



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: Consideration of the Procurement and Replacement of HVAC Units at Various City Facilities through BuyBoard National Purchasing Cooperative Agreement

MEETING DATE: July 9, 2024

RECOMMENDATION

The City Council will consider adopting a Resolution authorizing the purchase and replacement of HVAC at Rosewood Park, Bandini Park, and City Hall through BuyBoard National Purchasing Cooperative Agreement, authorizing up to 15% for construction contingencies and project management for up to \$188,851.35, and authorizing proceeding with Transtech Engineers, Inc. for Construction Management and Inspection services pursuant to their existing on-call agreement for consultant services, authorizing City Manager to sign the procurement documents and allocating Measure AA funds.

BACKGROUND:

HVAC units at Rosewood Park, Bandini Park, and City Hall are old and beyond their useful life, inefficient and recommended for replacement for health, safety, and energy efficiency. One of the efficient methods for purchase and installation of new units is to procure new HVAC units through a national purchasing cooperative system to eliminate the need for public bidding. This method would allow the City to initiate the long lead time material/equipment procurement process earlier, which would provide an accelerated schedule and cost saving benefits to the City.

DISCUSSION:

California law allows for the use of cooperative contracts as an alternative to a competitive bidding process, provided the applicable requirements in Chapter 5 Joint Exercise of Powers are satisfied. Exception to competitive bidding is allowed if competitive bidding has already been conducted by another public agency, including but not limited to another local agency, the State through the California Multiple Award Schedule (CMAS), the Federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance, or the Western States Contracting Alliance (WSCA).

The BuyBoard National Purchasing Cooperative (BuyBoard) is a public agency created in accordance with Maryland state statutes, MD. Code Ann., State Fin. & Proc. §13-110 (West

2009). Its purpose is to obtain the benefits and efficiencies that can accrue to members of a cooperative, to comply with State bidding requirements, and to identify qualified vendors of commodities, goods and services. City of Commerce is a cooperative member of BuyBoard.

There is no cost to join or use any of the contracts and is open to all types of local government agencies as well as non-profits. Revenue to operate the BuyBoard comes from a small service fee payable by participating contracted vendors and is generated only when a member makes a purchase.

Recently staff inquired and obtained Proposals from Carrier through BuyBoard Contract No 720-23 for procurement and replacement of 3 HVAC units at Rosewood Park, 6 HVAC units at Bandini Park and 28 HVAC units at Civic Center (copies of Proposals attached). The units will be purchased through a BuyBoard Contract. The work under the Contract includes removal and disposal of existing units to be replaced, labor, material and installation. The units are energy efficient. The units at Bandini and Civic Center have a lead time of 10-12 weeks. However, the 20-Ton and 50-Ton units at Rosewood Park have a lead time of 34-36 weeks. The total cost of the work including up to 15% for contingencies and project management is \$1,447,860.

Staff recommends City Council adopt a Resolution which in summary does the following:

1. Approves the purchase and installation of 3 HVAC units at Rosewood Park, 6 HVAC units at Bandini Park, and 28 HVAC units at Civic Center for total of \$1,259,009 through BuyBoard and authorizes up to 15% for construction contingencies and project management for up to \$188,851.35, and authorizing proceeding with Transtech Engineers, Inc. for Construction Management and Inspection services pursuant to their existing on-call agreement for consultant services, and further authorizes the City Manager to execute the purchasing documents; and
2. Allocate \$447,860 in Measure AA funds to cover the difference of funds budgeted and total cost.

FISCAL IMPACT

The total estimated cost of purchasing and replacement of the HVACs including 15% for contingencies and project management is **\$1,447,860** of which \$1,000,000 will be covered through approved Measure AA funds (via the FY 2023-24 Capital Improvement Program adopted budget) Account No 41-5180-57010.14744. If the City Council approves staff's recommendation, then an additional appropriation in the amount of **\$447,860** will need to be approved to address the projected shortfall. If approved, this amount will be incorporated as part of the upcoming FY 2024-25 CIP budget process.

ALTERNATIVES:

1. Approve recommendation
2. Reject recommendation
3. Provide staff with further direction

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan, Infrastructure and Facilities:

Guiding Principle 4: Develop and invest in infrastructure and beautification projects that support economic growth

Recommended by: Gina Nila, Public Works Department

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form by: Noel Tapia, City Attorney

Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Resolution
2. Buyboard National Purchasing Contract 720-23 Award with Carrier
3. BuyBoard Frequently Asked Questions
4. Carrier Proposals under BuyBoard Contract 631-20