

Title: Leveraging Carrier's Partnership in a Cooperative Agreement for HVAC Procurement

Executive Summary: This business case advocates entering a cooperative agreement with Carrier Corporation to procure HVAC equipment. The school district currently relies on Carrier for approximately 60% of its HVAC units, including critical chillers valued at \$60,000 each. With immediate equipment needs exceeding the \$100,000 spend limit, a cooperative agreement with Carrier ensures the integrity of existing units while efficiently meeting current and future procurement requirements.

Background: The school district's HVAC infrastructure plays a vital role in maintaining comfortable and healthy indoor environments for students and staff. With a significant portion of the HVAC equipment sourced from Carrier, the district has a vested interest in preserving the integrity of its existing units while addressing immediate procurement needs within budgetary constraints.

Problem Statement: The need for immediate HVAC equipment procurement, including critical components such as chillers, presents a financial challenge for the school district. With each chiller costing \$60,000, the district's current spending limit of \$100,000 per purchase is insufficient to meet these needs without compromising the integrity of existing units or exceeding budgetary constraints.

Solution: Engaging in a cooperative agreement with Carrier offers a strategic solution to the district's procurement challenge:

- **Preservation of Existing Units:** A cooperative agreement with Carrier ensures the compatibility and integrity of the district's existing HVAC units, minimizing the risk of operational disruptions and costly retrofits.
- **Cost Efficiency:** By leveraging Carrier's expertise and economies of scale, the district can procure HVAC equipment competitively, potentially reducing overall procurement costs.
- **Budget Compliance:** The cooperative agreement allows the district to consolidate procurement efforts, ensuring that purchases remain within budgetary limits while meeting immediate equipment needs.
- **Compliance and Warranty:** Carrier offers comprehensive warranties on its equipment, providing peace of mind and protection against unforeseen failures or malfunctions. In conclusion, the district's reliance on Carrier equipment, coupled with the advantages of cost savings, compatibility, efficiency, and warranty support, makes a compelling case for utilizing Carrier in a coop agreement for the procurement of HVAC equipment. This strategic decision aligns with the district's existing infrastructure and ensures the best value for future investments in HVAC systems.
- **Streamlined Procurement:** Through a cooperative agreement, the district can streamline the procurement process, reducing administrative burden and lead times associated with individual purchases.

- **Long-Term Partnership:** Establishing a formal agreement with Carrier fosters a long-term partnership, providing access to ongoing support, maintenance, and future upgrades.

Financial Analysis: A comparative analysis of individual procurement versus cooperative agreement procurement demonstrates potential cost savings and budgetary compliance benefits. Factoring in negotiated pricing, streamlined procurement processes, and the preservation of existing units, the cooperative agreement with Carrier emerges as a financially prudent choice for the school district.

This business case highlights the strategic advantage of leveraging Carrier as a partner in a cooperative agreement for HVAC procurement, considering the school district's reliance on Carrier equipment and immediate procurement needs. Let me know if you need further details or modifications!



HVAC Manager II