



Agenda Item

Orange City Council

Item #: 3.15.

4/28/2026

File #: 26-0199

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

First Amendment to Contract with Diversified Thermal Services LLC for mechanical services and preventative maintenance of heating, ventilation, and air conditioning equipment at various City buildings and parks

2. SUMMARY

On March 12, 2024, the City executed a five-year contract with Diversified Thermal Services, LLC to deliver mechanical services and preventive maintenance of heating, ventilation, and air conditioning equipment across City buildings and parks (Bid No. 23-24.22). The initial three-year contract value of \$608,144 is nearly exhausted, driven by preventive maintenance obligations and emergency repairs. To address this, the proposed First Amendment increases the contract amount by \$239,594, bringing the total contract amount to \$871,697.

3. RECOMMENDED ACTION

Approve the First Amendment with Diversified Thermal Services, LLC in the amount of \$239,594 for preventive maintenance of heating, ventilation and air conditioning equipment across City buildings and parks; and authorize the Mayor and City-Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The expense for this First Amendment is \$239,594 and will be funded through General Fund (100): 100-5601-56101 Repair/Maint Services - Equip

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

Goal 3: Enhance Public Communication Strategy and Quality of Life

6. DISCUSSION AND BACKGROUND

The City entered into a five-year contract with Diversified Thermal Services LLC on March 12, 2024, to provide preventative maintenance and repair services for HVAC systems across City facilities and parks. The initial two-year contract authority of \$608,144 is now nearly exhausted due to a combination of ongoing maintenance requirements and unanticipated major repairs to aging equipment.

To date, approximately \$46,200 in additional repair work has been performed beyond routine

maintenance to address critical HVAC system failures at multiple City facilities. These repairs were necessary to maintain operational continuity and extend the life of existing equipment.

Given the age and condition of City HVAC infrastructure, staff anticipate similar unforeseen repair needs will continue. Therefore, staff is requesting additional contract authority for both:

- Reconcile costs already incurred for necessary repairs (\$46,200),
- Provide funding for annual standard preventive maintenance (\$51,794), and
- Provide funding for anticipated repair needs through June 30, 2027 (\$141,600)

The proposed First Amendment increases the contract amount by \$239,594, bringing the revised not-to-exceed amount to \$871,697.

Approval of this amendment will ensure the continuity of HVAC maintenance and repair services across City facilities and avoid service disruptions caused by contract capacity constraints.

7. ATTACHMENTS

- First Amendment