



City Council Report

Date: November 20, 2017
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal Contract for Boiler Maintenance and Repair Services for the Parks, Recreation and Community Facilities Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal Contract for Boiler Maintenance and Repair Services as recommended.

The Parks, Recreation and Community Facilities Department and Purchasing recommend authorizing the renewal with Midstate Energy, LLC (formerly Midstate Mechanical Inc.) at \$55,980.00, based on estimated requirements.

Background / Discussion

This contract provides scheduled annual and quarterly preventive maintenance services on the City's boilers, and any non-scheduled repair and emergency services on an as-needed basis.

Midstate Energy, LLC purchased Midstate Mechanical Inc. effective 1/31/2017. Midstate Energy offered to renew the contract without a pricing increase. The Consumer Price Index has increased by 1.3% over the last year. With the current escalation in market pricing for mechanical services and labor rates, rebidding the contract would most likely result in increased pricing. In addition, their pricing for quoted repairs has been highly competitive and the vendor has made several recommendations for alternate repair methods at a considerable cost savings to the City. The City has been satisfied with the vendor's performance. This contract continues to be advantageous and it is in the City's best interest to renew the contract for the final year.

Alternatives

Council may choose not to authorize the renewal contract and new responses will be solicited.

Fiscal Impact

The annual contract amount of \$55,980.00 is available in the Parks, Recreation and Community Facilities Department - Facilities Maintenance operating budget.

Coordinated With

Parks, Recreation and Community Facilities Department - Facilities Maintenance, and Purchasing

PURCHASING INFORMATION

Action: Renewal Authorization

Procurement Type: Request for Proposals

Contract Number: 2013101

Responses Received: 4

Initial Award: 12/3/2013

Initial Contract Term: Three years

Previous Renewal Authorization and Term: 11/7/2016 and One year

This Renewal Term: Final, One year renewal

Proposals received on May 30, 2013

FMI Heating and Cooling – Tempe, AZ

Pueblo Mechanical & Controls, Inc. – Phoenix, AZ

Westcoast Mechanical, Inc. – Peoria, AZ

Midstate Mechanical – Phoenix, AZ

No Bid Response received from

Holman Boiler Works, Inc.

Proposal Scoring Results

Elements / Points Possible	Midstate Mechanical Phoenix, AZ (Awarded)	Pueblo Mechanical & Controls, Inc. Phoenix, AZ	FMI Heating and Cooling Tempe, AZ	Westcoast Mechanical , Inc. Peoria, AZ
TOTAL / 1,00 points	<u>98</u>	83	65	61

RENEWAL RECOMMENDATION

Midstate Energy, LLC

Phoenix, AZ

(formerly Midstate Mechanical Inc.)

Description
Boiler Preventative Maintenance (Quarterly and Annual) and Repair per Contract No. 2013101, Terms and Conditions, Specifications and Pricing as offered per Contract Amendment 2
Annual Contract Amount: <u>\$55,980.00</u>