



NEWPORT BEACH

City Council Staff Report

July 23, 2024
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Kyle Brodowski, Equipment and Facilities Maintenance
Superintendent - 949-718-3464, kbrodowski@newportbeachca.gov

TITLE: Award of Maintenance and Repair Services Agreement with Harbor Point Air Conditioning & Control Systems for On-Call HVAC Maintenance and Repair Services Citywide

ABSTRACT:

The City of Newport Beach utilizes a contractor to perform heating, ventilation and air conditioning (HVAC) maintenance and repair services for all City facilities. The current agreement (C-8603-1) with Acco Engineering expires September 30, 2024. Staff prepared and published a Request for Proposals (RFP) 24-73 for On-Call HVAC Maintenance and Repair Services Citywide and requests City Council approval to enter into a five-year agreement with Harbor Point Air Conditioning & Control Systems to provide these services.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve a Maintenance and Repair Services Agreement with Harbor Point Air Conditioning & Control Systems for a five-year term and for a not-to-exceed amount of \$600,000, and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

The Public Works Department relies on on-call contractors to service and repair HVAC systems located at various City facilities including the Corporation and Utilities Yards, Back Bay Science Center, and other key locations such as police and fire stations, community centers, and library branches. These HVAC systems require both quarterly and annual preventative maintenance to ensure they remain in good working order.

Many of these systems are rooftop units, which tend to have shorter service lives due to exposure to the elements and the corrosive effects of the nearby ocean. Regular maintenance and prompt repairs are critical to maintaining efficient operation and preventing disruptions to City services. The current agreement with ACCO Engineering (C-8603-1) for these services expires on September 30, 2024.

To identify qualified contractors for this work, staff prepared and issued Request for Proposals (RFP 24-73) for Citywide On-Call HVAC Maintenance and Repair Services. The RFP included a comprehensive scope of services that specified the types of equipment to be serviced, the required parts and materials, and the preventative maintenance intervals.

On June 18, 2024, a pre-bid meeting was held at the City Corporation Yard. This meeting provided potential proposers with an overview of the RFP requirements and instructions for submitting an estimate/proposal for a sample project. The sample project was designed to evaluate each contractor’s project methodology and cost estimates for a typical repair project.

Additionally, contractors were asked to detail their experience and qualifications in performing HVAC services for agencies of similar size and scope. They were also required to outline their approach for executing HVAC maintenance and repairs at various locations within the city, ensuring minimal disruption to City operations.

The RFP resulted in three responses, which were evaluated by a panel consisting of staff from the Public Works, Fire and Police Departments. The technical evaluation focused on experience, service capability, and relevant qualifications. Public Works staff conducted the cost evaluation, comparing the stated hourly rates, sample project costs, and annual scheduled maintenance costs from each proposer.

- **Harbor Pointe Air Conditioning & Control Systems:** Hourly rate of \$139, sample project cost of \$9,599, which translates to a citywide annual maintenance cost of \$53,485.
- **ACCO Engineered Systems Inc.:** Hourly rate of \$170, sample project cost of \$15,100, which translates to a citywide annual maintenance cost of \$65,072.
- **F.M. Thomas Air Conditioning:** Hourly rate of \$390, sample project cost of \$11,767.27, which translates to a citywide annual maintenance cost of \$191,584.

Harbor Pointe Air Conditioning & Control Systems received the highest overall score. Based on the evaluation results (detailed in the table below), Harbor Pointe Air Conditioning & Control Systems was determined to be the most qualified firm for this project.

| PROPOSER | TECHNICAL SCORE (MAX 60) | COST SCORE (MAX 40) | TOTAL SCORE (MAX 100) | OVERALL RANK |
|--|-----------------------------|------------------------|--------------------------|--------------|
| Harbor Pointe Air Conditioning & Control Systems | 49.33 | 38.33 | 87.66 | 1 |
| ACCO Engineered Systems Inc. | 57.67 | 24.97 | 82.64 | 2 |
| F.M. Thomas Air Conditioning | 50.67 | 15.02 | 65.69 | 3 |

Harbor Pointe Air Conditioning & Control Systems was deemed the most qualified firm with a projected annual cost of \$53,485 for routine quarterly maintenance services and estimated annual repair work at the primary locations listed in the Scope of Services. In addition to routine maintenance and repair work, Harbor Pointe Air Conditioning & Control Systems will also be utilized for unexpected, on-call repair work and the purchase and installation of replacement HVAC units as needed. This on-call repair work is projected to cost around \$58,508 annually based on the City's past expenditures' history and the expanded scope of the new agreement.

Together with the estimated annual cost of the necessary routine maintenance and repair work, the total annual cost is expected to be approximately \$112,000, which, over five years, equates to \$560,000. To accommodate any unforeseen expenses and provide a buffer for potential increases in service demand or rates, staff recommends a proposed not-to-exceed budget of \$600,000 and a five-year term.

FISCAL IMPACT:

The adopted budget includes sufficient funding for this contract. It will be expensed to the Maintenance and Repair Building account, 0108041-851016 and the Back Bay Science Center Maintenance Account, 0108041-851031 in the Public Works Department. Additional funding for this contract may be expensed to the Department(s) facility maintenance and repairs budgets.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – On-Call HVAC Maintenance and Repair Services Agreement