



City of Arts & Innovation

# City Council Memorandum

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

FROM: GENERAL SERVICES WARDS: 1

SUBJECT: MEASURE Z – PURCHASE OF ONE DAIKIN WATER COOLED CHILLER FOR CITY HALL FROM NSWC MECHANICAL SERVICE, LLC OF ANAHEIM, CALIFORNIA IN THE AMOUNT OF \$173,681 PURSUANT TO PURCHASING RESOLUTION 23256, SECTION 602 (E); ADOPT RESOLUTION TO WAIVE COMPETITIVE BIDDING PURSUANT TO CHARTER SECTION 1109

**ISSUE:**

Approve the purchase of one Daikin Water Cooled Chiller for City Hall from NSWC Mechanical Service, LLC of Anaheim, California in the amount of \$173,681 pursuant to Purchasing Resolution 23256, Section 602 (e) and adopt a resolution waiving competitive bidding pursuant to Charter section 1109.

**RECOMMENDATIONS:**

1. That the City Council approve the purchase of one Daikin Water Chiller Cooler for City Hall from NSWC Mechanical Service, LLC of Anaheim, California in the amount of \$173,681 pursuant to Purchasing Resolution 23256, Section 602 (e) and adopt a resolution waiving competitive bidding pursuant to Charter section 1109; 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:**

Chillers operate as part of a complex heating, ventilation and air conditioning (HVAC) system. Water cooled chillers produce more constant performance for commercial and industrial air conditioning because of the relative independence to fluctuations of the ambient temperature. One aging water chilled cooler at City Hall has been in service since 2005 and has reached the end of its 15-year service life expectancy. The chiller has developed multiple leaks, resulting in downtime and costly repairs, and it is unable to run at full load capacity.

**DISCUSSION:**

NSWC Mechanical Service, LLC holds OMNIA Partners Contract R20040. All contracts available through OMNIA Partners have been competitively solicited and publicly awarded by a government entity serving as the lead agency while utilizing industry best practices and processes. This 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 goods 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 chiller. The procurement of the chiller 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 between \$250,000 and \$300,000. By purchasing the chiller and installing it with City employees, the City will save approximately \$150,000. 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.

**FISCAL IMPACT:**

The total fiscal impact of the action is \$173,681. 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

Attachment: NSWC Certified Proposal Number R200401-CA-310007 Resolution