


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Finance	<b>CEQA:</b> Categorically Exempt, File No. ER21-152, CEQA Guidelines Section 15301, Existing Facilities.	<b>Coordination:</b> DPW, CAO, and CMO - Budget Office	<b>Dept. Approval:</b> /s/ Julia H. Cooper
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  6/9/2022

**SUBJECT: AMEND PURCHASE ORDER FOR HVAC PARTS and TECHNICAL SUPPORT SERVICES SPECIFICALLY FOR HONEYWELL and NIAGARA HVAC SYSTEMS**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to amend purchase orders with Sunbelt Controls, Inc. (Glendale, CA) for heating, ventilation, and air conditioning (HVAC) parts and technical support services specifically for Honeywell and Niagara HVAC systems to:

1. Amend OP 57263 to retroactively approve increasing compensation to \$320,000; and
2. Amend OP 59236 to retroactively extend the term from June 30, 2021 to December 31, 2022 and to increase compensation for a revised maximum compensation not-to-exceed \$420,000.

**Desired Outcome:** To provide the Department of Public Works continuity of service to ensure City Hall facilities have functioning essential HVAC systems.

**BASIS FOR RECOMMENDATION:**

The Department Public Works manages the operation, maintenance and repair of HVAC systems located at City Hall. The building management system regulates the heating and air conditioning systems in City Hall facilities including the Tower, Rotunda, City Council Wing, United States Patent and Trademark office, and Network Operations Center. Support services are required to maintain the HVAC systems that provide City Hall facilities with cooling and heating and to ensure efficient and reliable equipment operation.

A purchase order was authorized by City Council in September 2016<sup>1</sup> as a result of a competitive solicitation. Staff renewed the purchase order on an annual basis through the exercise of options with the final option ending June 30, 2021. Staff subsequently extended the final option term with additional compensation through June 30, 2022 to ensure continuity of service and provide time to prepare a new solicitation. Staff now desires to extend the term through December 31, 2022, to continue service and provide additional time to complete a solicitation.

In preparation for this desired extension, staff discovered the previous City Council authorization stipulated a maximum compensation of \$350,000 over a four-year period. However, prior practice was to treat each option term as a separate contract with maximum compensation up to \$320,000 under the City Manager's contract authority. It appears former staff members inadvertently missed the 2016 City Council authorization and exercised each option year pursuant to the prior policy, allowing each option term to cost up to the City Manager's contract authority. Approval of this recommendation retroactively approves past renewals and will ensure City Hall facilities have functioning essential HVAC systems until a new solicitation can be completed and awarded.

Climate Smart San José: The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

<sup>1</sup> September 13, 2016, Resolution: <https://records.sanjoseca.gov/Resolutions/RES77924.PDF>

This action is consistent with the City's 2021-2022 Adopted Budget City Areas Delivery Framework: "Safe and Functional Public Infrastructure, Facilities, and Equipment".

**COST AND FUNDING SOURCE:**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2021-2022 Adopted Operating Budget Pg.	Last Budget Action (Date, Ord. No)
001	0572	Public Works Non-Personal / Equipment	\$15,479,759	\$100,000	785	10/19/21 30682

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