

**2.17 Actions Related to the Purchase Order with Next Level HVAC Energy Management Systems for Maintenance and Repair Services for Honeywell HVAC Building Management Systems.**

**Recommendation:**

Adopt a resolution authorizing the City Manager or her designee to exercise up to six one-year options to extend the term of the purchase order with Next Level HVAC Energy Management Systems (Santa Fe Springs, CA), for maintenance and repair services for Honeywell HVAC Building Management Systems with the last option ending on or about August 14, 2030, subject to the appropriation of funds.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Finance)

**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Finance	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	<b>Coordination:</b> City Attorney’s Office; City Manager’s Budget Office; and Public Works Department	<b>Dept. Approval:</b> /s/ Rick Bruneau
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  5/28/24

**SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDER WITH NEXT LEVEL HVAC ENERGY MANAGEMENT SYSTEMS FOR MAINTENANCE AND REPAIR SERVICES FOR HONEYWELL HVAC BUILDING MANAGEMENT SYSTEMS**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager or her designee to exercise up to six one-year options to extend the term of the purchase order with Next Level HVAC Energy Management Systems (Santa Fe Springs, CA), for maintenance and repair services for Honeywell HVAC Building Management Systems with the last option ending on or about August 14, 2030, subject to the appropriation of funds.

**BASIS FOR RECOMMENDATION:**

The Public Works Department oversees the maintenance of HVAC systems at over 400 City facilities and structures. HVAC building management system maintenance services are needed to ensure facilities remain operational for City staff and the public. Building management system services include preventative maintenance, emergency response, and repair projects that are critical to the integrity of City facilities and structures. Building management systems allow the City to control HVAC mechanical systems within the facilities. Outside service providers support the City’s HVAC staff to deliver these essential services on an ongoing basis.

In May 2023, a competitive Request for Bids was released by the Finance Department to procure these services. The Request for Bids provisioned for a one-year initial term and an additional six one-year options for the City to extend the term. Two responsive bids were submitted, and one protest was received and resolved prior to awarding. One bidder qualified for the City’s local business preference. Staff awarded to Next Level HVAC Energy Management Systems as the lowest priced, responsive, and responsible bidder pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310.B(1). The option period for August 15, 2024 to August 14, 2025 is projected to be in the amount of \$200,000 and future options will be subject to appropriation. Approval of this recommendation ensures the City continues to receive these essential services with minimal impact to operations.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

**COST AND FUNDING SOURCE:**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2023-2024 Adopted Operating Budget Pg.	Last Budget Action (Date, Ord. No)
001	0572	Non-Personal/ Equipment	\$24,265,859	\$200,000	803	2/13/24, 31040

**FOR QUESTIONS CONTACT:** Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at [Albie.Udom@sanjoseca.gov](mailto:Albie.Udom@sanjoseca.gov).