



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2014-0204

TO: Mayor and City Council Members
FROM: Scott Cope, Director of Building/Facilities Department
DATE: May 9, 2014
SUBJECT: Air Conditioning Compressor

REQUEST:

City Council is requested to authorize the purchase and installation of an air conditioning compressor from Temperature Services, 37107 Schoolcraft, Livonia, Michigan 48150 in the amount of \$26,300.00.

REASON FOR PURCHASE:

One of the compressors on the chiller system at City Hall is no longer working properly. A vibration test on the compressor by an independent consultant determined the unit to be damaged and must be repaired.

The air handler unit has three compressors that alternate during operations. On very hot days all three compressors operate simultaneously to cool the building. Running the air handler with just two compressors on very warm days will cause excessive wear on the two remaining units. The unit is designed to operate with all three compressors. It is recommended to replace the third unit that has failed to ensure all equipment is operating as designed.

Invitations for sealed bids for the purchase and installation of a replacement air conditioning compressor were issued through the MITN system and four (4) responses were received. The City requested a base bid for the cost of a new unit and an alternate bid for the cost of a factory authorized rebuilt unit. A rebuilt unit is completely disassembled, cleaned, and examined. Worn out parts or non-functioning components are replaced with new or rebuilt components. The unit is then tested for compliance and performance in accordance to the original equipment manufacturer's specifications.

Of the responses received, Temperature Services bid for a factory authorized rebuilt unit at \$26,300.00 is the lowest, responsive, responsible bid meeting all specifications.

The initial cost of \$26,300.00 for the unit includes a core charge of \$3,000 which will be refunded upon the return of the core from the damaged unit. The final cost of the project after returning the core is \$23,300.00.

PROCESS:

Vendor Name and Address:
Temperature Services
37107 Schoolcraft
Livonia, MI 48150

Reason for Selection:
Lowest responsive responsible bidder

Method of Purchase:
Purchase Order

BUDGET:

Funds are included in the FY 2014 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.929000	Repairs and Maintenance	\$26,300.00	\$26,300.00	\$-0-

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the purchase and installation of the replacement air conditioning compressor from Temperature Services, Inc., 37107 Schoolcraft, Livonia, MI 48150 in the amount of \$26,300.00.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		