

EXECUTIVE SUMMARY

Sole Source Recommendation of \$500,000 or Greater 58-140R - Ice Plant Maintenance

This request is to approve the recommendation to award 58-140R - Ice Plant Maintenance for a three (3) year contract from July 1, 2018 through June 30, 2021. In accordance with Florida Administrative Code, Rule 6A-1.012, 12D - Purchasing Policy, and in accordance with the Policy 3320, the product below reflects commodities sought by the District that are thought to be only available from a single source.

Commodities or contractual services available only from a single source are exempt from the competitive solicitation requirements. When the District believes that commodities or contractual services are available only from a single source, unless an exemption is established herein, the Procurement & Warehousing Services (PWS) Department shall electronically or otherwise publicly post a description of the commodities or contractual services sought for a period of at least seven (7) business days. The description must include a request that prospective vendors provide information regarding their ability to supply the commodities or contractual services described. If it is determined in writing by the District, after reviewing any information received from prospective vendors, that the commodities or contractual services are available only from a single source, the District shall provide notice of its intended decision to enter a single source contract in the manner specified in Section 120.57(3), Florida Statutes.

Ice Plants are considered a Best Practice for energy conservation in large chilled water air conditioning systems like the District's. Simplistically, Ice Plants are Thermal Storage Systems, allowing the owner to make ice overnight when electricity is cheapest, then use that ice to chill water later when the cost of electricity is much higher.

The equipment is more complex than other, less-efficient systems. Johnson Controls has maintained this equipment since it was installed and the fee which that company charge provides a good value for the District because it includes both preventive maintenance and necessary repairs at a predictable cost.

The District's demand is a planned services agreement for five (5) ice plants. The engineering, original design, and installation of the system was executed by Johnson Controls, Inc. (JCI). The operating and maintenance software for the system is proprietary to Johnson Controls, Inc. This planned service agreement with JCI provides the District with a customized service strategy designed around the District needs.

This Agreement replaces previous agreement 17-165B - one (1) year agreement. For this solicitation, the recommended term is for a total of three (3) years to bring additional benefits to the District, including locking the cost avoiding increases from inflation, labor, and parts. The equipment JCI covers is in nearly continuance usage and this wear and tear, combined with the age of the equipment covered, is leading to rapid aging. This means there are more repairs required, even with our expert maintenance, and thus additional costs to be born. End of life repairs for this equipment tends to be quite large and costly.

Financial Impact

The total spending authority requested is \$515,256 based on the agreed price with JCI. The amount was determined based on Physical Plant Operation Department requirements to satisfy the maintenance coverage 24/7, monthly preventive maintenance execution, and the annual comprehensive preventive maintenance of the existing five (5) ice plants.

PWS negotiated with JCI a fixed price of \$171,752 annually, realizing savings of \$15,048 over the three (3) year contract.