

CITY OF SMYRNA
PURCHASING DEPARTMENT
2800 KING STREET
SMYRNA, GEORGIA 30080
678-631-5406

TO: Frank Martin – Director, Public Works
John Corn, Buildings & Grounds Supervisor

FROM: Kelly Brown, Purchasing Manager

DATE: June 14, 2019

SUBJECT: Recommendation – FY2020 HVAC Preventive Maintenance & Repair

The City of Smyrna has contracted with Johnson Controls since 2004 for HVAC preventive maintenance and repair for city buildings. For FY2020 we opted to research other contracts and vendors. During our research, we found that MaxAir Mechanical is the contracted vendor for Cobb County Government and they are a participating vendor on NCPA (National Cooperative Purchasing Alliance). We requested proposals from Johnson Controls (Sourcewell cooperative) and MaxAir Mechanical (NCPA cooperative). The results are shown below.

<u>Annual Services</u>	<u>Johnson Controls</u>	<u>MaxAir Mechanical</u>	<u>Difference</u>
Year 1	\$148,500.00	\$156,984.00	\$8,484.00
Year 2	\$154,440.00	\$162,476.00	\$8,035.00
Year 3	\$160,617.60	\$162,476.00	\$1,858.40
Total	\$463,557.60	\$481,936.00	\$18,378.40

Labor Rates	JCI Year 1	JCI Year 2	JCI Year 3	MaxAir Year 1	MaxAir Year 2	MaxAir Year 3
Hourly Rate – Regular	\$117.00	\$122.00	\$127.00	\$95.00	\$95.00	\$95.00
Weekday – Overtime & Saturday	\$175.50	\$183.00	\$190.50	\$128.25	\$128.25	\$128.25
Sundays & Holiday	\$234.00	\$244.00	\$254.00	\$142.50	\$142.50	\$142.50

Markup %	JCI Year 1	JCI Year 2	JCI Year 3	MaxAir Year 1	MaxAir Year 2	MaxAir Year 3
Cost plus Markup on Parts & Materials	30%	30%	30%	15%	15%	15%

We recommend MaxAir Mechanical for this contract based on the following:

- Johnson Controls response time and performance has steadily declined over the past few years
- Although the preventive maintenance cost is higher from MaxAir, the City could expect to save approximately \$15,000 per year due to MaxAir will allow us to purchase equipment direct from the manufacturer we choose
- We have multiple obsolete R22 units that will need to be replaced over the next three years. The Community Center and Library HVAC system is 30+ years old. Police and Fire systems are 27+ years old. The labor cost is less over the three-year contract period
- MaxAir Mechanical provides non-proprietary control systems
- Many of our facilities are open 6 – 7 days per week and we have six facilities that are open 24/7. Repair costs will be reduced by labor and markup rates provided by MaxAir
- MaxAir Mechanical contract rates have already been competitively bid by NCPA (National Cooperative Purchasing Alliance) through sister company, Midwest Mechanical
- MaxAir Mechanical provides a PM check list and work order with each inspection as well as XO eye service report that includes video of the repair site

This is a 3-year contract with option to renew each year.

I have included an attachment with HVAC maintenance and repair cost for FY2019 with Johnson Controls. The FY19 preventive maintenance portion of the contract was \$156,116.94.

It is the recommendation of Public Works and Purchasing to award this contract to MaxAir Mechanical (Midwest Mechanical). Please prepare any necessary paperwork to present to Mayor and Council for approval.