

## OMB Contract Review

<b>Contract Name</b>	Award of bid to Strut Mechanical, Inc. for HVAC preventative maintenance, repairs, and replacement		
<b>File ID#</b>	22-1823A	<b>Contract #</b>	22-0681-B

**Mark all Applicable Boxes:**

Type of Contract									
CIP		Grant		Other	<b>X</b>	Revenue		Project	

**Contract information:**

<b>New Contract (Y/N)</b>	Y	<b>Original Contract Amount</b>	n/a
<b>Fund(s)</b>	0001 General Fund, 4021 Solid Waste Fund, 4031 Water R&O Fund, 4051 Sewer R&O Fund	<b>Amount of Change</b>	n/a
<b>Cost Center(s)</b>	various	<b>Contract Amount</b>	\$3,280,980.00 (36 months) Up to \$1,093,660.00/year
<b>Program(s)</b>	various	<b>Amount Available</b>	\$355,600.00 – FY23
<b>Account(s)</b>	5464000 Repair & Maintenance of Equipment	<b>Included in Applicable Budget? (Y/N)</b>	Yes – maintenance and repairs. If needed, HVAC unit replacement may be absorbed or funded from Contingency
<b>Fiscal Year(s)</b>	FY23-FY25		

**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.)

This contract is for comprehensive monthly, semi-annual and annual preventative maintenance, repairs, and replacement of air handlers, compressors, sensors, heaters, and other HVAC-related equipment on an as-needed basis. Four departments will be using this contract at 67 different locations.

The contract award is for a not-to-exceed total \$3,280,980.00 for 36 months. This 3-year contract replaces the previous 5-year contract that totaled \$1,246,257.15. The Staff Report notes that the substantial increase is due to the addition of replacing HVAC Units as needed. Annual expenditures are estimated at up to \$1,093,660.00, which includes replacement of up to three (3) units at \$246,000 each per year (total \$738,000 per year).

The estimated annual cost of primary services include:

- \$ 96,160.00 - Preventive Maintenance for all 67 sites
  - \$ 79,500.00 - Repair Labor
  - \$ 90,000.00 - Repair Parts & Freon
  - \$ 90,000.00 - Unspecified Parts
- \$355,660.00

The 67 sites include the Heritage Village Complex, Solid Waste Complex, Ten Radio Sites (10), and Utilities Facilities (Cross Bar Ranch, Keller Water Treatment, North Booster Station, W.E. Dunn WRF, South Cross Bayou AWRF, Logan Station, General Maintenance Complex - GMD North and GMD South, and Pump Stations throughout the system).

As stated in the agreement:

- *"In the event of HVAC replacement, the Contractor shall develop a work plan for the affected HVAC system. Should the Contractor observe any conditions which might affect the work, these conditions shall be specified in the work plan. The Contractor shall submit a detailed work plan to the Facility Manager no later than twenty-one (21) calendar days after the inspection or service call for review and approval. The work plan shall fully explain and include the work schedule, work sequencing, time durations for each work operation, method of removing existing equipment, duration(s), names of personnel, portable air-conditioning requirements, hoisting requirements, all anticipated alterations, fabrications, and/or modifications and hours of work."*
- *"The Parties may extend the term of this Agreement for two (2) additional twelve\_(12) month period(s) pursuant to the same terms, conditions, and pricing set forth in the Agreement by mutually executing an amendment to this Agreement, as provided herein."*
- *"For the initial term and term extensions, unit prices are adjustable at (12) month(s) after the date of award and thereafter annually for the life of the contract, in an amount not to exceed the average of the Consumer Price Index (CPI) or 5%, whichever is less, for all Urban Consumers, Series Id: CUUR0000SA0, Not Seasonally Adjusted, Area: U.S. city average, Item: All items, Base Period: 1982-84=100 for the twelve months prior."*

Estimated maintenance and repair expenses are included in the FY23 Adopted Budget. If needed, and department savings are not sufficient to cover such expense, replacement of HVAC units may necessitate a realignment of appropriation from Contingency Reserve.

**Analyst: Veronica Ettel**

**Ok to Sign:**