



City of Arts & Innovation

City Council Memorandum

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 20, 2021

FROM: GENERAL SERVICES WARDS: 5

SUBJECT: MEASURE Z – PURCHASE OF TWO 30-TON REPLACEMENT HEATING, VENTILATION AND AIR CONDITIONING UNITS FOR THE MAGNOLIA POLICE STATION FROM RUSSELL SIGLAR, INC. OF RIVERSIDE, CALIFORNIA IN THE AMOUNT OF \$89,283.22 PURSUANT TO PURCHASING RESOLUTION 23256, SECTION 602 (E); ADOPT RESOLUTION TO WAIVE COMPETITIVE BIDDING PURSUANT TO CHARTER SECTION 1109

ISSUE:

Approve the purchase of two (2) 30-ton replacement heating, ventilation and air conditioning units for the Magnolia Police Station from Russell Siglar, Inc. of Riverside, California, in the amount of \$89,283.22 pursuant to Purchasing Resolution 23256, Section 602 (e) and adopt a resolution waiving competitive bidding pursuant to Charter section 1109.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase of two (2) 30-ton replacement heating, ventilation and air conditioning units for the Magnolia Police Station from Russell Siglar, Inc of Riverside, California, in the amount of \$89,283.22 pursuant to Purchasing Resolution 23256, Section 602(e); and
2. That the City Council, by at least five affirmative votes, adopt a resolution waiving competitive bidding pursuant to City Charter section 1109 under the City forces exception.

BACKGROUND:

Two (2) aging heating, ventilation and air conditioning units at the Magnolia Police Station have been in service since 2004 and are in need of immediate replacement. The units have exceeded their 15-year service life expectancy, and replacement parts are increasingly difficult to obtain. In addition, the units are costly to operate as they are not energy efficient.

DISCUSSION:

Russell Siglar, Inc. holds Cooperative Contract #030817-CAR with Sourcewell (formally known as the National Joint Powers Alliance or NJPA). Sourcewell uses cooperative contract purchasing to leverage the national purchasing power of more than 50,000 member agencies while also streamlining the required purchasing process. The cooperative purchasing contract has been

competitively bid nationally and meets the City’s procurement requirements under Purchasing Resolution 23256, Section 602 (e), which provides that competitive procurement through the formal and informal procurement process shall not be required when “Cooperative Purchasing is available and undertaken or when Good can be obtained through Federal, State and/or other public entity pricing contracts or price agreements.”

The Purchasing Manager concurs that the recommendation to purchase is in compliance with Purchasing Resolution No. 23256, Section 602 (e).

City Charter section 1109 provides, “The City Council, without advertising for bids, or after rejecting bids, or if no bids are received, may declare and determine that, in its opinion, based on estimates approved by the City Manager, the work in question may be performed better or more economically by the City with its own employees or the supplies or materials may be purchased more economically on the open market, and after the adoption of a resolution to that effect by at least five affirmative votes of the City Council may proceed to have said work done or said supplies or materials purchased in the manner stated, without further observance of the provisions of this section.

The General Services Department has qualified and capable staff to install the new HVAC equipment. The procurement of the HVAC equipment through cooperative purchasing and installation by City employees will be more economical than competitively bidding the project. A competitively bid project for the purchasing and installation of similar HVAC equipment is estimated to cost \$150,000 per unit. By purchasing the HVAC equipment and installing it with City employees, the City will save approximately \$100,000 per unit for an estimated project total savings of about \$200,000. Additionally, a competitive bid would require additional staff time to administer and award the competitive bid and then to administer the resulting construction project. Thus, the City will realize additional savings through the reduction in the necessary staff time.

The Police Chief concurs with this report.

FISCAL IMPACT:

The total fiscal impact of the action is \$89,283.22. The funds are available in the Measure Z Fund – City Buildings Annual Deferred Maintenance account number 9901909-462050.

Prepared by: Carl Carey, General Services Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

- Attachments:
1. Russell Siglar, Inc Quote PT16-6039
 2. Resolution