



## Board Report

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**File #: A 16-271, Version: 1**

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- a. Ratify and authorize the Director or Assistant Director of Information Technology to execute a non-standard Agreement with Honeywell International Inc. for HVAC maintenance, for the period of July 1, 2016 to June 30, 2018, in the annual amount of \$43,784.00 and a reserve, emergency amount of \$20,000.00, for a total agreement amount not to exceed \$107,568.00; and
- b. Accept a non-standard indemnification provision as recommended by the Director of the Information Technology Department; and
- c. Authorize the Director or Assistant Director of Information Technology to sign extensions for up to two (2) additional one-year periods, provided any cost increases are limited to not more than 10% of the original annual cost (\$4,378.40) and provided there are no changes to the approved, non-standard provisions of the Agreement.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Ratify and authorize the Director or Assistant Director of Information Technology to execute a non-standard Agreement with Honeywell International Inc. for HVAC maintenance, for the period of July 1, 2016 to June 30, 2018, in the annual amount of \$43,784.00 and a reserve, emergency amount of \$20,000.00, for a total agreement amount not to exceed \$107,568.00; and
- b. Accept a non-standard provision indemnification provision as recommended by the Director of the Information Technology Department; and
- c. Authorize the Director or Assistant Director of Information Technology to sign extensions for up to two (2) additional one-year periods, provided any cost increases are limited to not more than 10% of the original annual cost (\$4,378.40) and provided there are no changes to the approved, non-standard provisions of the Agreement.

### SUMMARY/DISCUSSION:

The Agreement with Honeywell International Inc. is necessary for the continuance of preventative maintenance and on-call emergency services for the heating, ventilation and air conditioning system (HVAC) for the Information Technology Department (ITD) facility. The total Agreement amount is reflective of yearly preventative maintenance services which consists of labor, replacement of covered equipment, and repair as needed on a quarterly basis in the yearly amount of \$43,784.00. The agreement also includes a reserve in the amount of \$20,000 for on-call emergency service as needed for the facility.

The continuance of this preventative maintenance and support for the HVAC system at the ITD facility is necessary to ensure that repair costs are kept at a minimum; preventative maintenance is a necessary part of proper facility maintenance. Without proper maintenance, the need for emergency services will increase. Honeywell International, Inc. has provided reliable services in

the past. It has also agreed, as part of the Agreement, to assist in cost reduction programs available through Pacific Gas and Electric Company (PG&E) by providing the necessary documentation to PG&E regarding HVAC maintenance. Based upon the current level of necessary service, coupled with the possible cost savings through PG&E programs, the approval of the Board is requested.

The Agreement is retroactive to July 1, 2016 due to protracted negotiations with Honeywell International Inc. over contract terms. Honeywell originally proposed numerous non-standard provisions that created risk for the County. ITD staff were able to persuade Honeywell to forgo most of the non-standard provisions it requested, excepting only a modification to the County's standard indemnification requirement. ITD staff thus succeeded in minimizing risk to the County while maintaining mostly favorable contract terms for this important service.

**OTHER AGENCY INVOLVEMENT:**

County Counsel and Risk Management have reviewed the agreement and cannot approve it due to the following non-standard provisions: non-standard indemnification provisions.

**FINANCING:**

The funds for the preventative maintenance Agreement have been included in the FY 16-17 Budget for the Information Technology Department, ITD 1930, unit 8435, INF002. Transactions relating to each fiscal year will be included in the respective Recommended Budget. Should funding be reduced and/or terminated, the County may terminate this Agreement by giving thirty (30) days written notice of such action to the vendor.

Prepared by: Elizabeth A. Crooke, Management Analyst, 755-5108

Approved by:

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Dianah Neff, Director of Information Technology, 759-6923

Attachments: Standard Agreement with Honeywell International Inc.; Exhibit A - Scope of Services; Exhibit B - List of Covered Equipment; Exhibit C - Modification to County Standard Agreement

Attachments are on file with the Clerk of the Board