



CITY OF ORLANDO

MEMORANDUM

Date: March 29, 2016

To: **David Billingsley, Chief Procurement Officer**

From: David Dunn, CFM, Fleet and Facilities Division Manager

SUBJECT: Starr Mechanical Contract Increase Request (IFB15-0411)

On October 19, 2015, Council approved a contract award to Starr Mechanical, Inc. for HVAC Mechanical Services. The estimated annual expenditure at the time was \$120,000.00. The initial contract term is three (3) years with an option to renew for two (2) additional one (1) year terms.

By City Council action January 25, 2016 Item B-10 Amendment to the HVAC Mechanical Services Contract with Starr Mechanical, Inc., IFB15-0411 was made.

In support of the current Green Works Orlando project, Facilities Management Division is now requesting to increase the estimated annual expenditure to \$654,000.00. Through the Green Works Orlando project, the City is undergoing a \$17.5 million bond project to invest in energy efficiency of 55 public buildings. The project will help the City become one of the most environmentally friendly cities in the nation, add significant value to the City's aging infrastructure and provide building occupants with increased comfort and safety. The savings from this initiative will approach \$2.4 million annually and help pay down the debt on the new Orlando Police Headquarters building.

To achieve expedient deployment of energy-efficient renovations, approval is requested to increase the annual estimated amount of the HVAC Mechanical Services contract by \$534,000.00, for a total estimated annual expenditure of \$654,000.00. The majority of the renovation scope is included in the HVAC Mechanical Services contract and utilizing the existing contract for this project allows the City to maximize the return on investment.

The \$654,000 increase is earmarked for energy-efficient renovations.

When the original contract went out to bid, we were not aware that \$1M in capital would be made available to begin addressing the numerous replacement items identified on the attached Capital Plan. We have several Chiller and HVAC replacements that will be executed this year and the following years. In our future year needs, there will be options where using the Starr Mechanical Contract to augment our Facilities personnel in delivering these replacements in a timely and cost efficient manner. We are submitting this contract increase request with an increased amount that will cover the cost of the rising demands. Please refer to the enclosed Capital Plan for details of the upcoming projects.

This memo is to request that the existing contract with the City of Orlando and Starr Mechanical be increased by \$180,000 for its first year specific to replacement items that are not included in the energy efficiency upgrade earmarked line item to Starr's Contract, thus increasing the annual dollar value of the contract to \$300,000 for the first year and then continued at \$300,000 base contract value for non-energy efficiency items throughout the course of the contract.