



# Detroit Water and Sewerage Department

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## Legislation Details (With Text)

**File #:** 22-0795      **Version:** 1      **Name:**  
**Type:** Contract      **Status:** Passed  
**In control:** Financial Services  
**On agenda:** 5/18/2022      **Final action:** 5/18/2022  
**Title:** The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve DWSD Contract 6004388 to utilize Sourcewell-NJPA Cooperative Agreement #070121-JHN with Johnson Controls, Inc., for HVAC Equipment, Parts, Repairs and Preventative Maintenance Services for a total contract amount not-to-exceed \$4,461,508 and a term of three (3) years. This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.  
**Indexes:** Board of Water Commissioners, Finance Committee

### Code sections:

### Attachments:

Date	Ver.	Action By	Action	Result
5/18/2022	1	Board of Water Commissioners	approved	Pass
5/4/2022	1	Finance Committee	recommended for approval	Pass

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Contract 6004388 to utilize Sourcewell-NJPA Cooperative Agreement #070121-JHN with Johnson Controls, Inc., for HVAC Equipment, Parts, Repairs and Preventative Maintenance Services for a total contract amount not-to-exceed \$4,461,508 and a term of three (3) years.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### Agenda of May 18, 2022

**Item No.: 22-0795**

**Contract No.: 6004388**

**Contractor: Johnson Controls, Inc., 2875 Highway Meadow Circle, Auburn Hills, MI 48326**

**Contract Amount: \$4,461,508**

**Term: 7/1/22 - 8/12/25 (3 years)**

**TO:** The Honorable  
Board of Water Commissioners  
City of Detroit, Michigan

**FROM:** Gary Brown, Director  
Water and Sewerage Department

**RE:** Proposed DWSD Contract 6004388  
HVAC Equipment, Parts, Repairs and Preventative Maintenance Services  
Johnson Controls, Inc.

### MOTION

Upon recommendation of Marqaiha Welch, Procurement Manager, the Board of Water Commissioners for the City of

Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Contract 6004388 to utilize Sourcewell-NJPA Cooperative Agreement #070121-JHN with Johnson Controls, Inc., for HVAC Equipment, Parts, Repairs and Preventative Maintenance Services for a total contract amount not-to-exceed \$4,461,508 and a term of three (3) years.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

## BACKGROUND / JUSTIFICATION

The Facilities Division is responsible for maintaining the heating, ventilation, and air conditioning (HVAC) systems for the following locations:

1. Water Board Building: (735 Randolph Street)
2. CSF: (6425 Huber Street)
3. East Payment: (13303 East McNichols Road)
4. West Payment: (15600 Grand River Avenue)
5. West Yard: (13401 West Outer Drive)

The Facilities Division ensures the proposed contract will provide for all parts and labor necessary to inspect, repair, perform routine preventative maintenance, purchase and install replacement equipment, as well as any emergency service calls for the DWSD's HVAC systems. This ensures they are properly maintained and serviced to prolong the life and longevity of the units.

## PROCUREMENT METHOD

DWSD Procurement Policy approves participation in a cooperative purchasing agreement from another public purchasing consortium. Sourcewell, previously known as the National Joint Powers Alliance (NJPA), is a Minnesota service cooperative agency. This agency issued a competitive solicitation Request for Proposal #070121 which included HVAC Systems Planned Services.

The DWSD Procurement Policy requires that Detroit Based Businesses (DBB) or Detroit Resident Businesses (DRB) must be provided an exclusive opportunity to submit a bid that is equal to or less than the cost of the cooperative purchase price, provided the DBB or DRB will meet or exceed all the terms and conditions of the original Sourcewell contract. An Intent to Respond (ITR) was advertised on the Michigan Inter-Governmental Trade Network (MITN) for 14 calendar days. MITN published this opportunity to 308 companies subscribing to the relevant NIGP code(s) and 23 vendors downloaded the bid package. Two vendors responded. Conferring with CRIO neither vendor qualifies as a DBB or DRB.

The anticipated cost breakdown for services to be provided by Johnson Controls, Inc. is as follows:

	Year 1	Year 2	Year 3
HVAC Sys. Test & Inspect	\$1,104,922	\$1,149,119	\$1,195,083
HVAC Sys. Labor/Materials	\$ 318,000	\$ 337,080	\$ 357,304
<b>Total Cost Per Year:</b>	<b>\$1,422,922</b>	<b>\$1,486,199</b>	<b>\$1,552,387</b>

This contract was initiated through requisition #495065 which was approved on 2/21/22. Johnson Controls clearances expire 9/30/22 and a formal contract document is not required. Per DWSD procurement protocol, Mayoral Review will also be obtained.

## SUMMARY

- A. Contract No: 6004388
- B. Contract Term: 7/1/22-6/30/25 (3 year)
- C. Total Contract Amount: \$4,461,508
- D. Projected FY Expenditures: FY 22-23: \$1,422,922  
FY 23-24: \$1,486,199  
FY 24-25: \$1,552,387
- E. Funding Source: O&M Funds
- F. GL Strings:  
5820-20178-492421-617900-000230-15956-0000-000000- 70% (Sewer)  
5720-20167-482421-617900-000209-10731-0000-000000- 30% (Water)

This contract was presented to the BOWC Finance SubCommittee on May 4, 2022. Per the DWSD Procurement Policy, Mayoral Review will also be obtained.