**18-512** **Agenda Date: 7/17/2018**

# REPORT TO COUNCIL

## SUBJECT
Action on an Agreement for the Performance of Services with Syserco, Inc. for Heating, Ventilation, and Air Conditioning Systems

## BACKGROUND
The Building Maintenance Division oversees maintenance and repairs for approximately 800,000 square feet of buildings throughout the City. In order to continue to provide services in a timely and efficient manner, Building Maintenance periodically uses various vendors to assist with the workload.

Syserco, Inc. is the City's heating, ventilation and air conditioning (HVAC) authorized repair and maintenance vendor that oversees approximately one million dollars of Alerton controls inventory located at numerous City Buildings which include City Hall, the Police Station, the Senior Center, the Community Recreation Center, several fire stations and the libraries. The Alerton H.V.A.C. controls are the backbones and intelligence to the HVAC system which require on-going maintenance and repairs.

## DISCUSSION
Syserco, Inc. is a single source procurement because they are the area authorized manufacturer's representative for Alerton, the company that supplies the controls for various City HVAC systems. These HVAC systems operate on Alerton controls which also provide a computer interface for staff to monitor and regulate each buildings HVAC system. Syserco employees are professionally trained and receive their factory training from Alerton.

Proper operation of the City's HVAC systems is important to the health and comfort of the City's staff, tenants and visitors. The 3 year service agreement provides approximately $55,000 for annual on-site maintenance and also includes up to $50,000 in additional repair work to be completed by Syserco. This repair work includes items such as parts replacement, thermostat replacements and other work required to keep the HVAC systems operating in an efficient manner. Syserco also provides on line tech support for City staff to research issues so less complex items can be addressed by City staff with minimal impacts to building tenants.

## ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or as a reasonably foreseeable indirect physical change in the environment.

## FISCAL IMPACT

The amount to be paid to Syserco, Inc. shall be for an amount not-to-exceed $115,590 over a three year term. This includes $55,082 for annual preventative maintenance, $50,000 for additional services estimated based on prior year's expenditures and $10,508 in contingency over the three year agreement. Appropriations for the current year have been incorporated in each applicable department's 2018/19 annual operating budget. Future year appropriations will be included as part of the budget development process.

## COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

## PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

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## RECOMMENDATION

1. Approve and authorize the City Manager to execute an Agreement for the Performance of Services with Syserco, Inc. to provide preventative maintenance and additional repairs at various City buildings for an amount not-to-exceed $115,590 over a 3 year term; and
2. Authorize the City Manager to make minor modifications to the Agreement, if necessary.

Reviewed by: Craig Mobeck, Director of Public Works
Approved by: Deanna J. Santana, City Manager

## ATTACHMENTS

1. Agreement