

EXECUTIVE SUMMARY

Recommendation for Additional Spending Authority 19-061R - HVAC-R Parts & Supplies

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve additional spending authority for Invitation to Bid (ITB) 19-061R – HVAC-R Parts & Supplies. ITB 19-061R was approved by the School Board on August 21, 2018, as part of Agenda Item EE-5 for a term of one (1) year and nine (9) months from October 1, 2018 through June 30, 2020, with an authorized spending authority of \$1,845,000.

The additional spending authority being requested is \$441,000. The new spending authority will be \$2,286,000.

Goods/Services Description

Responsible: Physical Plant Operations (PPO)

Physical Plant Operations (PPO) utilize this ITB to purchase HVAC-R Parts and Supplies to replace, repair, and maintain air conditioning, heating, refrigeration, and ventilation equipment located throughout the schools and administrative sites to provide a comfortable and safe environment. All sites are equipped with an HVAC system designed to maintain proper temperature and humidity levels, and schools will also have a refrigeration system to keep food at suitable temperatures. The main items used are compressors, oil, oil filters, motors, pumps, sensors, piping and pipe fittings, relays, and switches.

Procurement Method

Responsible: PWS

ITB 19-061R was approved on August 21, 2018, with an initial one (1) year and nine (9) months from October 1, 2018 through June 30, 2020, with an option for two (2) additional one (1) year renewal periods. The recommended vendors include Allied Controls, Inc., Daikin Applied Americas, Inc., Design Controls, Inc., Economic Electric Motors, Inc., Energy Control Technologies, Inc., Integrated Cooling Solutions, LLC, Johnstone Supply, Inc., Jascko Corp., Trane U.S., Inc., and World Electric Supply, Inc.

Financial Impact

Responsible: PWS and PPO

The District is requesting an additional \$441,000 to cover the remaining months of the term, as demonstrated in the breakdown below:

Average monthly expenditure		\$108,856
Number of months left in current contract	x	5
Forecasted spending	=	\$544,280
Minus (-)		
Unused authorized spending		\$103,311
Additional spending authority for current term		\$440,969
Recommended additional spending authority (rounded)		\$441,000

This request for additional spending authority is due to increases in purchases due to the rate of failure of the District machines.

Recommendation for Additional Spending Authority
19-061R - HVAC-R Parts & Supplies
March 3, 2020 Board Agenda
Page 2

Financial Impact Table:

Action	Date	Term (years)	Amount
Original Spending Authority Request	8/21/2018	1.75	\$1,845,000
Additional Spending Authority	3/3/2020		\$441,000
New total contract amount		1.75	\$2,286,000

Procurement & Warehousing Services (PWS) is responsible for the management of the District's contract spending authority. This action is performed through the unique Bid ID issued per solicitation, which only has a new number assigned when a new solicitation is awarded. In a renewal, the original Bid ID assigned to the contract does not change, therefore spending authority analysis is performed in its totality.

The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

Under the warehouse division, PWS has a team of Price Stock Inventory Clerks that perform the function of Buyers for the maintenance and replenishment of parts/equipment to support PPO in the Stockroom. Through the District's continuous efforts in streamlining all purchases in support of PPO, the District continues to monitor all expenditures and review them against the existing Bids to ensure compliance is adhered to both Purchasing Policy 3320 and to bring forth quality products needed at the lowest price in the most efficient manner. The addition of pre-authorization of purchases over specific dollar thresholds allows for controls to be better managed and measured for reporting purposes, ultimately by leveraging the volumes of expenditures throughout PPO's centralized purchases.