiencing failures that require ongoing operational workarounds to prevent water leaks and building damage. In addition, the building currently does not meet Washington State CBPS energy efficiency requirements. The proposed project will replace the failing HVAC system, improve building reliability, reduce energy consumption, and bring the facility into compliance with State-mandated performance standards. Failure to complete the project will increase the risk of system failures, water damage, higher operating costs, and potential financial penalties for noncompliance.

ALTERNATIVES: The alternative is to defer or not proceed with the HVAC replacement project. This option is not recommended because the existing HVAC system has reached the end of its useful life and will continue to experience increasing maintenance and reliability issues. Deferring the project would also leave the facility out of compliance with Washington State's CBPS, potentially resulting in potential financial penalties for noncompliance, higher operating costs, and an increased risk of building damage due to system failures.



COMPETITIVE SOLICITATION: Request for Bids Specification No. PW26-0049F was opened April 7, 2026. Two hundred sixty-two companies were invited to bid in addition to normal advertising of the project. Three submittals were received. Morgan Mechanical Inc submitted a bid that resulted in the lowest evaluated submittal and complies with the Equity in Contracting (EIC) requirements per EIC office review. The table below reflects the amount of the total award.

<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
Morgan Mechanical Inc	Redmond, WA	\$2,311,355
Apex Mechanical	Battle Ground, WA	\$2,346,000
Copper Mechanical LLC	Ridgefield, WA	\$3,100,000

Pre-bid Estimate: \$1,900,000

The recommended award is 22 percent above the pre-bid estimate.

CONTRACT HISTORY: New Contract

SUSTAINABILITY: The new HVAC system will be an all-electric heating and cooling system, supporting the City’s commitment to decarbonization. The recommended contractor will utilize waste management practices that prioritize recycling appropriate materials and segregate all recyclable materials.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: The recommended contractor is in compliance with the EIC requirements per memorandum dated May 6, 2026. The EIC requirements for this project are 5 percent MBE, 3 percent WBE, and 7 percent SBE. The EIC utilization levels of the recommended contractor, Morgan Mechanical Inc, are 75 percent MBE, 0 percent WBE, and 75 percent SBE.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: The LEAP requirements for this project are 15 percent of the project labor hours must be worked by Local Employees and an additional 15 percent of the labor hours must be worked by Apprentices, per TMC 1.90.040.

FISCAL IMPACT:

This contract will be funded by the 3211 Capital Project Fund and is fully funded as part of the 2025-2026 approved Biennial Budget.

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3211 Capital Project Fund	GNF-00007-06	5330100	\$2,773,626
TOTAL			Up to \$2,773,626



REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3211 Capital Project Fund	GNF-00007-FS-AD-02	6311101	(\$1,101,626)
3211 Capital Project Fund	GNF-00007-FS-AD-03	4334360	(\$1,672,000)
TOTAL			Up to (\$2,773,626)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$2,773,626

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A