



Detroit Water and Sewerage Department

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Legislation Text

File #: 19-00197, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. 6002217 for three (3) years with Johnson Controls Inc. to provide HVAC Equipment, Parts, Repairs and Preventative Maintenance Services per the Sourcewell-NJPA Cooperative Agreement # 030817-JHN for a total contract amount not to exceed \$3,965,863.00**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of July 12, 2019

Item No.: 19-00197

Contract No: 6002217

Contractor: Johnson Controls, Inc.

Contractors Address: 2875 Highway Meadow Circle, Auburn Hills, MI 48326

Contract Total Amount: \$3,965,863.00

Contract Term: 7/17/2019 - 6/30/2022 (3 years)

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

FROM: Gary Brown, Director
Water and Sewerage Department

**RE: DWSD Contract No. 6002217
HVAC Equipment, Parts, Repairs and Preventative Maintenance Services**

MOTION

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. 6002217 for three (3) years with Johnson Controls Inc. to provide HVAC Equipment, Parts, Repairs and Preventative Maintenance Services per the Sourcewell-NJPA Cooperative Agreement # 030817-JHN for a total contract amount not to exceed \$3,965,863.00**; and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

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

JUSTIFICATION

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 agreements from another public purchasing consortium. Sourcwell, previously known as the National Joint Powers Alliance (NJPA) is a Minnesota service cooperative agency. This agency issued a competitive solicitation Request for Proposal # 030817 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 Sourcwell contract. To ensure compliance DWSD Procurement issued an Invitation to Respond (ITR) on MITN on May 23, 2019, which required an intent to respond due on June 6, 2019 and yielded zero (0) responses.

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

	Year 1	Year 2	Year 3
HVAC Sys. Test & Inspect	\$991,900	\$1,021,657	\$1,052,306
HVAC Sys. Labor & Material	\$300,000	\$300,000	\$300,000
Total Cost Per Year:	\$1,291,900	\$1,321,657	\$1,352,306

SUMMARY

- A. Contract Purchase Agreement No. 6002217
- B. Contractor: Johnson Controls, Inc.
- C. Contract Term: 7/17/2019 - 6/30/2022
- D. Contract Amount: \$3,965,863.00
- E. Funding Source: O&M Funds
- F. GL Strings:
5720-20167-482421-617900-000209-10731-0000-000000 - 30 % Water
5820-20178-492421-617900-000230-15956-0000-000000 - 70 % Sewer

G. Projected Fiscal Year (FY) Contract Expenditures:

	FY 20:	\$1,291,900.00
	FY 21:	\$1,321,657.00
FY 22:		\$1,352,306.00

Proposed Contract No. 6002217 was presented to the BOWC Finance Committee on July 9, 2019.