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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

25 Capitol Street

Concord, New Hampshire 03301

(603) 271-3201 | Office@das.nh.gov

Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

October 3, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Administrative Services, Division of Public Works Design and Construction to increase the construction contingency by \$62,100 for the ARPA Legislative Office Building HVAC and Parking Lot Project (No. 81336R B) with an offsetting decrease to the price escalation contingency by \$62,100, with no change in the overall project value, effective upon Governor and Council approval through October 2, 2026, unless extended in accordance with contract terms. The original contingencies and project contract was previously approved on 9/25/2024 Item #191.
100% Federal Funds.

Funding is available as follows:

	<u>FY2026</u>
014-014-28430000 ARPA LOB HVAC Improvements 048-500226 Contract Repairs	\$62,100

EXPLANATION

The Department requests authorization to transfer the remaining price escalation contingency funds to use towards additional and unanticipated HVAC-related work on the Legislative Office Building HVAC and Parking Lot Project. Since the original project contingency has been exhausted and there remains a balance in the price escalation contingency, this request would create funding for future work during the remainder of the project, estimated to be completed in October of 2026.

Additional work may include, but is not limited to, adding five (5) Variable Air Volume (VAV) units to condition supply air for the Legislative Office Building along with other HVAC-related work beneficial and directly related to this project.

At the time the original contract was executed, a price escalation contingency was negotiated into the contract to offset the inflationary pressures vendors were experiencing. In order to utilize the escalation contingency, up to \$100,000, the contractor (Meridian Construction Corporation) needed to submit claims within 30 days of the Notice to Proceed following Governor & Council approval of the original contract, for rapid price escalation of major mechanical equipment. The contractor submitted valid claims totaling \$37,900, leaving an unspent balance in the escalation contingency.

Respectfully submitted,

Charles M. Arlinghaus,
Commissioner



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

25 Capitol Street – Room 310
Concord, New Hampshire 03301
(603) 271-3201 | Office@das.nh.gov

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Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

September 11, 2024

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

- 1) Authorize the Division of Public Works Design and Construction to enter into a contract with Meridian Construction Corp. (VC#157328), Gilford, New Hampshire, for a total price not to exceed \$7,545,424 for Project No. 81336 for Legislative Office Building HVAC Upgrades and Parking Garage located in Concord, NH. The contract is effective upon Governor and Council approval through October 2, 2026, unless extended in accordance with the contract terms. **100% Federal Funds - ARPA**
- 2) Further authorize that an escalation contingency in the amount of \$100,000 be approved for increase in material cost for mechanical equipment from bid opening to 30 days after the notice to proceed. **100% Federal Funds – ARPA**
- 3) Further authorize that a contingency in the amount of \$200,000 be approved for unanticipated site expenses. **100% Federal Funds – ARPA**
- 4) Further authorize the amount of \$91,974 be approved for payment to the Department of Administrative Services, Division of Public Works Design and Construction (VC#311152), for engineering and project management services provided. **100% Federal Funds - ARPA**

Funding is available in the following accounts:

FY 2025

014-014-28430000 ARPA LOB HVAC Improvements	
048-500226 – Contract Repairs; Bldg. Grounds	\$ 7,290,424
014-014-26640000 ARPA Deferred Maint. at State Facility	
048-500226 – Contract Repairs; Bldg. Grounds	<u>\$ 255,000</u>
	Contract Total \$ 7,545,424
014-014-28430000 ARPA LOB HVAC Improvements	
048-500226 – Contract Repairs; Bldg. Grounds – Escalation Contingency	\$ 100,000
048-500226 – Contract Repairs; Bldg. Grounds – DPW Fees	\$ 91,974
014-014-26640000 ARPA Deferred Maint. at State Facility	
048-500226 – Contract Repairs; Bldg. Grounds – Contingency	<u>\$ 200,000</u>
	Project Total \$ 7,937,398

EXPLANATION

This project will include Legislative Office Building (LOB) HVAC upgrades. Per a General Court of New Hampshire (GCNH) request, Department of Administrative Services (DAS) contracted with an engineering firm to evaluate the mechanical systems in the LOB, which is the most densely populated State building during legislative sessions. The evaluation found multiple deficiencies with the existing air handling system. The existing air handling system did not have the heating/reheat coils needed to allow fresh air introduction into the building when temperatures fall below freezing, which requires that the existing air handling system be shut down during the winter months. This results in minimum air quality standards not being met. It was also noted that outdoor air introduction minimums are not being met during the cooling season due to limited chiller capacity.

This project will also include parking garage repairs. H.L. Turner Group, Inc. performed a structural assessment of the LOB's parking garage structure on June 21, 2023. The assessment found deficiencies in the concrete entrance/exit ramps, parapet railing systems, concrete parking decks, parapet coatings, exterior stairways, floor drains, trench drains, and structural concrete columns. Deficiencies include concrete coating damage, spalling concrete, corroded drains, oil stains on the concrete coating, delaminated concrete at several support column bases, corroded gate operator conduit, large cracks in the floor, efflorescence, rust staining and other miscellaneous cracks, and concrete coating damage.

A public bid opening was held on July 24, 2024. Two (2) bid proposals were received and the contract was awarded to the lowest qualified bidder. The low bid is 6% over the Department estimate.

This contract also includes an escalation clause. We have experimented, in limited circumstances, with escalation clauses. The possibility of escalation is limited only to the large equipment purchase in part because escalation is clearest on such items and in part because it is the clearest way to maintain equity among bidders while reducing a significant obstacle to bidding. In this item, the amount reserved for escalation is called out as a contingency but one only to be used in those limited circumstances.

The contract has been approved by the Attorney General as to form and execution; and the Department of Administrative Services has certified that the necessary funds are available. Copies of the fully executed contract are on file at the Secretary of State's Office and the Department of Administrative Services, Division of Public Works Design and Construction.

Respectfully submitted,



Charles M. Arlinghaus,
Commissioner

Department Estimate:	\$ 7,060,021
Low Base Bid (without Alternates):	\$ 7,545,424
Over Estimate:	\$ 484,403