

Mayor and Council Communication

DATE: 10/11/22

M&C FILE NUMBER: M&C 22-0814

LOG NAME: 25INCREASE CSC57636 ITB 22-0055 HVAC_JCI_104041-43

SUBJECT

(CD 9) Authorize Amendment No. 1 to City Secretary Contract 57636, a Non-Exclusive Purchase Agreement with Johnson Controls, Inc. for Heating Ventilation and Air Conditioner Repair, for a One-Time Increase in the Amount of \$817,311.00, for the Public Events Department Capital Improvement Projects at the Fort Worth Convention Center, Increasing the Amount Up to \$4,859,222.50 for the Aggregate of Contracts Awarded in the Initial Contract Term

RECOMMENDATION:

It is recommended that City Council authorize Amendment No.1 to City Secretary Contract 57636, a Non-Exclusive Purchase Agreement with Johnson Controls, Inc. for heating ventilation and air conditioner repair, for a one-time increase in the amount of \$817,311.00, for the Public Events Department capital improvement projects at the Fort Worth Convention Center, increasing the amount up to \$4,859,222.50 for the aggregate of contracts awarded in the initial contract term.

DISCUSSION:

This Mayor and Council Communication (M&C) authorizes Amendment No.1 to City Secretary Contract (CSC) 57636 for an increase in the initial term of the agreement awarded to Johnson Control, Inc. under Invitation to Bid (ITB) 22-0055 to specifically accomplish the needed heating ventilation and air conditioner (HVAC) capital improvements at the Fort Worth Convention Center (FWCC), for which the Public Events Department (PED) was uncertain of resource availability for funding in Fiscal Year (FY) 2022 at the time of the original bid and award.

The Property Management, Transportation and Public Works, Public Events, Aviation, Parks, and Water Departments approached the Purchasing Division to procure an annual agreement for HVAC Repair, Maintenance, and Inspection. The Purchasing Division issued ITB 22-0055 on January 26, 2022. The bid consisted of detailed specifications regarding HVAC Repair and Maintenance services. The ITB was advertised in the *Fort Worth Star-Telegram* from January 26, 2022 through February 16, 2022 and three responses were received. Staff evaluated the responses based on a Best-Value Criteria at which time Johnson Controls, Inc was determined to present the best value to the City. Multiple vendors, including Johnson Controls, Inc. were awarded contracts with an aggregate annual amount up to \$4,041,911.50, with the actual amount used to be based on the needs of the departments and the availability of budget, as approved by M&C 22-0331 on May 10, 2022.

Due to continued uncertainty in the stability of the Culture and Tourism funds and the impact on resuming facility renovations and repairs, in December of 2021 when the procurement process for HVAC services began, PED did not include these capital projects in the annual spending estimates submitted to the Purchasing Department. As Hotel Occupancy Tax and facility revenue at the FWCC have improved over FY 2022, revenue stability began being reestablished post-pandemic and PED capital improvement initiatives are being revived, PED now seeks to address these important facility needs at the FWCC and therefore is requesting the amendment for the one-time increase in contract capacity specifically for these projects.

Amendment No.1 to City Secretary Contract 57636 with Johnson Controls, Inc will increase the amount in the first-term of the agreement (May 2022- May 2023) by \$817,311.00 for the Public Events Department for capital repairs on HVAC equipment, air handing until motor replacements, variable speed drive and pump motor replacements for the FWCC. Johnson Controls, Inc. conducted the original installation of the entire HVAC system after the last renovation in 1994 and has experience with installing, repairing, and replacing HVAC components at the FWCC. All components of the PED capital projects are included in and quoted as in compliance with the stipulated contractually binding terms of the existing CSC 57636 agreement with Johnson Controls, Inc. This amendment increases the first term of the agreement with Johnson Controls, Inc by \$817,311.00 after which the annual amount for the remaining terms of the contract going forward will remain consistent with the current authorized non-exclusive purchasing agreement.

FWCC HVAC System Upgrade (City Project No. 104041): The HVAC systems providing climate control to the FWCC have exceeded their life expectancy. The motors that operate the supply and return fans range from 10 to 20 years old or older, causing the system to operate inefficiently. Recommended remediation is to remove and replace (72) of the supply & return fan motors. The time from ordering these fan motors to their installation is 24 weeks due to current supply chain issues. The total cost for this project is \$345,000.00 (removal and replacement of equipment; repairing and replacing power wiring; conduit installation; and system calibration).

FWCC Variable Speed Drivers Replacement (City Project No. 104042): The HVAC systems providing climate control to the FWCC have exceeded their life expectancy. The variable speed drives (VSD) are difficult to repair due to obsolete repair parts. Additionally, the current VSDs are no longer in production. The recommended remediation for this deficiency is the replacement of (48) current antiquated VSDs for (48) premium, high efficiency ABB VSDs. The time from ordering these ABB VSDs to their installation is 36 weeks due to current supply chain issues. The total cost for this project is \$385,000.00 (removal and replacement of equipment; repairing and replacing power wiring; conduit installation; and system calibration).

FWCC Pump Motor Replacement (City Project No. 104043): The HVAC systems providing climate control to the FWCC have exceeded their life expectancy. The currently installed pump motors are inefficient and difficult to repair due to obsolete repair parts. Additionally, the current pump

motors are no longer in production. The recommended remediation for this deficiency is the replacement of (26) currently installed circulating pump motors for (22) premium, high efficiency circulating pump motors; (2) hot-water pump motors and (2) cold-water pump motors at the Central Utility Plant. The time from ordering these pump motors to their installation is 8 weeks due to current supply chain issues. The total cost for this project is \$97,000.00 (removal and replacement of equipment; repairing and replacing power wiring; conduit installation; and system calibration).

FUNDING: Available funding for this M&C increase of \$817,311.00 for Johnson Controls, Inc., specifically for one-time use on capital improvements at FWCC, was appropriated in FY2022 of the FY2022-2026 Capital Improvement Program, Culture and Tourism Cap Projects and Public Events Capital Funds, in the FWCC Repair and Renovation Programmable project (City Project No. P00053) as approved by Ordinance 25073-09-2021. Appropriations and receipts to cover this contract increase have been established in the three projects, from the FY2022 programmable project appropriation, as described in this M&C.

BUSINESS EQUITY: A waiver of the goal for Business Equity subcontracting requirement is approved by the DVIN-BE, in accordance with the Business Equity Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible as provided in M&C 22-0331 on May 10, 2022.

AGREEMENT TERMS: Upon City Council approval, the agreement will be amended and be applicable only to the remainder of the initial term of the agreement beginning upon execution through the expiration on May 10, 2023.

RENEWAL OPTIONS: This amendment has no impact on the renewal stipulation as awarded in the original agreement, CSC 57636 in M&C 22-0331 on May 10, 2022.

ADMINISTRATIVE CHANGE ORDER: This M&C authorizes an increase in compliance with the amount allowed by relevant law and the Fort Worth City Code.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current capital budget, as previously appropriated, in the Culture and Tourism Cap Projects and Public Events Capital Funds for the FWCC HVAC System Upgrade, the FWCC VFD Replacement and the FWCC Water Pump and Motor Repl projects to support the approval of the above recommendation and execution of the amendment to the contract. Prior to any expenditure being incurred, the Public Events Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Reginald Zeno 8517

Originating Business Unit Head: Michael Crum 2501

Additional Information Contact: Keith Chisolm 2525