

Mayor and Council Communication

DATE: 09/22/20

M&C FILE NUMBER: M&C 20-0724

LOG NAME: 21ALLIANCE FW MAINTENANCE FACILITY CHILLER REPLACEMENT

SUBJECT

(CD 7) Authorize the Execution of a Construction Contract with Johnson Controls, Incorporated for the Purchase and Installation of a Variable Speed Chiller in the Amount of \$1,676,542.00 to Replace the Existing Chiller in the Central Utility Plant at the Alliance Fort Worth Maintenance Facility Located at 2000 Eagle Parkway, Fort Worth, Texas 76177

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a construction contract with Johnson Controls, Incorporated for the purchase and installation of a variable speed chiller in the amount of \$1,676,542.00 to replace the existing chiller in the Central Utility Plant at the Alliance Fort Worth Maintenance Facility located at 2000 Eagle Parkway, Fort Worth, Texas 76177.

DISCUSSION:

The Central Utility Plant (CUP) at the Alliance Fort Worth Maintenance Facility (AMF) currently has two (2) five thousand (5,000) ton chillers providing chilled water to the tenant leased spaces at the AMF.

Both chillers are over 25 years old and at the end of their life cycle. They are unreliable, oversized for the need of the AMF, very expensive to operate and maintain.

Additionally, the City is at risk of default with the tenant leases at the AMF if the chillers stop working and the CUP cannot provide chilled water for more than four (4) hours.

The Property Management Department and Hillwood Properties, the property management company for the AMF, contacted Johnson Controls, Incorporated (JCI) for a proposal to replace one of the chillers.

JCI proposed a smaller, more efficient twenty five hundred (2,500) ton variable speed chiller which will provide a cost savings and return on investment of approximately \$300,000.00 per year.

This replacement is provided under P.O. 17-00098304 with JCI, as a result of a bid awarded to JCI (RFP 17-0005) and approved by City Council on March 7, 2017 (M&C P-12008), which provides HVAC system replacements, repairs and installation services on City owned properties.

The funds for this replacement are currently in the Alliance Maintenance fund and Capital Expense Reserve fund bank accounts, both of which are funded by the tenants at the AMF.

Approval of this Mayor and Council Communication (M&C) will result in the replacement of a large, outdated, unreliable chiller with a smaller, more efficient model better suited for the current and future operations at the AMF and provide a cost savings return of investment of approximately \$300,000.00 per year.

This property is located in COUNCIL DISTRICT 7.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the Fiscal Year 2021 Budget by the City Council, funds will be available in the Fiscal Year 2021 Operating Budget, as appropriated, in the Alliance Maintenance Facility fund. Prior to an expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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