



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM



Date: July 20, 2021

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Rob Maleszyk, Chief Financial Officer
Lisa Burnham, Controller
Kurt Bovensiep, Public Works Director
Dennis Trantham, Facilities and Grounds Operations Manager
Emily Frontera, Purchasing Manager

Subject: Bid Waiver – Heating, Ventilation and Air Conditioning Equipment and Parts

History

The Facilities Division of the Department of Public Works is responsible for the maintenance and repair of the Heating, Ventilation, and Air Conditioning (HVAC) at all municipal facilities. The majority of the HVAC equipment used, is the Lennox brand. Lennox has proven to be reliable and competitively priced to comparable brands. In addition to the reliability, the continued standardization of equipment allows for more efficient maintenance by reducing the amount of different manufacture's parts in inventory. This becomes particularly important as we replace units scheduled in the current Capital Plan and future plans. For several years the City of Troy has been a direct distributor of Lennox equipment, which allows the city to purchase directly from Lennox Industries and avoids the additional costs associated with mechanical contractor and local distributor markup. The Facilities Division makes every effort to install these types of units with current qualified Facilities Staff members.

Purchasing

- Scheduled Capital Projects to replace HVAC equipment in the current and future years dictates the need to purchase replacement HVAC units and parts on an as needed basis.
- Standardizing HVAC equipment to a single brand will streamline staff training, and reduce repair part inventories and maintenance issues.
- Lennox Industries has authorized the City of Troy to purchase directly and receive distributor discounted pricing for its equipment and replacement parts.
- It is not possible to secure competitive bids because Lennox Industries is the sole source manufacturer for Lennox brand HVAC equipment and parts. By purchasing directly from the manufacturer, the City is receiving a greater discount than through distribution.
- A bid waiver is requested to purchase Lennox HVAC equipment and the associated parts from Lennox Industries on an ongoing basis, not to exceed budgetary limitations.

Financial

Funds for the purchase of HVAC Equipment are budgeted and available in the respective facility Capital Fund accounts and will be presented to City Council for approval as individual expenditures.



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Recommendation

City Management recommends that the bid process be waived and an ongoing contract be established with *Lennox Industries of Troy, MI* for the purchase of Lennox HVAC equipment and associated parts not to exceed budget limitations.