

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: August 24, 2023

PREPARED BY: Shawn Muir, Community Services Manager

REQUEST: AWARD A CONTRACT TO DESERT AIR CONDITIONING, INC., FOR HEATING, VENTILATION, AND AIR CONDITIONING PREVENTATIVE MAINTENANCE IN THE ANNUAL AMOUNT OF \$106,028 (PROJECT NO. MFA00008)

RECOMMENDATION:

1. Waive any minor proposal irregularities and award a contract to Desert Air Conditioning, Inc., for the Heating, Ventilation and Air Conditioning (HVAC) Preventative Maintenance in the annual amount of \$106,028.
2. Authorize extra work and services for HVAC repairs and replacements up to the annual amount of \$75,000.
3. Authorize the City Manager or designee to approve up to two, one-year contract amendments/extensions.
4. Authorize the City Manager or designee to review and approve change orders for any unforeseen circumstances per Section 3.30.170 of Ordinance No. 1392.
5. Authorize the City Attorney to make any necessary, non-monetary changes to the Agreement and the authorize the City Manager to execute said agreement.

BACKGROUND/ANALYSIS:

Currently, City staff maintains 14 sites that require HVAC preventative maintenance that keep the units in good working order; repairs that are necessary during their service life, and ultimately the replacement of units that are no longer functioning or are beyond repair. Because of the harsh desert climate, it is imperative that these units be kept in the best condition possible to prevent loss of environmental control, and to reduce overall energy consumption. This service requires a company that can efficiently and effectively respond to the City's needs.

Staff developed and posted a Request for Proposals (RFP) for the HVAC Preventative Maintenance, Repair, and Replacement Project on OpenGov (the City's online public bidding portal) on July 11, 2023, with a due date of July 28, 2023.

On the provided Proposal Fee Sheet included with this report, the proposers provided a quarterly charge, and then the total contract price over the initial three-year term. Each proposer was also required to include hourly rate pricing for extra work that may be required during the course of the contract, which would also apply to any labor rates for new equipment installations. The mark-up rate for new units was also set in the RFP at the cost of the unit plus 15%

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The scope of work outlined specific items of work that needed to be accomplished during each preventative maintenance service call for each type of equipment and a complete list of the entire HVAC inventory.

City facilities with HVAC units are shown on the table below:

FACILITY	AIR CONDITIONING UNITS	EVAPORATIVE COOLERS
City Hall-This includes the Sheriff's Substation, Parkview Office Complex, and the State Building.	45	
Civic Center Park-This includes Civic Center Snack Bar, and the Irrigation Pump Facility	1	1
Palm Desert Aquatic Center	3	
Portola Community Center	5	
Portola Desert Historical Society	2	
Henderson Building	7	
The Artist's Center	1-Chiller System	
Fire Station No. 33	10	
Fire Station No. 67	4	2
Fire Station No. 71	3	2
Corporation Yard	9	5
Hovley Soccer Park		1
Freedom Park		1
iHUB	11	

A mandatory pre-proposal meeting was held on July 19, 2023. Four vendors attended the pre-proposal meeting; however, one proposer, RivCo, arrived 40 minutes late. Due the late arrival, a protest letter was received. Staff consulted with City attorney who indicated that the late arrival had no effect on the proposal, so staff continued with the RFP process.

Staff received and reviewed the three qualified proposals and rated them per the evaluation guidelines established in the RFP (clarity and conformance, experience, performance, content of the proposal, and references) as follows:

Proposer	Location	Proposed Amount	Ranking
Desert Air Conditioning, Inc.	Palm Springs, CA	\$318,084	1
RivCo Mechanical Services	Indio, CA	\$298,573	2
Pacific West Industries, Inc.	Anaheim, CA	\$221,079	3

References for each contractor provided favorable comments to their ability to start and complete projects on time, provide good communication, and customer service. However, some of the references for Pacific West Industries were not positive. In addition, RivCo Mechanical Services did not meet the terms of the RFP because they were late attending the mandatory pre-proposal meeting and were subsequently not present for all site visits.

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Desert Air Conditioning, Inc., was ranked 1 based on experience and conformity to the RFP however, the cost was the highest of the three proposals. Therefore, after the qualification selection of Desert Air Conditioning, staff negotiated a lower price that resulted in an overall contract savings of \$8,532 (\$2,844 annually).

Based on the rank, staff recommends awarding the contract to Desert Air Conditioning, Inc. Desert Air Conditioning has served the City for the past five years and has always provided excellent service. They are prompt in scheduling the current preventative maintenance, diligent in communicating with City staff any repair issues that are observed, responsive to repair calls 24/7, usually being onsite within two hours. At times when the unit was not repairable, they have provided portable units to allow facilities to remain open and occupied at no charge. For these reasons, staff considers Desert Air Conditioning the best value.

FINANCIAL IMPACT:

The approved Public Works Operations Budget for Fiscal Year (FY) 2023-24 includes \$196,000 specifically for HVAC maintenance, repairs, and replacements under various Operations and Capital Improvements Accounts. Therefore, there is no additional financial impact to the general fund.

The following is the estimated allocation budget for each account; however, this does not necessarily mean the full amount will be allocated to each budget nor that the full amount will be spent:

Account No.	Description	FY 23/24 Budget	Annual Amount	3-Year Contract
1104330-4331000	Corporation Yard	\$12,500.00	\$7,532.00	\$22,596.00
1104340-4331000	City Hall	\$25,000.00	\$20,000.00	\$60,000.00
1104340-4331000	Palm Desert Historical Society	\$5000.00	\$852.00	\$2,556.00
1104344-4331000	Portola Community Center	\$7,500.00	\$1,552.00	\$4,656.00
1104610-4331000	Civic Center Park	\$1,000.00	\$1,056.00	\$3,168.00
1104611-4331000	Hovley Soccer Park	\$1,500.00	\$964.00	\$2,892.00
1104611-4331000	Freedom Park	\$1,500.00	\$532.00	\$1,596.00
1104800-4388500	Artist's Center.	\$5,000.00	\$4,960.00	\$14,880.00
2304220-4331000	Fire Station No 33	\$10,000.00	\$7,256.00	\$21,768.00
2304220-4331000	Fire Station No 67	\$10,000.00	\$2,428.00	\$7,284.00
2304220-4331000	Fire Station No. 71	\$10,000.00	\$1,960.00	\$5,880.00
2424195-4331101	Aquatic Center	\$15,000.00	\$1,564.00	\$4,692.00
4254430-4395000	iHUB	\$10,000.00	\$6,432.00	\$19,296.00
5104195-4369500	Sheriff Substation	\$43,000.00	\$25,688.00	\$77,064.00
5104195-4369601	Parkview Complex Building	\$17,000.00	\$10,000	\$30,000.00
5104195-4369602	State Building	\$10,000.00	\$10,000	\$30,000.00
5104195-4369800	Henderson Building	\$12,500.00	\$3,252.00	\$9,756.00
TOTAL		\$196,500.00	\$106,028.00	\$ 318,084.00

ATTACHMENTS:

1. Proposal Protest Letter
2. Desert Air Conditioning, Inc. Proposal
3. Desert Air Conditioning, Inc. Revised Proposal Fee Sheet
4. Desert Air Hourly Rate Sheet
5. Desert Air Conditioning, Inc. Maintenance Service Contract
6. Payment and Performance Bonds
7. Rivco Mechanical Services Proposal
8. Pacific West Industries, Inc. Proposal