



# City of San Antonio

## Agenda Memorandum

**File Number:**18-1813

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**Agenda Item Number:** 4.

**Agenda Date:** 3/8/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Annual Contract for Preventive Maintenance and Repairs of HVAC - Citywide

### **SUMMARY:**

This ordinance authorizes acceptance of contract with Republic AC and Heating to provide the City with an Annual Contract for Preventive Maintenance & Repair Services of HVAC Systems for the Fire, Police, Human Services, Center City Development and Operations, Health and Solid Waste Management Departments for an estimated annual cost of \$370,000.00. Funding for this contract is available through the respective departments FY 2018 Operating Budget.

### **BACKGROUND INFORMATION:**

Submitted for Council consideration and action is a proposal submitted by Republic AC and Heating to provide quarterly preventive maintenance and repair services for the heating, ventilation, air conditioning (HVAC) systems for various city departments.

The City issued a Request for Competitive Sealed Proposals for “Annual Contract for Preventive Maintenance and Repairs of HVAC - Citywide” (RFCSP 6100009580) on November 13, 2017, with a submission deadline of December 13, 2017. Three proposals were received. One proposal was deemed non-responsive for failing to meet the bid bond requirement. Two proposals, Republic AC and Heating and Accu-Aire Mechanical, LLC. were deemed eligible for review by the evaluation committee.

The RFCSP scope of services was divided into 5 groups for the opportunity to award to more than one

contractor. Group 1 - Fire Department and Police Department, Group 2 - Department of Human Services, Group 3 - La Villita, Market Square and Farmers Market for Center City Development and Operations Department, Group 4 - Health Department and Solid Waste Management Department, and Group 5 - Centro de Artes for Center City Development and Operations Department. Republic AC and Heating submitted a proposal response for Groups 1 - 4 and Accu-Aire Mechanical, LLC. submitted a proposal response for Groups 1 - 5.

The evaluation committee consisted of representatives from the Fire Department, Building and Equipment Services Department, Department of Human Services, and San Antonio Metro Health Department. The Finance Department, Purchasing Division, facilitated by ensuring compliance with City procurement policies and procedures. The proposals were evaluated based on the firm's qualifications, experience, service quality, previous performance, proposed plan and price schedule. Additional categories of consideration included references and financial qualifications.

The evaluation committee met on January 25, 2018 to evaluate the two responsive proposals. The evaluation of each proposal response was based on a total of 100 points; 30 points allotted for experience, background, qualifications; 30 points allotted for proposed plan; and 20 points allotted for respondent's price schedule. Ten preference points were allotted for the Small Business Economic Development Advocacy Program, ESBE Prime Contractor Program Affirmative Procurement Initiative, and ten points allotted for the M/WBE Prime Contractor Program Affirmative Procurement Initiative. After scores were finalized by the selection committee, the pricing scores and the SBEDA scores were revealed. Republic AC and Heating was recommended for award by the evaluation committee for Group 1, Group 2, Group 3 and Group 4.

One responsive proposal response was received for Group 5 - Centro de Artes for the Center City Development and Operations Department. The proposal was evaluated however no award is recommended as the proposal response exceeds the department's budget. Services for preventative maintenance and repairs for Centro de Artes for the Center City Development and Operations Department will be re-solicited at a later date.

A post-solicitation briefing was given to the Audit and Accountability Committee on February 20, 2018.

The initial term of the agreement shall be upon Council award through March 31, 2021. Two additional one-year renewals at the City's option shall also be authorized by this ordinance.

## **ISSUE:**

This contract will provide a qualified contractor to perform monthly filter replacement and quarterly preventive maintenance services and corrective repairs for 469 HVAC units at 87 locations for various city departments. Preventive maintenance services include, but is not limited to, replacing or washing filter media, replacing fan belts, checking and replenishing fluid levels on equipment, air handling units, compressors, actuators, exhaust fans, split systems (fan coil units / condensing units), boilers, heat coils, etc. Corrective repair work goes beyond maintenance, and is usually performed to return something to operational use, rather than to keep it operating. Repair work is not included in the quarterly maintenance fee, repair work for City's HVAC equipment can only be done with written City approval. These regularly scheduled preventative maintenance and repair services are required to maintain peak operational efficiencies while extending the life cycle of the equipment.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small,

minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Emerging Small and Minority/ Women-Owned Business Enterprise Prime Contract Program with twenty (20) evaluation preference points.

Additionally, Goal Setting Committee also set a 12% Small Business Enterprise (SBE) subcontracting goal and Republic AC and Heating has committed to 12% SBE subcontractor participation.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Program does not apply to non-professional services contracts, so no preference was applied to this contract.

#### **ALTERNATIVES:**

Should this contract not be approved, City departments would be required to procure HVAC services on an as-needed basis which could lead to inconsistent service and delay in response time to maintenance and repair requests. Processing individual procurements will affect the cost of services due to non-contract pricing. Departments do not have the staff to perform these services in-house.

#### **FISCAL IMPACT:**

Funds are not encumbered by this ordinance. The estimated cost for this contract is approximately \$370,000.00 annually to be funded with the respective departments FY 2018 operating budget.

#### **RECOMMENDATION:**

Staff recommends approval of this contract with Republic AC and Heating to provide quarterly preventive maintenance and repair services for HVAC equipment for Group 1 - Fire Department and Police Department, Group 2 - Department of Human Services, Group 3 - La Villita, Market Square and Farmers Market for Center City Development and Operations Department, and Group 4 - Health Department and Solid Waste Management Department for an estimated amount of \$370,000.00 annually.

This contract was procured by means of Request for Competitive Sealed Proposal and a Contract Disclosure Form is required.