Legislation Details (With Text)

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Sponsors:			
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Attachments:	1. Agenda Report, 2. 1. Sourcewell Contract #080824-SIE, 3. 2. MSA		

Date	Ver.	Action By	Action	Result

TITLE:

AGREEMENT FOR HVAC MAINTENANCE AND REPAIRS WITH SIEMENS INDUSTRY, INC.

DEPARTMENT: **PUBLIC WORKS DEPARTMENT/GENERAL SERVICES DIVISION**

PRESENTED BY: **RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR**

CONTACT INFORMATION: **PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR (714) 754-5029**

RECOMMENDATION:

Staff recommends the City Council:

1. Award a Maintenance Services Agreement (MSA) to Siemens Industry, Inc. (Siemens), 6141 Katella Avenue, Cypress, CA 90630, in an amount ranging from $259,817 to $309,441 annually, for a not-to-exceed total of $1,152,678 over the four-year period for Heating, Ventilation, and Air Conditioning (HVAC) maintenance and repair services for City Hall and the Police Department facilities based on pricing from Sourcewell Contract #080824-SIE.

2. Authorize a ten percent (10%) contingency annually for emergency response, special events, and other unforeseen repair costs.

3. Approve and authorize the City Manager and the City Clerk to execute a Maintenance Services Agreement (MSA) with Siemens Industry, Inc. (Siemens), 6141 Katella Avenue, Cypress, CA 90630 from July 1, 2026, through June 30, 2030, in substantially the final form as approved by the City Attorney.

BACKGROUND:

City Hall and the Police Department (PD) facilities both utilize Siemens proprietary HVAC controls, the Siemens Building Automation System. The mixture of outdated (City Hall) and advanced (PD) Building Automation Systems requires a higher level of expertise and technical ability than the standard HVAC systems. In addition, the packaged chiller systems in both facilities also require specialized expertise and technical ability that Siemens provides.

ANALYSIS:

The City's current MSA for HVAC maintenance and repair services with Siemens expires June 30, 2026. Staff have identified Sourcewell Contract #080824-SIE (Attachment 1) and determined that utilizing the agreement would benefit the City. The Public Works Department sent Siemens a Request for Proposal (RFP) for HVAC maintenance and repair services for the City Hall and PD facilities. The proposed MSA will provide much-needed repair services for these buildings. The scope of work provides repair services, both parts and labor, to the City's HVAC equipment system.

A summary of the total cost of $1,152,678 for each year is as follows:

Year	Term	Annual Amount
1	July 1, 2026 - June 30, 2027	$259,817.00
2	July 1, 2027 - June 30, 2028	$275,406.00
3	July 1, 2028 - June 30, 2029	$308,014.00
4	July 1, 2029 - June 30, 2030	$309,441.00

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 by the State of California regarding regional cooperative purchasing agreements. Sourcewell established an approved vendor list following a nationwide competitive bid process. This ensures that the City receives the lowest available price and meets the competitive bid process requirements. The City has utilized cooperative agreements successfully in the past.

ALTERNATIVES:

The City Council could choose to evaluate the cost effectiveness of managing this work with in-house staff. However, this is not recommended as the nature of the work is beyond staff capabilities.

Another alternative is to not use the Cooperative Agreement and go through a procurement process. This will require staff to initiate a formal bidding process, which will take significantly more time to complete, and may not result in lower prices than the proposed Sourcewell pricing.

FISCAL REVIEW:

Funding for Year 1 of the HVAC maintenance and repair services agreement, inclusive of a 10% contingency, totaling the amount of $285,799, is included in the Adopted FY 2026-27 Public Works Department operating budget in the General Fund (Fund 101). Funding for future fiscal years will be included as part of the respective budget year.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report, prepared the MSA (Attachment 2), and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council goals:

- Strengthen Public Safety and Keep the Community Safe.
- Maintain and Enhance the City's Infrastructure, Facilities, Equipment, and Technology.

CONCLUSION:

Staff recommends the City Council:

1. Award a Maintenance Services Agreement (MSA) to Siemens Industry, Inc. (Siemens), 6141 Katella Avenue, Cypress, CA 90630, in an amount ranging from $259,817 to $309,441 annually, for a not-to-exceed total of $1,152,678 over the four-year period for Heating, Ventilation, and Air Conditioning (HVAC) maintenance and repair services for City Hall and the Police Department facilities based on pricing from Sourcewell Contract #080824-SIE.

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