

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	09/28/15	Open	Action	08/31/15

Subject: Approving the Second Amendment to the Contract for On-Call Trane Chiller Repair and Preventive Maintenance with Johnson Controls

ISSUE

Whether or not to approve the Second Amendment to the Contract with Johnson Controls for Trane Chiller On-Call Repair and Preventive Maintenance.

RECOMMENDED ACTION

Adopt Resolution No. 15-09- ____, Approving the Second Amendment to the Contract for On-Call Trane Chiller Repair and Preventive Maintenance with Johnson Controls.

FISCAL IMPACT

Budgeted: Yes This FY: \$ 21,000
Budget Source: Operating Total Amount: \$ 21,000
Funding Source: CC 37 GL 630018
Cost Cntr/GL Acct(s) or
Capital Project #:
Total Budget: \$ 21,000

DISCUSSION

A chiller is a machine that removes heat from a liquid via a vapor-compression or absorption refrigeration cycle. This liquid can then be circulated through a heat exchanger to cool air or equipment as required. RT's chiller, located in the basement of the administrative building, is used to cool all the administrative offices.

On July 5, 2013, the General Manager/CEO awarded a 3-year contract to Johnson Controls for On-Call Trane Chiller Repair and Preventive Maintenance, for a not-to-exceed amount of \$58,950, after soliciting bids pursuant to an Invitation to Bid. Before going out to bid, staff prepared an independent cost estimate using historical data. Staff determined that RT was spending approximately \$10,000 for maintenance and \$9,300 for repairs annually.

Spending on the current contract was in line with the historical data until June 2014, when the chiller required major repairs. On September 26, 2014, the General Manager/CEO awarded a First Amendment adding \$41,049 to the contract. The chiller required major repairs again in May 2015. Together, the 2 major repair jobs cost over \$40,000. The Trane Chiller is original to the building (38 years). Staff is researching the possibility of replacing it, and in the meantime will need an additional \$21,000 to fund the contract through July 6, 2016. Staff estimates it will cost \$21,000 to repair and maintain the chiller through the end of the contract, barring any major

Approved:

Presented:

Final 09/18/15

General Manager/CEO

Director, Facilities

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repairs. In February, Staff will present an Issue Paper to the Board for approval of a new solicitation for the purchase and installation of a new chiller.

The RT procurement ordinance, Section 1.505, states: "If a Contract was initially awarded using an informal solicitation and the aggregate total of the initial Contract, prior amendments, and the proposed new amendment would exceed the threshold for Formal Solicitation, then, prior to approving the amendment, the Board must determine that: (1) there was not improper procurement splitting; and (2) either the requirements for a new informal solicitation have been met or the criteria for a non-competitive solicitation are met as set forth in Section 1.405." There was no improper procurement splitting on this project. The original independent cost estimate for this contract was based on historical cost information. Due to the old age of the equipment and increased failures, additional repairs have been necessary, resulting in anticipated total expenditures on the contract exceeding \$100,000, the threshold for a formal solicitation. This Second Amendment meets the criteria for a non-competitive solicitation (i.e., the repair work is within the general scope of the contract). Pursuant to the federal third party contracting circular, an amendment that is within the general scope of a contract does not require a new solicitation.

Staff recommends the Board approve a Second Amendment to increase the total consideration by \$21,000, from \$99,999 to \$120,999, to the contract for Trane Chiller On-Call Repair and Preventive Maintenance.

RESOLUTION NO. 15-09-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 28, 2015

**APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR ON-CALL
TRANE CHILLER REPAIR AND PREVENTIVE MAINTENANCE WITH JOHNSON
CONTROLS**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board has determined that there was no improper procurement splitting on this contract and this Second Amendment meets the criteria for a non-competitive solicitation.

THAT, the Second Amendment to the Contract for Trane Chiller On-Call Repair and Preventive Maintenance between the Sacramento Regional Transit District, therein referred to as "RT," and Johnson Controls, therein referred to as "Contractor," increasing the total consideration by \$21,000 from \$99,999 to \$120,999, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the Second Amendment.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary