

Agenda Item #_C - 8_____

Village of Royal Palm Beach

Agenda Item Summary

Agenda Item:

Authorization for the Village Manager to execute the Second Addendum to Agreement for Air Conditioning Monthly Maintenance Services with Horizon Air Conditioning, Inc. to extend the agreement for the second one-year renewal period and reflect a 2.83% CPI increase. The adjusted annual amount of the Agreement for FY26 is \$89,807.36. Funding for the A/C Monthly Maintenance is budgeted in the FY26 Public Works Operating Budget.

Issue:

The Village entered into an Agreement for Air Conditioning Monthly Maintenance Services ("Agreement") with Horizon Air Conditioning, Inc. on October 12, 2023, effective October 1, 2023, for air conditioning monthly maintenance at fifteen (15) Village buildings. The initial term of the Agreement was one (1) year, with four (4) additional one-year renewal terms available subject to Vendor acceptance, satisfactory performance and determination that renewal is in the best interest of the Village. The Village and Horizon Air Conditioning, Inc. entered into a First Addendum to Agreement for Air Conditioning Monthly Maintenance Services on October 28, 2024 extending the agreement for the first of four available 1-year renewal terms and allowing for a cost adjustment for that renewal term.

Section 4 of the Agreement allows for the following cost adjustment for renewal terms:

... Cost increases for subsequent years and any renewal or extension terms shall be subject to Village Council approval and shall be limited to the latest yearly percentage increase provided in the All Urban Consumers Price Index (CPU-U) for Miami-Fort Lauderdale-West Palm Beach, FL as published by the Bureau of Labor Statistics, U.S. Dept. of Labor as of April 1 of the most recent calendar year or three percent (3%), whichever is less. Any approved cost adjustment shall become effective on the beginning date of the approved renewal term.

The parties desire to extend the Agreement for the second 1-year renewal term with an accompanying cost adjustment.

Recommended Action: Upon Council review staff recommends a motion to approve.

Initiator:	Village Manager	Agenda	Village Council
Paul Webster,	Approved:	Date:	Action:
Director of			
Public Works		08/21/2025	

SECOND ADDENDUM TO AGREEMENT FOR AIR CONDITIONING MONTHLY MAINTENANCE SERVICES

THIS SECOND ADDENDUM TO AGREEMENT FOR AIR CONDITIONING MONTHLY MAINTENANCE SERVICES ("Second Addendum"), made and entered into this ____ day of _____, 2025, effective October 1, 2025, by and between the Village of Royal Palm Beach, Florida, a municipal corporation organized and existing in accordance with the laws of the State of Florida with offices located at 1050 Royal Palm Beach Boulevard, Royal Palm Beach, FL 33411, hereinafter referred to as the "Village", and Horizon Air Conditioning, Inc. with a principal address at 2501 Westgate Avenue #6, West Palm Beach, FL 33409, hereinafter referred to as the "Vendor", both of whom agree that the current Agreement for Air Conditioning Monthly Maintenance Services ("Agreement"), made and entered into by the Village and Vendor on October 12, 2023 and amended by the First Addendum to Agreement for Air Conditioning Monthly Maintenance Services dated October 28, 2024, is hereby amended and renewed in the following manner:

Section 1: Section 1 of the above-referenced Agreement is hereby modified and shall hereinafter read as follows:

Village and **VENDOR**, both hereby agree to enter into this Second Addendum to renew the Agreement for the second of four (4) available 1-year renewal terms as allowed by Section 6 of the Agreement for Air Conditioning Monthly Maintenance Services within the corporate limits of the Village in accordance with the Village Bid Specifications attached hereto as Exhibit A. This Second Addendum renews the Agreement and commences on October 1, 2025 and will end on September 30, 2026.

Section 2: Section 4 of the above-referenced Agreement is hereby modified and shall hereinafter read as follows:

VENDOR shall perform all work required in accordance with the Bid Specifications for Total Annual Maintenance work and is hereby authorized to commence this project for the second renewal term on October 1, 2025. The Total Annual Maintenance amount, adjusted to reflect a 2.83 percent (2.83%) increase for this second renewal term, to be paid for the scope of work at the fifteen locations listed in the bid summary sheet is **Eighty-nine Thousand, Eight Hundred Seven & 36/100 Dollars (\$89,807.36)** and this amount will be allocated for payment as follows: the Village agrees to pay **VENDOR, Seven Thousand, Four Hundred Eighty-**


three & 95/100 Dollars (\$7,483.95) for monthly maintenance services at the end of each month commencing October 1, 2025 until August 31, 2026 **and Seven Thousand, Four Hundred Eighty-three & 91/100 Dollars (\$7,483.91)** for monthly maintenance services at the end of September 30, 2026, after services have been rendered. Upon completion of the services Village staff will deem if the work is satisfactory and report back to the Village Manager. The **VENDOR** also agrees to apply an overall 30% Markup on Parts to all part invoices as reflected on the Bid Response Form submitted by **VENDOR**.

The cost for all items as quoted herein shall remain firm for the initial term of the contract. No cost increases shall be accepted in this initial bid term. Costs for subsequent years and any renewal or extension terms shall be subject to Village Council approval and shall be limited to the latest yearly percentage increase as provided in the All Urban Consumer Price Index (CPI-U) for Miami-Fort Lauderdale-West Palm Beach, FL as published by the Bureau of Labor Statistics, U.S. Dept. of Labor as of April 1 of the most recent calendar year or three percent (3%), whichever is less. Any approved cost adjustment shall become effective on the beginning date of the approved renewal term.


Section 3: This Second Addendum shall be attached to the current Agreement and shall become a part thereof.

IN WITNESS WHEREOF, the Village has caused this Second Addendum to be signed and executed on its behalf by its Village Manager; and Horizon Air Conditioning, Inc. has signed and executed this Second Addendum, both in duplicate, with an effective date as noted above.

Witnesses to Vendor:



Horizon Air Conditioning, Inc.


Lance McMann
President

Witnesses to Village:

Village of Royal Palm Beach

Raymond C. Liggins, P.E.
Village Manager