



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-926

Meeting Date: 11/15/2022

TITLE:

MAINTENANCE SERVICES AGREEMENT FOR HVAC MAINTENANCE AND REPAIR

DEPARTMENT: PUBLIC WORKS/MAINTENANCE SERVICES DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714)
327-7499

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the proposed Maintenance Services Agreement (MSA) with Siemens Industry, Inc., for a term of eight months , effective November 15, 2022 - June 30, 2023, in the amount of \$154,472.71 for the eight month term to provide HVAC maintenance and repair services for the City Hall and the Police Department facility based on pricing from Sourcewell Contract #070121-SIE.
2. Approve the three year MSA with Siemens Industry from July 1, 2023 to June 30, 2026, with annual compensation amount for year one, \$224,734.43, year two, \$249,167.58 and third year, \$248,228.67.
3. Approve a 10% contingency annually for additional repairs and other unforeseen costs.
4. Authorize the City Manager and City Clerk to execute the MSA and to extend the agreement each year with an effective term of July 1st through June 30th, for up to a maximum of three (3) additional one-year terms.

BACKGROUND:

The City's current contract for HVAC maintenance and repair services expired on July 31, 2022. Siemens Industry, Inc. has been the contractor of record for the last ten (10) years and the Maintenance Services Division has been satisfied with their quality of service throughout the term of the contract. Maintenance Services determined that it would be beneficial to continue to utilize Siemens Industry, Inc., for this agreement due to the fact that the City Hall and the Police Department (PD) both have Siemens HVAC controls, with the PD facility having a newer Siemens Building Automation System and City Hall having an older Siemens Building Automation System. The mixture of advanced and outdated Building Automation Systems requires a higher level of expertise and

technical ability than the standard HVAC systems. The packaged chiller systems in both facilities also require a higher level of expertise and technical ability that Siemens provides.

The City's adopted Fiscal Year 2022-2023 Operating Budget includes funds to provide HVAC mechanical system repairs and maintenance services for City Hall and the Police Department facility.

ANALYSIS:

The Public Works Department/Maintenance Services Division sent Siemens Industry, Inc., a Request for Proposal (RFP) for HVAC Mechanical Repair and Maintenance Services for City Hall and the Police Department facility, based on Sourcewell Contracts #070121-SIE pricing (Attachment 2). The Sourcewell-based pricing is provided in the below table.

Billing Frequency	Period Range	Period	Sell Price
Annually	11/15/2022 to 6/30/2023	Year 1 of 4	\$154,472.71
Annually	7/01/2023 to 6/30/2024	Year 2 of 4	\$224,734.43
Annually	7/01/2024 to 6/30/2025	Year 3 of 4	\$249,167.58**
Annually	7/01/2025 to 6/30/2026	Year 4 of 4	\$248,228.67
TOTAL			\$876,603.39

**Please note: Year 3 of 4 includes 'Eddy Current Testing' for chillers.

This proposed MSA will provide much needed repair services to the City Hall building in addition to routine maintenance. The controls and equipment at City Hall are very dated and require continuous maintenance and repairs. The proposed scope of work under this MSA provides for servicing repairs, both parts and labor, to the City's HVAC equipment system.

Siemens is offering the pricing through its Sourcewell contract, which meets all requirements set forth in the City of Costa Mesa's Purchasing Policy and all requirements set forth by the State of California in regards to regional cooperative purchasing agreements. Sourcewell established an approved vendor list following a nationwide competitive bid process. This assures that the City receives the lowest available pricing and meets the competitive bid process requirements. The City has utilized cooperative agreements successfully in the past.

Public Works/Maintenance Services and Purchasing Department's recommendation is to award a Maintenance Service Agreement (MSA) to Siemens Industry, Inc. for HVAC System Repairs & Maintenance Services for City Hall and the Police Department facility (Attachment 1).

ALTERNATIVES:

1. The Council could not approve the contract and direct staff to release a RFP. However, staff does not expect reduced prices as a result of releasing a RFP.
2. The Council could direct staff to evaluate the cost effectiveness of managing this work with in-

house staff. However, this is not recommended as the nature of work is beyond staff capabilities.

FISCAL REVIEW:

Funding for the purchase of the requested HVAC Mechanical Repair and Maintenance Services agreement is included in the adopted FY 2022-23 Public Works Department budget. Funding for future fiscal years will be included as part of the respective year budget.

LEGAL REVIEW:

The City Attorney's office has reviewed this agenda report, has prepared the Maintenance Services Agreement (Attachment 1) and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Maintain and Enhance the City's Infrastructure, Facilities, Equipment, and Technology

CONCLUSION:

Staff recommends the City Council:

1. Approve the proposed Maintenance Services Agreement (MSA), Attachment 1, with Siemens Industry, Inc., for an initial term of eight months, effective November 15, 2022 - June 30, 2023, in the amount of \$154,472.71 for the eight month term to provide HVAC maintenance and repair services for the City Hall and the Police Department facility based on pricing from Sourcewell Contract #070121-SIE.
2. Approve the MSA terms for up to three additional one year terms, with annual compensation amount for year one, \$224,734.43, year two, \$249,167.58 and third year (through June 2926), \$248,228.67.
3. Approve a 10% contingency annually for additional repairs and other unforeseen costs.
4. Authorize the City Manager and City Clerk to execute the agreement and to extend the agreement each year with an effective term of July 1st through June 30th, for up to a maximum of three (3) additional one-year terms.