



Agenda Item

City Council

Item #: 3.8.

11/28/2023

File #: 23-0747

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

Third Amendment to Contract with Diversified Thermal Services, Inc. for preventive maintenance of heating, ventilation, and air conditioning equipment at various City facilities.

2. SUMMARY

The City has a contract with Diversified Thermal Services, Inc. to provide mechanical services and preventive maintenance for ventilation and air conditioning equipment in various city buildings. The contract is limited to \$310,063, which will soon be exhausted due to required preventative maintenance and emergency repairs. To address this, a Third Amendment has been proposed to increase the contract amount by \$159,000, bringing the total to \$469,063. (Bid No. 189-19; SP-4076)

3. RECOMMENDED ACTION

Approve the Third Amendment with Diversified Thermal Services, Inc. in the amount of \$159,000 for preventive maintenance for heating, ventilation, and air conditioning equipment at various city facilities; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The total expenditure for this amendment is \$159,000 and will be funded through General Fund (100) and Major Building Improvements (725).

100.5028.51700.0000-Contractual Services	\$30,000
500.5028.56020.19809 Building Improvements	\$70,000
100.7022.51401.0000 - Repairs to Building and Fixed Equipment	<u>\$59,000</u>
Total: \$159,000	

5. STRATEGIC PLAN GOALS

Goal 1: Provide for a safe community

a: Provide staffing and resources to deliver services that ensure public safety.

Goal 4: Provide outstanding public service

b: Provide facilities and services to meet customer expectations.

6. DISCUSSION AND BACKGROUND

Since February 2019, the City has had a preventative maintenance contract with Diversified Thermal Services, Inc. (Diversified) for the heating, ventilation, and air conditioning (HVAC) systems at various facilities, including park facilities, as well as emergency repairs, if needed. Since the infrastructure and equipment are high usage and aging, Diversified has made several repairs under the contract to preserve the life of the equipment. In June 2022, the City Council approved a final contract extension through June 30, 2024. Since then, in addition to providing regular maintenance needs, Diversified has performed emergency repairs totaling \$159,000 as highlighted below:

- Over 25 service repair call-outs for inoperable units at various sites, costing approximately \$30,000.
- Installation of three additional 3-ton HVAC mini-split systems at the Police Department computer server room and dispatch area for \$70,000.
- 12 service requests were made, including leak detection, troubleshooting, and repairing faulty units at El Camino Real, Grijalva, Killefer, Steve Ambriz, Santa Fe Train Depot, and the Senior Center. The estimated cost for the continued repair and maintenance of park facilities is approximately \$59,000.

As these repairs are above and beyond regular maintenance, staff recommends approval of a Third Amendment to the contract, increasing the contract by \$159,000 for a total amount not to exceed \$469,063. This will allow the City to continue services for city-wide HVAC system maintenance through June 2024.

7. ATTACHMENTS

- Third Amendment