



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: 2017-0373

TO: Mayor and City Council Members
FROM: Scott Cope, Director Building/Facilities/Ordinance
DATE: August 28, 2017
SUBJECT: Air Conditioning Compressor

REQUEST:

City Council is requested to authorize the purchase and installation of an air conditioning compressor from K & S Ventures, Inc., 2653 Auburn Road, Auburn Hills, MI 48326, in the total amount not-to-exceed Thirty-Seven Thousand and Five Hundred (\$37,500) Dollars.

REASON FOR PURCHASE:

One of the compressors on the chiller system at City Hall is no longer working properly and needs to be replaced.

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. Of the responses received, K & S Ventures' bid at \$37,500 is the lowest, responsive, responsible bid meeting all specifications.

The initial cost of \$37,500 for the unit includes a core charge of \$3,000 which will be refunded if the core of the broken unit is undamaged. If the core is returned, the final cost of the project will be \$34,500.

PROCESS:

Vendor Name and Address:

K & S Ventures, Inc.
2653 Auburn Road
Auburn Hills, MI 48326

Reason for Selection:

Lowest responsive responsible bidder

Method of Purchase:

Purchase Order

BUDGET:

Funding is included in the FY 2017 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.929000	Repairs & Maintenance	\$45,000	\$37,500	\$7,500
		Grand Total	\$45,000	\$37,500	\$7,500

RECOMMENDATION:

City Council is requested to authorize the purchase and installation of an air conditioning compressor from K & S Ventures, Inc., 2653 Auburn Road, Auburn Hills, MI 48326, in the total amount not-to-exceed Thirty-Seven Thousand and Five Hundred (\$37,500) Dollars.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		