

FILE NUMBER: 2024-309

DATE: Tuesday, August 13, 2024

SUBJECT: Amendment No. 2 for Full-Service HVAC System Maintenance and Repair Services.

DESCRIPTION: Resolution Authorizing Amendment No. 2 With Countywide Mechanical Systems, Inc, for Full-Service HVAC System Maintenance and Repair Services at District Facilities from January 1, 2023, to June 30, 2026, in an Amount not to Exceed \$1,640,000. Funds for Fiscal Year 2025 Have Been Budgeted in the Amount of \$230,261. All Funds Required for Future Fiscal Years Will be Budgeted in the Appropriate Fiscal Year, Subject to Board Approval Upon Adoption of Each Fiscal Year's Budget.

EXECUTIVE SUMMARY:

The San Diego Unified Port District (District) contracts for full-service heating, ventilation, and air conditioning (HVAC) maintenance and repair services at District facilities. The current agreement for HVAC services with Countywide Mechanical Systems, Inc (Countywide) started on January 1, 2023, and expires on June 30, 2026.

Urgent HVAC maintenance and repair services at District facilities have exceeded the maximum available capacity of the original agreement and will exceed the value of Amendment No. 1 during the second half of Fiscal Year 2025. Amendment No. 1 increased the maximum expenditure of the agreement from \$800,000 to \$1,040,000 and was used to address over \$320,000 in maintenance and repair issues at the Administration and Annex Buildings. Amendment No. 2 is needed to account for future preventative maintenance and any additional unplanned maintenance and repair requirements at District Facilities.

The proposed amendment will increase the maximum expenditure under the agreement by \$600,000 from \$1,040,000 to \$1,640,000 and is in accordance with Board of Port Commissioners Policy No. 110, Section 2.7. Amendment No. 2 will ensure that sufficient funding is available for preventative, scheduled, and unscheduled maintenance through the remainder of this agreement.

Staff requests Board authorization to execute Amendment No. 2 to the agreement with Countywide for HVAC maintenance and repair services, increasing the maximum amount payable by \$600,000 for a new total agreement maximum expenditure of \$1,640,000.

RECOMMENDATION:

Adopt a Resolution authorizing Amendment No. 2 to the agreement with Countywide Mechanical Systems, Inc. increasing the maximum expenditure under the agreement by \$600,000 for a new maximum expenditure amount of \$1,640,000.

FISCAL IMPACT:

There is no fiscal impact caused by approval of this action.

Funds for the remainder of FY 2025 are included in the current year approved budget for the General Services Department's Facilities Maintenance – Outside Services budget in the amount of \$230,261. Anticipated funds required for future fiscal years will be budgeted in the appropriate year subject to Board approval upon adoption of each fiscal year's budget.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.

DISCUSSION:

The District uses a service contract for full-service HVAC maintenance and repair services at various District facilities including the Administration Building and Annex, the General Services / Procurement Building in National City, the Harbor Police Headquarters Building, and the Broadway Pavilion. Utilizing a maintenance service agreement has been determined to be the most cost-effective means to supplement maintenance and repair of the District's HVAC systems. The current HVAC agreement started on January 1, 2023, and runs through June 30, 2026. Services include maintenance of heating, cooling, air handling, control systems, and associated equipment, including replacement of components in kind to ensure the system remains operational.

Amendment No. 1 was added on February 27, 2024, and increased the maximum amount payable from \$800,000 to \$1,040,000. This amendment addressed urgent maintenance and repair requirements for the aging HVAC systems within the Administration and Annex Buildings. These requirements included \$210,000 for repair and replacement of HVAC controllers in the Administration Building, \$80,000 cost to replace a HVAC compressor motor in the Administration Building, and \$33,000 to replace HVAC units in the Annex building. Amendment No. 1 did not require Board approval and was in accordance with Board of Port Commissioners Policy No. 110.

Amendment No. 2 would increase the agreement's maximum expenditure by \$600,000 from \$1,040,000 to \$1,640,000. This amendment is required to account for future scheduled preventative maintenance requirements and any additional unplanned maintenance and repair requirements at District facilities. The current agreement under Amendment No. 1 is expected to exceed its maximum capacity by the third quarter of Fiscal Year 2025 based on current and projected expenses.

Procurement Details:

Pursuant to Board of Port Commissioners Policy No. 110, this agreement was awarded through RFP No. 20-24JR and approved by the Board on October 11, 2022.

Staff recommends the Board authorize Amendment No. 2 to the agreement with Countywide Mechanical Systems, Inc for heating, ventilation, and air conditioning (HVAC) maintenance and repair services, increasing the maximum amount payable of \$1,040,000 for a new total agreement maximum amount of \$1,640,000.

General Counsel's Comments:

The Office of the General Counsel has review this agenda sheet and the attachments as presented to it and approves the same as to form and legality.

Environmental Review:

The proposed Board action, including without limitation resolution authorizing Amendment No. 2 with Countywide Mechanical Systems, Inc. for full-service HVAC system maintenance and repair services at District facilities from January 1, 2023 to June 30, 2026 in an amount not to exceed \$1,640,000, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the proposed Board action requiring the District or the Board's discretionary approval resulting in a physical change to the environment would be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The exercise of this discretion is in no way limited by this proposed Board action. Therefore, no further CEQA review is required.

The proposed Board action complies with Sections 21 and 35 of the Port Act, which allow the Board to pass resolutions; and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because there will not be, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan (PMP), and Chapters 3 and 8 of the Coastal Act. The exercise of the District's discretion under the District's CDP Regulations is in no way limited by the proposed Board action.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact on District workforce or contract reporting at this time.

PREPARED BY:

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Attachment(s):

Attachment A: (Draft) Amendment No. 2 Agreement No. 88-2022JR

Attachment B: Amendment No. 1 Agreement No. 88-2022JR

Attachment C: Agreement No. 88-2022JR