



TOWN OF PRESCOTT VALLEY STAFF REPORT

DATE: December 8, 2022

TO: Mayor and Council/Chair and Board Members

THROUGH: Gilbert Davidson, Town/District Manager

FROM: Ron Pine, Deputy Director

DEPARTMENT: Public Works

AGENDA TYPE: New Business (for Review, Comment, And/or Possible Action)

SUBJECT: Schneider Comprehensive Energy Audit and Analysis, HVAC Purchase - Consideration & Possible Action (Approve) [Bill Osborne, Capital Improvement Projects Manager]

STRATEGIC PLAN FOCUS AREA: Quality of Life means enhancing public safety, infrastructure, connectivity, and recreational space and programs the Town maintains for its residents.

SUMMARY/BACKGROUND:

On June 9, 2022, the Town entered into an Investment Grade Audit Agreement with Schneider Electric Buildings Americas, Inc. to perform a Comprehensive Energy Audit & Analysis of all Town facilities and equipment. The audit and analysis identified, among other things, the potential for one or more of the current HVAC units in the Civic Center and the Events Center to have a catastrophic failure based on their extended service life. In particular, only two (2) of the four (4) major units in the Events Center are operational (and those units have been required to operate at maximum capacity to sufficiently cool the arena space). Failure of either of those operational units could result in cancelling scheduled events until replacement units could be delivered and installed. That would mean lost revenue for the Events Center without any related reduction in operational costs. The Schneider audit and analysis has also noted that the time frame for obtaining any replacement HVAC units for either facility would be a minimum of 180 days.

Under the original Agreement between the Town and Schneider, incentives are included that allow Amendments whereby Schnieder can be paid to purchase and/or install equipment or provide design and construction services for energy projects

identified. On that basis, it is proposed here that Schneider and the Town enter into this Amendment (which the Entertainment Center Community Facilities District will also sign) for CIP#F512 whereby Schneider will purchase HVAC Units for both the Civic Center and Events Center. This involves a total purchase cost of \$1,080,000.00 (including tax...\$640,000.00 of the total being applicable to the Events Center units). [Note: because the Town by intergovernmental agreement with ECCFD provides all necessary administration and funding for the CFD, the Town Council must also authorize a budget transfer from the Contingency Fund in the total amount of \$1,080,000.00 along with approving the Amendment.]

Purchase of these units on behalf of the Town and District by a private party still requires compliance with bid requirements per ARS 34-201 and Town Code Article 3-04. Schneider has indicated it has the ability to make the purchase through a public cooperative so that the bid exceptions in ARS 41-2632 and Town Code 3-04-080 for cooperative purchasing can apply to the project. [Note: Schneider will also install the units once they have been delivered. This will require a follow-up Amendment signed, again, by both the Town and the District.]

RECOMMENDED MOTION:

Motion to approve an Amendment with Schneider Electric Buildings Americas, Inc to purchase HVAC units for both the Civic Center and Events Center in the total amount of not-to-exceed \$1,080,000.00 (not-to-exceed \$640,000.00 being the amount attributable to the Events Center units), AND the related budget transfer from the Town Contingency Fund, **OR** Motion not to approve the Amendment with Schneider Electric or related budget transfer. **VOTE.**

STAFF RECOMMENDATION:

Staff recommends approval of the Amendment with Schneider Electric to purchase the Civic Center and Events Center HVAC units in the total amount not-to-exceed \$1,080,000.00 (and the related budget transfer).

FISCAL ANALYSIS:

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Budget Adjustment
Cost	\$1,080,000.00	\$0	\$1,080,000.00	Yes
Source of Funds				Contingency funds were authorized to be
\$1,080,000.00 (transfer from Town Contingency)				

Notes	transferred by the
Additional funds will be required for the installation of the units	Town Council.
which will be discussed with Council once the units are on-site.	For Fiscal Year:
	22/23

Council Action at the Meeting:

ATTACHMENTS: YES