



Legislation Text

File #: 24-901, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: March 27, 2024

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize a three-year service price agreement for citywide heating, ventilation, and air conditioning parts, labor, repair services, equipment rental, and water treatment facilities - Metco Engineering, Inc. in the estimated amount of \$16,921,945.48, RushCo Energy Specialist in the estimated amount of \$594,955.48, ~~ECOLAB, INC. in the estimated amount of \$179,309.66~~, and Elliott Electric Supply, Inc. in the estimated amount of \$1,741,959.63, lowest responsible bidders of ten - Total estimated amount of ~~\$19,438,170.25~~ [\\$19,258,860.59](#) - Financing: General Fund (~~\$1,226,671.24~~ [\\$1,215,355.64](#)), Capital Construction Fund (~~\$16,003,102.09~~ [\\$11,855,479.61](#)), Dallas Water Utilities Fund (~~\$1,454,384.89~~ [\\$1,440,415.27](#)), Aviation Fund (~~\$694,012.06~~ [\\$4,687,610.07](#)), and Stormwater Drainage Management Fund (\$60,000.00) (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service price agreement is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis according to annual budgetary appropriations. The estimated amount is intended as guidance rather than a cap on spending under the agreement, so that actual need combined with the amount budgeted will determine the amount spent under this agreement.

This service price agreement will provide for heating, ventilation, and air conditioning parts, labor, repair services, equipment rental, and water treatment facilities for citywide use. The Building Services Department is responsible for over 500 buildings and processes an average of 3,400 heating, ventilation, and air conditioning (HVAC) related service requests each year. This contract will provide equipment, supplies, maintenance, and repair services for HVAC systems at City facilities.

These services and supplies will be utilized citywide at facilities such as: fire stations, police stations, recreation centers, libraries, arts and cultural facilities, City Hall, service centers, and administrative facilities.

The Water Utilities Department (DWU) has over 3,000 pieces of HVAC equipment, including fans, cooling towers, boilers, chillers, DX split systems, unit heaters (gas and electric), roof top units, air handling units, and heating coils at its 320 buildings. HVAC equipment at DWU facilities is generally exposed to more aggressive and corrosive environments due to the chemicals used in some of the treatment processes. With this exposure HVAC materials break down at a higher rate, necessitating frequent repair and maintenance to properly manage these assets.

The service price agreement will authorize maintenance services to the HVAC equipment by certified technicians at DWU’s facilities to protect and extend the life of the existing equipment. This action will also provide minor repairs and 24/7 emergency repair service to help mitigate extended outages that could damage process equipment at its facilities, thereby ensuring continued reliable water and wastewater services and stormwater management provided to approximately 2.6 million customers in Dallas and its customer cities.

These service contracts will provide for the equipment, repair, and maintenance of heating and cooling systems for City owned facilities such as:

- Pump stations
- Water and wastewater plants
- Stormwater Management buildings

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The calculated living wage during the solicitation process of this contract is \$17.82; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

| Fund | FY 2024 | FY 2025 | Future Years |
|---------------------------|----------------|--|--|
| General Fund | \$ 100,000.00 | \$ 300,000.00 | \$ 826,671.21 <u>\$ 815,355.64</u> |
| Capital Construction Fund | \$1,000,000.00 | \$7,000,000.00 <u>\$5,000,000.00</u> | \$8,003,102.09 <u>\$5,855,479.61</u> |

| | | | |
|-------------------------------------|---|---|------------------------------------|
| Dallas Water Utilities Fund | \$ 238,085.00 | \$ 475,632.00 | \$ 740,667.89 \$ 726,698.27 |
| Aviation Fund | \$ 231,337.35 \$ 229,203.35 | \$ 231,337.35 \$ 2,229,203.35 | \$ 231,337.36 \$ 2,229,203.37 |
| Stormwater Drainage Management Fund | \$ 10,000.00 | \$ 20,000.00 | \$ 30,000.00 |
| Total | \$ 1,579,422.35 \$ 1,577,288.35 | \$ 8,026,969.35 \$ 8,024,835.35 | \$ 9,831,778.55 \$ 9,656,736.89 |

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

| Contract Amount | Procurement Category | M/WBE Goal |
|--|----------------------|--------------------------------|
| \$19,438,170.25 \$19,258,860.59 | Other Services | N/A |
| M/WBE Subcontracting % | M/WBE Overall % | M/WBE Overall Participation \$ |
| N/A | N/A | N/A |
| <ul style="list-style-type: none"> • The Request for Bid method of procurement resulted in the lowest responsive bidders being selected. • Elliott Electric Supply, Inc. - Local; Workforce - 22.62% Local • METCO Engineering, Inc. - Local; Workforce - 100.00% Local • ECOLAB, INC. - Non-local; Workforce - 1.00% Local • RushCo Energy Specialist - Non-local; Workforce - 0.00% Local | | |

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

| | |
|---------|--|
| Low Bid | <ul style="list-style-type: none"> • Recommended vendor is based on the lowest competitive quoted price, who is also technically and financially capable of performing and completing the contract, and otherwise meets all material specification requirements • Negotiations are not allowed |
|---------|--|

The Office of Procurement Services received the following bids from solicitation number BJ23-00022264. We opened them on November 17, 2023. We recommend the City Council award this service price agreement to the lowest responsive and responsible bidders by group. Information

related to this solicitation is available upon request.

*Denotes successful bidders

| <u>Bidders</u> | <u>Address</u> | <u>Amount</u> |
|--------------------------------|--|----------------------------|
| *Elliott Electric Supply, Inc. | 3737 Grader St. Suite 120 Dallas, TX 75041 | Multiple groups |
| *METCO Engineering, Inc. | 3333 Lee Pkwy. Suite 600 Dallas, TX 75219 | Multiple groups |
| *ECOLAB, INC. | 1601 West Diehl Rd. Naperville, IL 60563-1198 | Multiple groups |
| *RushCo Energy Specialist | 10765 Tube Dr. Hurst, TX 76053 | Multiple groups |
| ChemAqua | 2727 Chemsearch Blvd. Irving, TX 75015 | Multiple groups |
| Spaeth Machine Shop | 2120 East Grauwlyer Rd. Irving, TX 75061 | Multiple groups |
| TDI Industries | 13850 Diplomat Dr. Dallas, TX 75234 | Multiple groups |
| The Brandt Companies, LLC | 1728 Briercroft Ct. Carrollton, TX 75006 | Multiple groups |
| WESCO Chemicals, Inc. | 103 Industrial Dr. Waxahachie, TX 75168 | Multiple groups |
| Denali CS | 1645 Wallace Dr. Suite 100 Carrollton, TX 75006 | Non-responsive |

OWNERS

Elliot Electric Supply, Inc.

Bill Elliott, Chairman

Metco Engineering, Inc.

Behrouz Bagheri, Owner

RushCo Energy Specialist, Inc.

Anne Rusher, President

~~ECOLAB, INC.~~

~~Christopher Beck, Chief Executive Officer~~