



## Recommendation for Action

**File #:** 18-4043, **Agenda Item #:** 22.

2/7/2019

### Posting Language

Authorize negotiation and execution of a multi-term cooperative contract with Central Texas Commercial A/C & Heating Inc., to provide chiller rental services, for up to two years for a total contract amount not to exceed \$420,000.

(Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were no subcontracting opportunities, therefore, no subcontracting goals were established).

### Lead Department

Purchasing Office.

### Client Department(s)

Building Services Department.

### Fiscal Note

Funding in the amount of \$225,000 is available in the Fiscal Year 2018-2019 Operating Budget of the Building Services Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

### Purchasing Language:

Multiple cooperative purchase programs were reviewed for these goods and services. The Purchasing Office has determined this contractor best meets the needs of the department to provide the goods and services required at the best value for the City.

### For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>> or to Mike Zambrano, at 512-974-3130 or [Mike.Zambrano@austintexas.gov](mailto:Mike.Zambrano@austintexas.gov) <<mailto:Mike.Zambrano@austintexas.gov>>.

### Additional Backup Information:

The contract will provide installation and monthly rental of a 300-ton industrial chiller system and auxiliary equipment for the multi-story Austin HealthSouth building located at 1215 Red River Street, which was acquired by the City's Office of Real Estate Services in February 2017. The HealthSouth building currently receives chilled and heated water from a neighboring heating, ventilation, and air conditioning (HVAC) plant, which is scheduled to be demolished in January 2019. A short-term rental contract has been executed to provide interim services through March 12, 2019. The rental of the chiller and heating system includes equipment, installation, repairs, inspection, and maintenance. The rented equipment includes chilled and hot water systems that are needed to provide continuous operation of the heating and cooling systems for the

HealthSouth building.

The Texas Multiple Award Schedule (TXMAS) cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

If a contract is not secured, the HealthSouth building will not have HVAC after March 12, 2019. Lack of climate control within the HealthSouth building will make water pipes susceptible to freezing and possible bursting as well as enable mold growth and environmental hazards that threaten the current security of personnel and future occupants.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	1 yr.	\$225,000
Optional Extension 1	1 yr.	\$195,000
<b>TOTAL</b>	<b>2 yrs.</b>	<b>\$420,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.