



Recommendation for Action

File #: 21-2978, **Agenda Item #:** 16.

10/14/2021

Posting Language

Authorize amendments to contracts with Entech Sales & Service LLC, JM Engineering, LLC (WBE), and TD Industries, Inc. for continued heating, ventilating, air conditioning, refrigeration preventative maintenance, and repair services, for an increase in the amount of \$1,813,000 for revised total contracts amount not to exceed \$9,375,000, divided among the contractors.

(Note: This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy; Building Services Department; Austin Police Department.

Fiscal Note

Funding in the amount of \$871,000 is available in the Fiscal Year 2021-2022 Operating Budget of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendments.

Prior Council Action:

October 3, 2019 - Council approved the original contract, item 28, on an 10-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Jo Gutierrez, at 512-974-2928 or Jo.Gutierrez@austintexas.gov <<mailto:Jo.Gutierrez@austintexas.gov>>.

Council Committee, Boards and Commission Action:

September 13, 2021 - The Electric Utility Commission was cancelled due to lack of quorum.

Additional Backup Information:

The proposed amendments will increase authorization on the contract for various City departments to cover heating, ventilating, air conditioning (HVAC), refrigeration, preventative maintenance, and repairs. The additional authorization will allow the City to obtain needed repairs as well as quarterly and semiannual preventative maintenance services. Needed repairs and mechanical breakdowns have exceeded the City's current funding authority. Repairs typically consist of replacing belts, filters, condensers, and coils, and in some cases total replacement. The age of the HVAC equipment ranges from 25-30 years old and industry

practices recommend replacement and/or upgrading HVAC equipment every 20-25 years. The City made an effort to keep existing HVAC equipment functioning however, due to the age of the equipment, the end of life is near. The City is experiencing more HVAC failures with systems down for several days. It is critical to ensure systems are properly maintained to preserve a healthy workplace. The funding will also help departments take a proactive approach to system failure issues, upgrades, and replacements.

If the proposed amendments are not approved, the City will not have the ability to maintain the HVAC systems properly. This will force the City to procure HVAC services on the open market, resulting in higher prices and increases HVAC downtime.

Contract Detail:

| <u>Contract Term</u> | <u>Length of Term</u> | <u>Current Contract Authorization</u> | <u>Requested Additional Authorization</u> | <u>Revised Total Authorization</u> |
|---------------------------------|----------------------------------|--|--|---|
| Initial Term | 2 yrs. | \$3,062,000 | | \$3,062,000 |
| Optional Extension 1 | 1 yr. | \$1,500,000 | \$1,293,000 | \$2,793,000 |
| Optional Extension 2 | 1 yr. | \$1,500,000 | \$ 260,000 | \$1,760,000 |
| Optional Extension 3 | 1 yr. | \$1,500,000 | \$ 260,000 | \$1,760,000 |
| TOTALS | 5 yrs. | \$7,562,000 | \$1,813,000 | \$9,375,000 |

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Government that Works for All.