



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: 2023-0167

TO: Mayor and City Council Members
FROM: Mike Viazanko, Director Building/Ordinance/Facilities
DATE: April 17, 2023
SUBJECT: Replacement HVAC Equipment

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for replacement HVAC equipment at City Hall and Oakland County Sheriff's Office (OCSO) substation to K & S Ventures, Inc., Rochester Hills MI, in the amount of \$401,660.00 with a 10% project contingency in the amount of \$40,166.00 for a total not-to-exceed project amount of \$441,826.00 and further authorize the Mayor to execute a contract on behalf of the City.

REASON FOR PURCHASE:

Several units within the HVAC systems at City Hall and at OCSO substation are in need of replacement. All of the units to be replaced have reached their end of life and will require expensive repairs in order to keep them operational. The new air conditioning roof top unit at City Hall will provide noise reduction and all the units have a higher efficiency rating resulting in energy savings for the City. It is estimated at the OCSO alone the new modulating & condensing boilers will allow the system to lower the summer reheat loop temperatures resulting in lower energy bills for gas consumption by 25-35% and lower electrical bills by 10-20% from the reduced load on the chiller.

The Purchasing Division solicited competitive sealed Request for Proposals for the purchase and installation of replacement HVAC equipment for City Hall and OCSO through the MITN system. A site visit was held to give potential proposers access to the sites. The deadline was extended twice in order to obtain additional competitive proposals. Purchasing reached out to contractors including those that attended the site visit to remind them of the opportunity, but only two proposals were received. Purchasing made inquiries on why vendors were not participating and received back that either they were too busy or were not interested in the solicitation.

The two proposals received were found to be responsive and responsible. The evaluation committee comprising of staff from Facilities and Building reviewed and scored the responses and issued a request for revised proposal in order to include a five year warranty for the OCSO chiller. The committee determined the response from K & S Ventures, Inc. of Rochester Hills, MI was most advantageous for the project for their base bid and for their optional services of connecting the equipment to the energy management system and to provide a solution for the excessive noise in the conference room above the auditorium when installing the HVAC roof unit.

The proposal received from K & S Ventures, Inc. was deemed to be the best value to the City based on their proposed methodology to perform and complete the work, providing the lowest cost to perform the work and is recommended for award. The vendor has performed similar services for the City satisfactorily in the past.

PROCESS:

Vendor Name and Address:

K & S Ventures, Inc.
 2925 Waterview Dr.
 Rochester Hills, MI 48309

Reason for Selection:

Best Value

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2023 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.976000	FA-07C: Citywide HVAC Replacements	\$1,204,200	\$441,826	\$762,374

RECOMMENDATION:

It is recommended that City Council authorize a contract/blanket purchase order for the Replacement HVAC Equipment at City Hall and OCSO to K & S Ventures, Inc., Rochester Hills, MI in the amount of \$401,660.00 with a 10% project contingency in the amount of \$40,166.00 for a total not-to-exceed project amount of \$441,826.00 and further authorize the Mayor to execute a contract on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A