



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/21/2020

ITEM NO: 7

DESK ITEM

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DATE: April 21, 2020  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Adult Recreation Center – New Air Conditioning Chiller  
a. Authorize the Town Manager to Execute a Purchase and Service Agreement with Foothill Mechanical Inc. for Installation of a New Air Conditioning Chiller in the Adult Recreation Center in an Amount Not to Exceed \$55,600 Plus an Additional \$11,120 for Unanticipated Costs for a Total Agreement Amount Not to Exceed \$66,720.  
b. Approve an expenditure budget adjustment in the Facilities Maintenance Fund of \$66,720.

**REMARKS:**

The following question was received from a Council Member:

**Question:** Why is the HVAC replacement not part of the efficiency improvement project where we are able to save money through the program of replacing with more efficient and the power bill savings used to pay the project administrator?

**Response:** There were two reasons this chiller didn't make the program. First, it didn't pencil out for cost recovery from an energy savings perspective (cost versus energy savings). We tried to keep that program payback positive. Second, we don't pay the utility bills for the adult recreation center, those are paid for by Los Gatos Saratoga Recreation. Creating a deal where their bill showed the cost of the chiller over ten years wouldn't have made sense for them.

**Attachments Previously Received with Staff Report:**

1. Draft Purchase and Service Agreement
2. Cost Proposals

**PREPARED BY:** Dan Keller  
Facilities & Environmental Services Manager

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director and Parks & Public Works Director

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