



Detroit Water and Sewerage Department

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Legislation Text

File #: 17-0116, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **secure a contract with Johnson Control for HVAC Building & Mechanical Systems Program Management On Demand Repair Services for a total amount not to exceed \$1,926,020.00 for a duration of two (2) years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of July 19, 2017

Item No: 17-0116

Contract No. 6000875

Amount: \$1,926,020.00

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: **Proposed DWSD RFP No. 70000**
“HVAC (Building & Mechanical System Program)”

MOTION

Upon recommendation of Marcus Hudson, CFO, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **secure a contract with Johnson Control for HVAC Building & Mechanical Systems Program Management On Demand Repair Services for a total amount not to exceed \$1,926,020.00 for a duration of two (2) years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

This contract will serve as a Building Mechanical Systems Program Management - On Demand Repair Services. To inspect and make necessary direct repairs and maintenance of any and all HVAC equipment for the entire Detroit Water & Sewerage Department. Repairs shall mean the provision of labor, parts, supplies and equipment (upon request) to return an existing HVAC unit to safe and efficient operation conditions in accordance with the terms and conditions listed in RFP 7000 for two (2) years.

JUSTIFICATION

This contract will serve to ensure that all DWSD facilities labor, parts, supplies and equipment (upon request) are returned to safe and efficient operation condition. The contractor will conduct an inspection of existing units, and make recommendations to their repair or replacement. Maintenance and Repairs shall include work requested and performed during regular business hours (7:00 a.m. - 5:00 p.m.) or as an emergency repair

available twenty-four (24) hours, including holidays recognized by DWSD.

The bids as follow are for a two (2) year contract period:

BIDDER'S

Price Directory Trade Column is the standard pricing guideline for the skill trade/HVAC industry.

Johnson Control bid is \$ 1,674,800.00 with mark ups as follows 15 percent charge for skilled and/or unskilled labor rates at cost of their totals for each work order, 10 percent mark-up of price directory's Trade Column, 15 percent of contractor's paid invoices from supplier.

Conti Corporation equalized bid is \$1,791,280.00 with mark ups as follows 10 percent charge for skilled and/or unskilled labor rates at cost of their totals for each work order, 15 percent mark-up of price directory's Trade Column, 15 percent of contractor's paid invoice from supplier. (Please note Conti Corporation received equalization credit for being Detroit Base)

Siemens bid is \$1,896,420.00 with mark ups as follows 15 percent charge for skilled and/or unskilled labor rates at cost of their totals for each work order, 20 percent mark-up of price directory's Trade Column, 20 percent of contractor's paid invoice from supplier.

Dunbar Mechanical Inc. bid is \$ 2,330,520.00 with mark ups as follows 20 percent charge for skilled and/or unskilled labor rates at cost of their totals for each work order, 25 percent mark-up of price directory's Trade Column, 25 percent of contractor's paid invoice from supplier.

North Star bid is \$ 2,687,200.00 with mark ups as follows 30 percent charge for skilled and/or unskilled labor rates at cost of their totals for each work order, 15 percent mark-up of price directory's Trade Column, 15 percent of contractor's paid invoice from supplier.

PROCUREMENT METHOD

This was an open competitively bid contract. The Request for Proposal (RFP) was advertised during the week of April 3, 2017 and open April 28, 2017 on the Michigan Inter-Governmental Trade Network (MITN) website. This requirement was solicited to over one hundred forty nine (149) companies in MITN on RFP 7000 which yielded five (5) responsive, responsible bidders.

Purchasing recommends awarding a two (2) year contract to the lowest responsive, responsible bidder, Johnson Controls and request approval for the contract amount of \$1,674,800.00. HVAC Building & Mechanical Systems Program Management - On Demand Repair Services are essential for the maintenance and up keep of DWSD facilities, which includes air handler units, A/C condensing units but not limited to rebuilding, rebasing, installation of new seals, bearing, couplings, setting, piping, pumps and aligning.

DETAILS

- Funding Source Operation & Maintenance
- GL String 5720-20170-485113-622400-000204-10731-0000-000000
 5820-20181-495113-622400-000225-15956-0000-000000
- Journeyman hours 8,320 hrs x \$80.50 = \$669,760.00
 Apprentice hours 4,500 hrs x \$51.75 = \$232,875.00
 General Labor/Helper 1,500 hrs x \$40.25 = \$ 60,375.00
 Annual total **\$963,010.00 x 2 = \$1,926,020.00**
- Total Price **\$1,926,020.00**
- On Demand Services Services are available 24 hours a day - 7 days a week
- Estimated delivery date 2 hours from receipt of work orders