

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

878



FROM: Economic Development Agency

SUBMITTAL DATE:
June 2, 2011

SUBJECT: Indio CAC, Cooling Tower Repairs – Total Project Budget

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a single source award to Air Treatment Corporation, of City of Industry, California to repair and refurbish the existing cooling tower at the Indio CAC;
2. Authorize County Purchasing to issue a single source purchase order to Air Treatment Corporation, of City of Industry, California, in the amount of \$83,158;
3. Approve the total project budget of \$99,790; and

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong
SAMUEL WONG

Lisa Brandl
Robert Field
Assistant County Executive Officer/EDA
By Lisa Brandl, Managing Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 99,790	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Deferred Maintenance Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Jennifer Sargent
Jennifer Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: ~~Tavaglione~~
Date: June 7, 2011
xc: EDA, Auditor, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: Kecia Harper-Ihem
Deputy

Prev. Agn. Ref.: N/A

District: 4

Agenda Number:

3.35

FORM APPROVED COUNTY COUNSEL
 BY: NEAL R. KIPNIS
 DATE: 5/27/11
 Departmental Concurrence
 Robert Howdyshell, Director
 Riverside County Purchasing
 Dept's Recomm.: Consent
 Per Exec. Ofc.: Consent
 Policy: Policy

RECOMMENDED MOTION: (Continued)

4. Delegate project management authority for this project to the Assistant County Executive Officer/EDA in accordance to applicable Board policies.

BACKGROUND:

The Economic Development Agency initiated a deferred maintenance project to replace the existing cooling tower at the Indio CAC. The cooling tower is an integral part of the heating, ventilating, and air conditioning (HVAC) system that serves the Indio CAC. This cooling tower was manufactured by Baltimore Air Coil (BAC) and during the investigation to determine potential replacement costs, the manufacturer's representative from Air Treatment Corporation noted that the equipment has been well maintained could be refurbished instead of replaced at a significant cost savings to the county.

The estimated cost for replacement of the equipment is \$130,000, which exceeds the amount budgeted for this project. Repair and refurbishment can be completed for \$83,158 by Air Treatment Corporation, a factory representative for BAC. Air Treatment will provide and install new BAC factory parts that will ensure the system integrity of the equipment and keep it operating in accordance with the manufacturer's specifications. Air Treatment has a history of providing service on this type of equipment and is therefore familiar with the unique requirements for proper repair for this type of equipment. The proposal submitted by Air Treatment is representative of fair pricing for this kind of work.

Though other companies could provide this service, Air Treatment will provide factory certified parts and labor from BAC. Single source award is recommended for this specific project since the summer months are approaching quickly and the time necessary to bid this work competitively would leave the subject equipment vulnerable to failure. This is a cost effective way to solve the technical issue in an expeditious manner.

PROJECT BUDGET:

The approximate allocation of the project budget is as follows:

Construction/Repair	\$ 83,158
Project Management	\$ 8,316
Project Contingency	\$ 8,316
TOTAL	\$ 99,790

FINANCIAL IMPACT:

All associated costs associated with this project will be fully funded through Deferred Maintenance thus no net county cost will be incurred as a result of this agreement.

Date: May 23, 2011
From: Rob Field Department/Agency: EDA
To: Board of Supervisors
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Cooling Tower Repairs, Indio CAC

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested:

Factory certified repairs, parts and materials for the cooling tower at the Indio, County Administrative Center (CAC).

Supplier being requested:

Air Treatment Corporation, City of Industry, CA, a factory representative for Baltimore Air Coil (BAC). BAC is the manufacturer of the existing cooling tower for which the repair/parts replacement services are being requested.

Alternative suppliers that can or might be able to provide supply/service:

AR Air Conditioning and one other vendor were contacted, and it was recommended that the County work directly with the manufacturer's representative, Air Treatment Corp. for this repair and replacement work as they would be most qualified and this approach would eliminate the contractor's mark up.

Extent of market search conducted:

The market search included AR Air Conditioning, one other HVAC contractor and Air Treatment Corp.

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

The work required for this equipment can be done as a repair to existing equipment by the manufactures representative and does not need to be performed by a contractor as there is no installation of new equipment of associated facilities. Air Treatment Corp can respond quickly and provide factory certified parts and repairs that will extend the life and operational quality of the cooling tower with no compromise to the design standards of the equipment. Other non-factory certified repair companies would likely substitute a "block style" fill media for the cooling tower which is very hard to keep clean and can reduce cooling tower capacity by as much as 15%. Air Treatment

Corp will remove the existing BAC fill material and replace it with new BAC factory fill material. This will give the machine the highest possible operating efficiency.

Reasons why my department requires these unique features and what benefit will accrue to the county:

The main reasons the technical qualifications of Air Treatment as the manufacturer's representative are required is to ensure that all repairs and part replacements are made in a manner that conforms to the manufacturer's design and operational intent for this particular piece of equipment. Additionally, the cooling tower needs to be repaired as soon as possible to ensure proper operation during the summer months. This equipment was going to be replaced, but current budget constraints prohibit that expenditure at this time. For considerably less investment the County can extend the life of the existing equipment until such time as more funding may be available. The County will benefit by increasing the reliability of a key piece of air conditioning equipment without have to invest the significantly higher costs of replacing it with a new machine. Additionally, the County will see a cost benefit by having the equipment repaired by the manufacturer's representative as it eliminates contractor mark up and extends the life of existing equipment instead of paying more to replace it. Both the technical qualifications of Air Treatment Corp and the cost savings provide value and quality to the County.

Price Reasonableness:

- A budget estimate of \$130,000 was provided to replace the cooling tower.
- The proposed cost to repair and replace components of the system by the manufacturer's representative, Air Treatment Corp is: \$83,158.
- If the County were hire an HVAC contractor to sub-contract the repairs, the cost would be in the \$95,000 range with an estimated 15% mark up.

Does moving forward on this product or service further obligate the county to future similar contractual arrangements?

No.

RF Field

Department Head Signature

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

[Signature]
Purchasing Agent

Date

Provide factory certified repairs, parts and materials to the cooling tower at the Indio, County Administrative Center (CAC). The cooling tower is an integral part of the air conditioning system that serves the CAC the intention was to replace it with deferred maintenance funding this fiscal year. The cost estimates for replacing this critical equipment exceeded the funding available from the constrained budget of the current economic environment. Factory certified repairs were recommended as an alternative that will give the County extended service for a more reasonable price.