



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 1, 2011

ITEM NUMBER:

SUBJECT: 90-DAY CONTRACT EXTENSION FOR SIEMENS BUILDING TECHNOLOGIES, INC.

DATE: OCTOBER 20, 2011

FROM: PUBLIC SERVICES DEPARTMENT – MAINTENANCE SERVICES DIVISION

PRESENTATION BY: ERNESTO MUNOZ, INTERIM DIRECTOR, PUBLIC SERVICES DEPARTMENT

FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY, MAINTENANCE SERVICES MANAGER 714-754-5123

RECOMMENDATION:

1. Approve an amendment to the existing contract with Siemens Building Technologies, Inc. (Siemens) extending the term for a period not to exceed ninety (90) days.
2. Authorize Chief Executive Officer and City Clerk to execute the Agreement.

BACKGROUND:

The City of Costa Mesa entered into a ten-year agreement with Siemens on August 14, 2001 for energy saving Heating Ventilation and Air Conditioning (HVAC) improvements and a maintenance program for several City facilities. The initial contract expired August 31, 2011, at which time the Chief Executive Officer approved a 90-day contract extension to allow staff time to advertise a Request for Proposal (RFP) to competitively seek the most qualified and cost effective service provider possible. The term of that extension expires October 31, 2011.

ANALYSIS:

Siemens has provided HVAC management and energy efficiency services to the City for over 15 years. The quality of the technical and mechanical support has been excellent, with customer service always being their top priority. Any complaints over the years have been remedied expeditiously and to the City's complete satisfaction. There are currently no issues with their performance.

However, with a contract that has been with one company for so long, it is prudent to seek competitive proposals to insure the City is receiving the best service and support for the price. With the initial contract extension expiring and the current RFP process not yet completed, a second contract extension is requested to insure continuity of services and that all the HVAC systems remain operational. The RFP has been advertised, with the review of proposals and a recommendation to the City Council for award anticipated in January 2012. Siemens has confirmed their commitment to the City by agreeing to the extension and will provide continuous service throughout this process.

This contracted service is included in the scope of work for upcoming RFP for Facility Maintenance Services, which may be approved by Council for advertising as part of the November 1, 2011 City Council meeting agenda.

ALTERNATIVES CONSIDERED:

The Council could extend the existing contract with Siemens for a shorter or longer term or could direct staff to negotiate a time and material price agreement for interim services, but due to the potential for costly repairs should there be a mechanical failure, this second alternative is not recommended.

FISCAL REVIEW:

Funding for HVAC services is included in the FY 2011-12 Public Services Department budget.

LEGAL REVIEW:

The City Attorney's office reviewed the request and prepared the attached Agreement.

CONCLUSION:

The award of the proposed ninety-day contract extension will ensure that the City's HVAC systems continue to be properly maintained, repaired and programmed until the Request for Proposal process is completed. The evaluation process will be completed and a recommendation for award will be brought back to the City Council in January 2012 for your consideration.

ERNESTO MUNOZ
Interim Director of Public Services

BOBBY YOUNG
Finance Director

BRUCE HARTLEY
Maintenance Services Manager

Attachments: [Amendment to Performance Services Agreement](#)

Distribution: Chief Executive Officer
Interim Chief Executive Officer
Interim Director, Public Services
City Clerk