



MEMORANDUM

To: Mayor and City Council

From: Steve Shore, Manager of Facility Services
Michael Garza, P.E. Director of Public Works

Date: February 10, 2026

Reference: Consider approval of awarding a contract to DFW Mechanical; TIPS contract number 240501, a contract for city wide HVAC maintenance and repair in the amount of \$325,000; as budgeted in FY26 general fund; and authorizing the City Manager to sign any necessary documents.

2040: Sustainable Government

Introduction:

This agenda item is presented to award a city-wide HVAC Maintenance Services contract (Quote #27052) to DFW Mechanical, beginning February 1, 2026, with the option of four (4) one-year renewals subject to annual review and budget appropriation. The renewal terms will align with the City's fiscal year.

Background:

The City of Coppell maintains approximately 250 HVAC units across multiple facilities. Due to the size, complexity, and geographic distribution of this equipment, it is not feasible for Public Works staff to perform all HVAC maintenance and repairs in-house, necessitating the use of a contracted service provider.

Historically, the City utilized a full-service HVAC contract that included preventive maintenance, repairs, and materials. However, control-system-related service calls were excluded from coverage and billed separately. While contract pricing remained relatively stable over prior years due to available renewal options, the most recent renewal cycle concluded, requiring the City to solicit updated pricing.

The proposal received from the existing vendor reflected an increase of approximately \$90,000, resulting in a total annual contract cost of \$493,720. This increase prompted staff to evaluate alternative service delivery models to ensure continued cost-effectiveness.

An assessment of service call history over the past two years indicated that a significant portion of HVAC issues were controls-related, rather than mechanical failures—services that were not

included in the previous full-service contract. Additionally, much of the City's HVAC equipment is relatively new, reducing the need for comprehensive repair coverage.

Based on this evaluation, staff obtained a TIPS cooperative quote from DFW Mechanical for preventive maintenance services only, at an annual cost of \$175,000. Based on historical data, staff estimates annual repair costs to range between \$100,000 and \$150,000, which would be invoiced only as repairs are performed. These repair funds are not guaranteed expenditures and would be used solely on an as-needed basis.

This approach is projected to result in annual savings of approximately \$175,000 compared to the previous full-service contract model.

The proposed agreement term would run from February 1, 2026, through September 30, 2026, with the option of four (4) one-year renewals beginning October 1 of each fiscal year and ending September 30 of the following year.

Due to the pricing increase from the existing vendor and the time required to finalize a contract with the new vendor, the City continued services with the current provider on a month-to-month basis from October 1, 2025, through January 31, 2026.

An agenda item will be presented at the next Council meeting to formally close out the previous contract and authorize payment for services provided during this four-month transition period.

Benefit to the Community:

Regular preventive maintenance reminds HVAC systems operate efficiently, which can reduce energy consumption by 5% to 15%, extend equipment life expectancy to approximately 20 years, improve indoor air quality, and reduce the likelihood of unexpected system failures. These benefits help control long-term costs for taxpayers and ensure City facilities remain reliable, safe, and available for public use.

Legal Review:

The Procurement Division has reviewed the documents and determined that this is an appropriate method of contracting with this vendor as three competitive bids were received.

Fiscal Impact:

Fiscal impact of this Agenda item is estimated to be \$325,000.00 annually as budgeted in the Facilities, General Fund, Building Maintenance account.

Recommendation:

The Public Works Department recommends the approval of this contract.

