



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: April 16, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Daikin Applied Americas Inc. dba Daikin Applied, for all labor, materials, tools, equipment, and supervision for various City buildings and to assist with service, preventative maintenance, and installation of Daikin equipment in new and existing facilities for the Facilities Management Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8331 – awarded to Daikin Applied Americas Inc. dba Daikin Applied, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$1,000,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The proposed contract is for heating, ventilation, and air conditioning (HVAC) maintenance, repairs, and replacement services for Daikin equipment in various City buildings and any other areas maintained by the City of Denton Facilities Department. The Daikin HVAC services will be performed on an as-needed basis to assist the City with renovations, remodels, and maintenance of existing facilities.

These services will include routine preventative maintenance as well as service calls. Preventative maintenance ensures all units have the highest chance of operability, longevity, and efficiency. Service calls will allow Facilities Management staff to immediately address customer concerns.

Facilities Management has spent \$125,000 per year in the last two (2) years. Based on a historical spend, the estimated expenses over five (5) years is \$625,000. Considering the age of the current equipment and the need for replacements, the department estimates an increased expenditure amount of \$1,000,000 over the next five (5) years to meet anticipated needs.

After reference checks, Daikin Applied was determined to be an established business that has experience working with larger entities and possesses the competence to perform the work requested on time.

Request for Proposals was sent to 547 prospective suppliers, including 57 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Four (4) proposals were received, references were checked, and proposals were

evaluated based on published criteria including compliance with specifications, probable performance, and price. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Daikin Applied Americas, Inc. dba Daikin Applied was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	025, 031, and 910
Notifications sent for Solicitation sent in IonWave:	547
Number of Suppliers that viewed Solicitation in IonWave:	23
HUB-Historically Underutilized Business Invitations sent out:	70
SBE-Small Business Enterprise Invitations sent out:	230
Responses from Solicitation:	4

RECOMMENDATION

Award a contract Daikin Applied Americas, Inc. dba Daikin Applied, for all labor, materials, tools, equipment, and supervision for various City buildings and to assist with service, preventative maintenance, and installation of Daikin equipment in new and existing facilities for the Facilities Management Department, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$1,000,000.

PRINCIPAL PLACE OF BUSINESS

Daikin Applied Americas Inc. dba Daikin Applied
Irving, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from Outside Contracted Services account 880200.6545. Equipment replacement will be funded from the Capital Budget. Requisitions will be entered into the Purchasing software system on an as-needed basis. The budgeted amount for this item is \$1,000,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Pricing Evaluation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Tom Gramer, 940-349-7467.

Legal point of contact: Marcella Lunn at 940-349-8333.