



Legislation Text

File #: 21-0191, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Erick Lee, Public Works Director

Robert Sahagun, Maintenance Manager

Sean Roberts, Facilities Supervisor

Anna Luke-Jones, Public Works Senior Management Analyst

SUBJECT:

Consideration of a Resolution Approving an Agreement with Honeywell International, Inc. for Citywide HVAC Maintenance, Repair and Replacement Services (Public Works Director Lee).

ADOPT RESOLUTION NO. 21-0084

RECOMMENDATION:

Staff recommends that the City Council approve a resolution awarding a three-year contract for \$446,956.81 with Honeywell International, Inc. for citywide Heating, Ventilation, and Air Conditioning (HVAC) maintenance, repair and replacement with two possible one-year extensions.

FISCAL IMPLICATIONS:

The cost for year one, October 1 - June 30, 2022, is \$140,080.17 and will be charged to the Buildings & Grounds (Facilities) budget. The cost for year two, Fiscal Year (FY) 2022-2023, is \$151,544.02, year three, Fiscal Year (FY) 2023-2024 is \$155,332.62, optional year four, Fiscal Year (FY) 2024-2025 is \$159,215.93 and optional year five, Fiscal Year (FY) 2025-2026, is \$163,196.33.

BACKGROUND:

The City routinely contracts for citywide HVAC maintenance, repair and replacement services. The existing contractor has provided HVAC services since 1994 and under an evergreen contract since 2014. The City now prefers 3+1+1 (3 years + 1 optional year + 1 optional year) structured term agreements instead of evergreen contracts and has established a termination of the existing evergreen agreement on September 30, 2021.

DISCUSSION:

The City requested proposals from professional HVAC contractors for the overall maintenance and warranty of the City's HVAC systems for all City properties through Request for Proposals (RFP) No. 1258-21 (Attachment). The full coverage maintenance contract is defined as the maintenance, adjustment, repair and/or replacement of any part of the HVAC systems.

The City received proposals from three companies: Golden West, Honeywell, and Staples Energy. Because this is a service contract vendor selection is based upon several factors: 1) understanding scope of work, 2) contractor's qualifications and experience, 3) qualifications, experience and ability of proposed staff, 4) references, 5) proposed methodology for completing the work and 6) cost.

Specifically regarding cost, Golden West's year one cost was \$299,000, Honeywell's year one cost was \$140,080.17 and Staples Energy's year one cost was \$124,185.

After careful consideration, staff recommends that the agreement be awarded to Honeywell International, Inc. There are several core reasons for awarding to this vendor. There is a proven track record of service technicians, including their primary Manhattan Beach tech who has worked on this equipment for 15 years. Several other technicians were listed on their proposal who have served Manhattan Beach for over 5 years. Their technicians also live close by, which is important for gaining quick access during emergencies. Secondly, because Honeywell has served Manhattan Beach for 15 years, they have advanced knowledge of the City's equipment and building management software. They are the largest company of the three proposers, providing continued stability. Their pricing is also competitive. For year 1, Honeywell is \$159,000 less than the highest bidder and only \$15,000 more than the lowest bidder (whose technician is commuting from San Diego). Lastly, Honeywell has excellent references, with multiple municipal, school and hospital contracts.

Staff recommends that the City Manager be given the authority to administratively exercise the two-year option to extend the terms for both contracts and approve the annual budgets for an amount not to exceed:

10/1/21 - 06/30/22: \$140,080.17

FY 2022-2023: \$151,544.02

FY 2023-2024: \$155,332.62

Optional FY 2024-2025: \$159,215.93

Optional FY 2025-2026: \$163,196.33

If at any time the City is not satisfied with the vendor's services, it may terminate the contract with a 60 day written notice.

CONCLUSION:

In conclusion, staff recommends that the City Council approve a resolution authorizing the City Manager to execute a three-year contract for \$446,956.81 with two optional additional years with Honeywell Building Solutions for citywide HVAC maintenance, repair and replacement with two possible one-year extensions.

PUBLIC OUTREACH:

This bid was advertised on the City's website as well as ProcureNow, the City's online bidding software.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of

the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has approved the agreement as to form.

ATTACHMENTS:

1. Resolution No. 21-0084
2. Agreement - Honeywell International, Inc.
3. RFP No. 1258-21