



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

TO: Board of Contracts and Awards
FROM: Jeffrey A. Jenkins, Director, Public Works
COPY: Mina Zarelli, Engineering Project Manager, Public Works
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Carly Fowler, Senior Buyer, Finance/Procurement
SUBJECT: Parking Services HVAC Replacement
Request for Bids Specification No. PW25-0178F, Contract No. CW2278819
DATE: January 13, 2026, City Council
DATE: December 10, 2025

[Initials: DS, JAJ, CEN]

RECOMMENDATION SUMMARY: The Public Works Department recommends awarding a contract to Morgan Mechanical Inc., Renton, WA, in the amount of \$619,000, plus applicable taxes, plus a 15 percent contingency, budgeted from 4140 Parking Fund, for a projected contract amount of \$711,850, plus applicable taxes, for replacement of the HVAC system at the Parking Services office.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.

This contract supports the City's sustainability efforts by replacing inefficient building systems with energy efficient equipment.

BACKGROUND: The project is located in the Park Plaza building at 942 Pacific Avenue that was originally constructed in 1969. In 2016, the tenant space was renovated for the Public Works Parking Services office. The remodel utilized the existing HVAC equipment that is now beyond its useful life and overdue for replacement.

ISSUE: The existing HVAC system is failing and is in need of replacement. Various repairs have been completed to extend the life of the system, but due to the extent of work required for a fully functioning system a complete replacement that meets current energy codes is needed.

ALTERNATIVES: The alternative is to not move forward with the HVAC system replacement. The building would continue to utilize the inefficient and unreliable system. Prolonging the replacement of the system will increase costs and continued failure of the units could adversely impact operations.

COMPETITIVE SOLICITATION:

Request for Bids Specification No. PW25-0178F was opened October 21, 2025. Two hundred sixty-eight companies were invited to bid in addition to normal advertising of the project. Six submittals were received. Morgan Mechanical Inc. submitted a bid that resulted in the lowest evaluated submittal after consideration of Equity in Contracting (EIC) participation goals. The table below reflects the amount of the base award.



<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
Elite Mechanical Services, LLC*	Lacey, WA	\$570,566
TRS Mechanical Inc*	Tacoma, WA	\$574,900
Capital Heating and Cooling Inc*	Lacey, WA	\$596,124
Morgan Mechanical Inc	Redmond, WA	\$619,000
Apex Mechanical LLC	Battleground, WA	\$750,000
Copper Mechanical, LLC	Ridgefield, WA	\$1,050,000

Pre-bid Estimate: \$750,000 (not including sales tax)

The recommended award is 17 percent below the pre-bid estimate.

** Non-Responsive Bids:*

- *Elite Mechanical Services, LLC did not submit the EIC Utilization Form.*
- *TRS Mechanical Inc did not submit the EIC Utilization Form.*
- *Capital Heating and Cooling Inc did not submit the EIC Utilization Form.*

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 October 24, 2025. The EIC requirements for this project are 11 percent MBE, 5 percent WBE, and 6 percent S/DBE. The EIC utilization levels of the recommended contractor, Morgan Mechanical Inc., are 70 percent MBE, 0 percent WBE, and 70 percent S/DBE.

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



FISCAL IMPACT: This contract will be funded by the 4140 Parking 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
Fund 4140 – PRKIN, Parking Initiatives	PRK-00022-02	5330100	\$711,850
TOTAL			Up to \$711,850

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 4140 – PRKIN, Parking Initiatives	PRK-00022-FS	4300000	(\$711,850)
TOTAL			Up to (\$711,850)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$711,850

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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