

OMB Granicus Review

Granicus Title	Agreement with Daikin Applied Americas Inc. d/b/a Daikin Applied for boiler maintenance and repair.				
Granicus ID#	26-0250A	Reference #	NA	Date	05/15/2026

Mark all Applicable Boxes:

Type of Review									
CIP		Grant		Other	<input checked="" type="checkbox"/>	Revenue		Project	

Fiscal Information:

New Contract (Y/N)	Y	Original Amount	NA
Fund(s)	0001, 4051	Amount of Change (+/-)	\$ 1,360,569.21
Cost Center(s)	361501, 361530, 361540, 431360	Total Amount	\$ 1,360,569.21
Program(s)	Multiple Programs	Amount Available (FY26 Operating)	\$ 111,281.20
Account(s)	5460001, 5349000	Included in Applicable Budget? (Y/N)	Y
Fiscal Year(s)	FY26-FY31		

Description & Comments	
(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)	
<p>This agreement with Daikin Applied Americas Inc. dba Daikin Applied (Daikin) allows County departments to obtain annual inspections, quarterly safety inspections along with maintenance and repair services for boilers at County facilities. Both the Utilities Department and the Construction and Property Management (CPM) Department would use this service provider. The five-year agreement has a total not-to-exceed threshold (NTET) of \$1,360,569.21 for its duration, however an annual NTET is not specified. Although it is not specified, the calculated average would be \$272,113.84 per year.</p> <p>After a competitive procurement process, Daikin, deemed as the lowest responsible bidder, was chosen from among six respondents. The agreement does not allow for extensions beyond the five-year period. Due to a non-exclusive clause, the County has the right to procure services from other vendors during the agreement period. Moreover, if sufficient funds are not available for a new fiscal period, the County may sever the agreement without penalty or liability, by providing notice to Daikin. If employed, the contract would terminate at the end of the current fiscal period. Every 12 months, the agreement allows for a unit pricing adjustment based on the lesser of the Consumer Price Index (CPI) or five percent. The agreement allows the County to unilaterally add or delete location/services, either collectively or individually, at any time after the initial award. This agreement is needed because the current agreement expires in May 2026.</p> <p>The total cost of the prior contract awarded in May 2020 to Thermal Tech Inc. was \$506,000.00 for inspections and parts. The pending award to Daikin is comparable for inspections and parts, albeit a 17.3% increase, to \$594,041.00. The cost for inspections is consistent with recent spending levels. However, as illustrated in Table 1, the 2026 contract also includes an additional \$766,538.00 for factors to increase capacity such as Regular and non-regular service hours, as well as unspecified funds for services and materials that are not included in the contract specifications but may be needed. As a result, the 2026 pending contract is 168.6% higher than the FY20 contract. Of note: The service hours require the County's approval prior to commencement and the unspecified hours are not guaranteed to be used.</p>	

Table 1

Comparison of Awards			
	FY20	FY26	% Change
Vendor	Thermal Tech Inc.	Daikin Applied	
Quarterly and Annual Inspections	326,600	344,041	5.3%
Parts	180,000	250,000	38.9%
Subtotal Inspections and Parts	506,600	594,041	17.3%
Service Hours - Regular Hours	-	321,425	
Service Hours - After Hours	-	321,425	
Unspecified Funds	-	123,688	
Total Cost	506,600	1,360,579	168.6%

Funding for the agreement is included in the FY26 Operating Budget for Construction and Property Management within the General Fund. CPM's budget includes a total of \$145,007.20 for boiler maintenance. The Utilities Department also budgeted \$10,000.00 in the Sewer Revenue and Operating Fund. A total of \$155,007.20 was confirmed by the Office of Management and Budget (OMB) in the FY26 Adopted Operating Budget specifically for boilers. As of May 2026, the proposed FY27 budget includes a total of \$120,457.20 for CPM and Utilities specifically for boilers. However, CPM also has resources available from the overall repairs and maintenance account to meet the ongoing needs of the contract, therefore a budget amendment is not anticipated. Funding for future years is dependent on approval in the annual County Operating Budget.

Analyst: Jasmine Prepetit

Ok to Sign: