



CITY COUNCIL ACTION REPORT

November 3, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
Susan A. Leirstein, Purchasing Director
Steven A. Pallotta, Building Operations Director

SUBJECT: Standard Purchasing Resolution 8: Best Value Award-Troy Hall of Justice HVAC Upgrade of Major Mechanical Systems

Background

- The Building Operations Department has been servicing and maintaining the original 1976 Trane heating and air conditioning equipment units in the basement of the Troy Hall of Justice. These units have well out performed the equipment life cycle of 25 years and due to the age of all the units and high cost of operation, these units need to be replaced.
- On April 21, 2008, Troy City Council approved a contract for Architectural Services for HVAC Design to the highest rated bidder, DiClemente Siegel Design Inc. of Southfield, Michigan as a result of a best value process. (Resolution 2008-04-142F-4a)
- DiClemente Siegel Design Inc. along with the City of Troy worked on preliminary design, schematic design, specification and design development review, and final City review. Drawings and specifications were developed to be used in bidding the upgrade/replacement portion of the project.
- The project requires all HVAC System Upgrades to be added to the already in place building automation system that was installed by MCMI. MCMI is the Andover Controls Corporation representative for the State of Michigan and was the contractor that installed the original systems currently used at the Community Center, Police/ Fire addition, and Public Library.
- All new equipment was designed and engineered with L.E.E.D. building standards for optimum energy savings. This will reduce the current utility usage for these units by 27%.
- On August 20, 2008, requests for proposals (RFP) were published on the Michigan Inter-Governmental Trade Network (MITN) website for upgrading the HVAC system in the Troy Hall of Justice building.
- On September 10, 2008, a mandatory pre-proposal meeting with a complete walk through was conducted. A follow-up walk through was held on September 17, 2008, to allow the contractors the opportunity to have their subcontractors visit the site.
- On October 1, 2008, Request for Qualifications/Proposals were received and opened for the HVAC System Upgrade Project.
- One-hundred Eighty (180) vendors were notified via the MITN system, with six (6) bidders responding, one (1) of which did not meet minimum pass/fail requirements.

November 3, 2008

To: Phillip L. Nelson, City Manager

Re: Best Value Award – Troy Hall of Justice HVAC Upgrade of Major Mechanical Systems

Background - continued

- Three (3) committee members consisting of Steven Pallotta, Building Operations Director, Mark Stimac, Director of Building and Zoning and Mark Riley, Inspector Supervisor independently evaluated and rated all five (5) proposals.
- All five (5) firms were interviewed by the full committee on Monday, October 27, 2008.
- Based on the final scoring and selection criteria of 30% Proposal Score, 40% Price Score, and 30% Interview Score, the committee recommends awarding the contract as a result of a best value process to Heights Heating and Cooling, Inc of Auburn Hills, Michigan.

Financial Considerations

- The entire HVAC project, including the architectural design and replacement/upgrade portions fall within the budget of \$1,500,000 that has been allocated for this project.
- Funds for the Troy Hall of Justice HVAC replacement project were allocated over two years to the Capital Budget Reserve.
- Funds are available in the Building Operations Capital Budget for Buildings & Improvements - City Hall HVAC #401.264.265.7975.040.
- Projected utility cost savings over existing units is estimated at \$35,000.00 per year.

Legal Considerations

- RFQ/RFP-COT 08-26 HVAC System Upgrade was competitively bid and opened with six (6) bidders responding, as required by Chapter 7 of the City Code.
- All bidders were given the opportunity to respond with their level of interest to provide HVAC System Upgrades for the Troy Hall of Justice.
- The contract award is contingent on the recommended bidder's submission of proper contract and supplemental documents, including insurance certificates, bonds, and all other specified requirements.

Policy Considerations

- Moving this work forward will improve the overall air quality, and reduce liability for the City. (Outcome Statement I)
- Provides the public with up-to-date energy savings equipment and a healthier environment, in accordance with the City's high standards. (Outcome Statement II).

Options

- City management recommends awarding contracts to perform the HVAC System Upgrade for the Troy Hall of Justice including Alternate #1, the gun range, to the highest rated bidder, Heights Heating & Cooling, Inc, of Auburn Hills, Michigan, as a result of a best value process at prices contained on the tabulation dated 10/1/2008; and to MCMI of Sterling Heights, Michigan for the temperature controls at a total cost of \$191,700.00 for a combined total project cost of \$1,385,689.00.

Appendix I

Troy Hall of Justice HVAC System Upgrade – Project Total

Heights Heating & Cooling, Inc.:	
HVAC Upgrade - Base Bid	\$1,078,843.00
HVAC Upgrade - Alternate # 1 – Gun Range Unite Replacement	\$115,146.00
Subtotal: HVAC Upgrade	\$1,193,989.00
MCMI – Building Automation System:	
Temperature Controls - Base bid	\$189,800.00
Temperature Controls - Alternate #1 - Gun Range Unit Replacement	\$1,900.00
Subtotal: Temperature Controls	\$191,700.00
PROJECT TOTAL:	\$1,385,689.00



EXECUTIVE SUMMARY

HVAC SYSTEM UPGRADE

STATISTICS:

- ◆ **One-hundred eighty (180) companies were notified via the MITN e-procurement website**
- ◆ **Six (6) proposals were received**
- ◆ **Five (5) companies met the pass/fail criteria**
- ◆ **Interviews were conducted with all five (5) companies**
- ◆ **Heights Heating & Cooling, Inc. received the highest score as a result of a best value process**

The following Five (5) companies received the indicated final scores as a result of the criteria for selection: proposal, pricing and interview scores. All five (5) rated firms were invited to participate in an interview.

Company	SCORE
Heights Heating & Cooling, Inc.	93
Engineered Comfort Systems, Inc	90
Mechanical Services, LLC	79
R.W. Mead & Sons, Inc.	78
Arctic Air, Inc.	76

REQUEST FOR PROPOSALS – COMPANY ELIMINATED FROM FURTHER CONSIDERATION (BASED ON PASS/FAIL INSURANCE REQUIREMENTS)

- Delta Temp

Attachments:

- ✓ Weighted Final Scoring Including Proposal, Price and Interview
- ✓ Evaluation Process
- ✓ Original Tabulation



WEIGHTED FINAL SCORING
HVAC SYSTEM UPGRADE

Final Score Calculation:

$$\begin{array}{r}
 40\% \times \text{Price Score} \\
 30\% \times \text{Interview Score} \\
 \underline{30\% \times \text{Proposal Score}} \\
 100\% \qquad \qquad \qquad = \text{Final Weighted Score}
 \end{array}$$

In order to equate the price to the weighted evaluation process scoring, the prices had to be converted into a score with the base of 100. **NOTE:** Vendors are listed in the order of their summary score for both the price and proposal, from highest to lowest. For the interview, vendors are listed in the order of their score, from highest to lowest. For the final score the vendors are listed in the order of rating from highest to lowest.

Weighted Average Score for Price: 40%

	Weighted Criteria - [1 - (Proposal Price - Lowest Proposal) / lowest proposal] x available points	Final Weighted Score (x .40)
Vendors:		
Heights Heating & Cooling, Inc.	[1 - (1,078,843.00 - 1,062,934.20) / 1,062,934.20] x 100 = 99	39
Engineered Comfort Systems, Inc	[1 - (1,062,934.20 - 1,062,934.20) / 1,062,934.20] x 100 = 100	40
R.W. Mead & Sons, Inc.	[1 - (1,299,200.00 - 1,062,934.20) / 1,062,934.20] x 100 = 78	31
Mechanical Services, LLC	[1 - (1,191,892.00 - 1,062,934.20) / 1,062,934.20] x 100 = 88	35
Arctic Air, Inc.	[1 - (1,345,120.00 - 1,062,934.20) / 1,062,934.20] x 100 = 73	29

Weighted Average Score for Proposals: 30%

Raters:	1	2	3	Average	Final Weighted Score (x .30)
Vendors:					
Heights Heating & Cooling, Inc.	98	74	85	86	26
Engineered Comfort Systems, Inc	86	59	83	76	23
R.W. Mead & Sons, Inc.	100	83	77	87	26
Mechanical Services, LLC	73	76	53	67	20
Arctic Air, Inc.	100	59	76	78	23

Summary: Proposal and Price Scores

	Price Score	Proposal Score	Score
Vendors:			
Heights Heating & Cooling, Inc.	39	26	65
Engineered Comfort Systems, Inc	40	23	63
R.W. Mead & Sons, Inc.	31	26	57
Mechanical Services, LLC	35	20	55
Arctic Air, Inc.	29	23	52

All five (5) companies were invited to participate in an interview.
(Maximum # of points - 30)



Weighted Average Score for Interview: 30%

RATERS	1	2	3	Average	Final Weighted Score (x .30)
Vendors:					
Heights Heating & Cooling, Inc.	99	88	92	93	28
Engineered Comfort Systems, Inc	92	90	86	89	27
R.W. Mead & Sons, Inc.	78	73	62	71	21
Mechanical Services, LLC	96	78	70	81	24
Arctic Air, Inc.	92	81	72	82	24

FINAL SCORE:

VENDORS:	Heights Heating & Cooling, Inc.	Engineered Comfort Systems, Inc	Mechanical Services, LLC	R.W. Mead & Sons, Inc.	Arctic Air, Inc.
Proposal Score	26	23	20	26	23
Price Score	39	40	35	31	29
Interview Score	28	27	24	21	24
FINAL SCORE	93	90	79	78	76

**HIGHEST RATED VENDOR – RECOMMENDED AWARD



SELECTION PROCESS

CRITERIA FOR SELECTION

The identified Committee will review the proposals. The City of Troy reserves the right to award this proposal to the company considered the most qualified based upon a combination of factors including but not limited to the following:

- A. Compliance with qualifications criteria
- B. Completeness of the proposal
- C. Financial strength and capacity of the firm
- D. Correlation of the proposals submitted to the needs of the City of Troy
- E. Any other factors which may be deemed to be in the City's best interest
- F. Evaluation Process

Phase 1: Minimum Qualifications Evaluation

Companies will be required to meet minimum established criteria in order to go to the second phase of the process.

Phase 2: Evaluation of Proposals

Each Committee member will independently use a weighted score sheet to evaluate the proposals; each Committee Member will calculate a weighted score. The scores of the Committee Members will be averaged into one score for each firm for this phase of the process.

Phase 3: Interview Score

The City will invite at least the top three (3) rated companies to participate in an interview. If less than three (3) candidates remain in the process, all will be interviewed. Each Committee Member will independently use a weighted score sheet to evaluate the Interview; each Committee Member will calculate a weighted score. The scores of the Committee Members will be averaged into one score for each company for this phase of the process. Those being interviewed may be supplied with further instructions and requests prior to the interview. Persons representing the company at the interview must be the personnel who will be assigned to this project.

Phase 4: Price

Points for price will be calculated as follows:

$$\text{FORMULA: } \{1 - (\text{Proposal Price} - \text{Lowest Proposal}) / \text{lowest proposal}\} \times \text{available points}$$

Phase 5: Final Scoring and Selection

The company with the highest final weighted score will be recommended to the Troy City Council for Award.

30% Proposal Score (100 point base)
40% Price Score (100 point base)
30% Interview Score (100 point base)
100%

Note: The City of Troy reserves the right to change the order or eliminate an evaluation phase if deemed in the City's best interest to do so.

Opening Date -- 10/1/08

CITY OF TROY
TABULATION
HVAC SYSTEM UPGRADE

Pg 1 of 2

Date Prepared -- 10/21/2008

jh/sl

FIRM NAME:

Engineered Comfort Systems, Inc. (ECS)	Heights Heating & Cooling Inc.	Mechanical Services LLC
Check # 696942673	9171000391	731135413
Amount \$ 50,000.00	\$ 50,000.00	\$ 50,000.00

PROPOSAL: TO PROVIDE HEATING, VENTILATION, AND AIR CONDITIONING UPGRADE OF THE MAJOR MECHANICAL SYSTEMS FOR THE TROY HALL OF JUSTICE BUILDING

FOUR (4) COPIES	(Yes or No)	Yes	Yes	Yes
VENDOR QUESTIONNAIRE:	(Yes or No)	Yes	Yes	Yes

PROPOSAL: Schedule of Values	NOT TO EXCEED	NOT TO EXCEED	NOT TO EXCEED
Cost for Scope of Work as Specified:			
Architectural/Civil	\$ 41,115.80	\$ 43,260.00	\$ 66,376.00
HVAC Demolition	\$ 24,043.00	\$ 18,540.00	\$ 42,726.00
HVAC New Equipment	\$ 682,701.80	\$ 590,108.00	\$ 704,175.00
HVAC New Installation	\$ 53,030.50	\$ 98,675.00	\$ 66,876.00
Electrical	\$ 41,532.70	\$ 63,500.00	\$ 69,406.00
Sheet Metal & Piping	\$ 221,110.40	\$ 265,760.00	\$ 250,733.00
LESS: Salvage	\$ (600.00)	\$ (1,000.00)	\$ (8,400.00)
PROJECT TOTAL:	\$ 1,062,934.20	\$ 1,078,843.00	\$ 1,191,892.00

ALTERNATE 1 (Option) GUN RANGE			
Cost for Scope of Work as Specified:			
Mechanical Demolition	\$ 2,304.00	\$ 6,180.00	\$ 5,700.00
Air Handling Unit - New Equipment	\$ 85,675.00	\$ 76,735.00	\$ 80,994.00
Air Handling - Installation	\$ 50,620.71	\$ 32,731.00	\$ 71,735.00
LESS: Salvage	\$ (90.00)	\$ (500.00)	\$ (1,500.00)
ALTERNATE 1 TOTAL:	\$ 138,509.71	\$ 115,146.00	\$ 156,929.00

		SEPTEMBER 10, 2008		
MANDATORY MEETING	Did attend	XX	XX	XX
PROGRESS PAYMENTS:		10% Mobilization; 40% Subs Completion; 40% Upon Completion, 10% Approval	Monthly - 25th	50% Equipmt Delivery 30%Installation; 20%Completion
COMPLETION DATE:		APRIL 15, 2009		
	Can Meet	XX	XX	XX
	Cannot Meet			
LICENSES:	Marked as:	EX-A	"X"	"L"
INSURANCE:	Can Meet	XX	XX	XX
	Cannot Meet			
	Signed Y or N	Yes	Yes	Yes
TERMS:		Blank	Blank	Net 30
EXCEPTIONS:		N/A	Blank	Blank
ACKNOWLEDGEMENT:	Y or N	Yes	Yes	Yes
ADDENDA #1, #2, & #3	Y or N	No	Yes	Yes

DMS

Delta Temp, Inc: Project Cost \$1,565,100 - failed to provide required insurance documents with proposal

ATTEST:

Mary Ann Hays

Diane Fisher

Linda Bockstanz

Susan Leirstein CPPB

Purchasing Director

Opening Date -- 10/1/08
 Date Prepared -- 10/21/2008

jh/sl

CITY OF TROY
 TABULATION
 HVAC SYSTEM UPGRADE

FIRM NAME:

R.W. Mead & Sons, Inc

Arctic Air, Inc.

Check #
 Amount

731150498

609393671

\$ 50,000.00

\$ 50,000.00

PROPOSAL: TO PROVIDE HEATING, VENTILATION, AND AIR CONDITIONING UPGRADE OF THE MAJOR MECHANICAL SYSTEMS FOR THE TROY HALL OF JUSTICE BUILDING

FOUR (4) COPIES (Yes or No)

Yes

Yes

VENDOR QUESTIONNAIRE: (Yes or No)

Yes

Yes

PROPOSAL: Schedule of Values

NOT TO EXCEED

NOT TO EXCEED

Cost for Scope of Work as Specified:

Architectural/Civil

\$ 63,500.00

\$ 65,720.00

HVAC Demolition

\$ 37,800.00

\$ 30,000.00

HVAC New Equipment

\$ 652,500.00

\$ 728,960.00

HVAC New Installation

\$ 166,800.00

\$ 120,840.00

Electrical

\$ 51,900.00

\$ 57,600.00

Sheet Metal & Piping

\$ 330,000.00

\$ 347,000.00

LESS: Salvage

\$ (3,300.00)

\$ (5,000.00)

PROJECT TOTAL:

\$ 1,299,200.00

\$ 1,345,120.00

ALTERNATE 1 (Option) GUN RANGE

Cost for Scope of Work as Specified:

Mechanical Demolition

\$ 4,500.00

\$ 5,730.00

Air Handling Unit - New Equipment

\$ 89,400.00

\$ 96,230.00

Air Handling - Installation

\$ 26,400.00

\$ 21,140.00

LESS: Salvage

\$ (500.00)

\$ (1,200.00)

ALTERNATE 1 TOTAL:

\$ 119,800.00

\$ 121,900.00

SEPTEMBER 10, 2008

MANDATORY MEETING

Did attend

XX

XX

PROGRESS PAYMENTS:

Monthly for work completed
 10% Retention

By the 10th of the Month
 for Work Completed

APRIL 15, 2009

COMPLETION DATE:

Can Meet

XX

XX

LICENSES:

Cannot Meet
 Marked as:

Ex "A"

"Licenses"

INSURANCE:

Can Meet
 Cannot Meet
 Signed Y or N

XX

XX

Yes

Yes

TERMS:

Monthly Progress Paymts.

Blank

EXCEPTIONS:

Blank

Blank

ACKNOWLEDGEMENT:

Y or N

Yes

Yes

ADDENDA #1, #2, & #3

Y or N

Yes

Yes