

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 9

PROPOSAL: Execute Contract for Maintenance, Service, and Repairs of Heating, Ventilation, Air Conditioning, and Refrigeration Equipment

SYNOPSIS: The current maintenance services contract for HVAC and refrigeration equipment at South Coast AQMD's Diamond Bar headquarters expires June 20, 2019. On March 1, 2019, the Board approved release of an RFP to solicit proposals from contractors interested in providing these services. This action is to execute a three-year contract with KLM to provide HVAC and refrigeration equipment maintenance, services and repairs at the South Coast AQMD Diamond Bar headquarters for an amount not to exceed \$130,937. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a three-year contract with KLM for a total amount not to exceed \$130,937 from July 1, 2019 through June 30, 2022 for maintenance, service, and repairs of heating, ventilation, air conditioning, and refrigeration equipment.

Wayne Natri
Executive Officer

AJO:BJ:lm

Background

The current contract with KLM for HVAC and refrigeration maintenance, services and repairs expires June 20, 2019. On March 1, 2019, the Board authorized the release of RFP #P2019-15 to request bids for HVAC and refrigeration maintenance, services and repairs. South Coast AQMD maintains HVAC equipment requiring servicing, maintenance and repairs in the Computer Room, Print Shop, and Laboratory, as well as the Cafeteria and Child Care Center.

Contractors responding to RFP #2019-15 were asked to bid on HVAC and refrigeration equipment maintenance, services and repairs. In addition to these routine services, South Coast AQMD typically expects unanticipated equipment related repairs and parts replacements and based on past experience, this cost was approximately 4 percent of the routine maintenance cost. Since it is difficult to project what these unforeseen costs might be, the contract amount includes the three-year cost as submitted by the contractor for HVAC and refrigeration maintenance, service and repairs plus an additional \$5,000 annually, as a contingency to cover unanticipated HVAC and refrigeration related repairs and replacements.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Three contractors attended the mandatory bidder's conference on March 14, 2019, and two proposals were received when final bidding closed at 2:00 p.m. on April 17, 2019. A panel of South Coast AQMD employees evaluated both proposals based on the criteria specified in the RFP (cost, understanding of requirements, contractor qualifications and references regarding past work experience). The panel determined that KLM was the only firm of the two proposers that submitted a complete, responsive and technically-qualified proposal.

The evaluation panel consisted of three South Coast AQMD staff: a Building Maintenance Manager, Building Supervisor, and Business Services Manager. Of the three panel members, one is Caucasian and two are Hispanic; one female and two male.

Proposal

Staff recommends the contract be awarded to KLM. KLM is a full-service HVAC and refrigeration contractor with over 35 years of experience in Southern California. In addition, KLM has serviced and maintained multiple components of South Coast AQMD's HVAC and refrigeration equipment for the past six years, and their references from other public and private facilities were excellent.

Resource Impacts

Annual costs for HVAC and refrigeration maintenance, services and repairs are: \$42,140 for FY 2019-20; \$43,626 for FY 2020-21; and \$45,171 for FY 2021-22.

Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.