



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/21/2020

ITEM NO: 7

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DATE: April 13, 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.

**RECOMMENDATION:**

Staff recommends that the Town Council:

- a. Authorize the Town Manager to execute a Purchase and Service Agreement with Foothill Mechanical Inc. (Attachment 1) 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.

**BACKGROUND:**

The Town of Los Gatos utilizes contractual heating, ventilation, and air conditioning (HVAC) services for equipment maintenance and replacements in Town-owned facilities. Staff reviews these contracts and the performance of contractors to ensure that the services provided are being completed satisfactorily, competitively priced, and continue to meet the Town's expectations and contract terms. Staff has determined that contractual HVAC services are the most effective service delivery method for equipment replacements due to the high level of responsiveness required, the specialized expertise needed, and the essential operations housed in these facilities.

**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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DISCUSSION:

Regular maintenance and multiple repairs have been performed on the air conditioning chiller unit at the Adult Recreation Center through staff efforts and contractual services for many years. The chiller has now reached its serviceable life and has failed, which leaves the facility with no cooling functionality. To repair this equipment at this stage would not be efficient or result in a reasonable long-term solution. Installation of a replacement chiller is necessary to properly air condition the facility and more adequately position the facility for the future.

A request for quotes was sent to four firms, two of which submitted cost proposals and the results are listed in Attachment 2.

Based on a review of the proposals and reference checks, staff determined that Foothill Mechanical Inc. is the best qualified and most cost competitive firm to provide the requested services. Foothill Mechanical Inc. is headquartered in Los Gatos and is a certified contractor in the HVAC industry.

CONCLUSION:

Authorize the Town Manager to execute a Purchase and Service Agreement with Foothill Mechanical Inc. (Attachment 1) 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 and an expenditure budget adjustment in the Facilities Maintenance Fund of \$66,720.

FISCAL IMPACT:

Staff recommends an expenditure budget adjustment of \$66,720. The requested funds are available in the Facilities Maintenance Fund Balance to complete this work.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Draft Purchase and Service Agreement
2. Cost Proposals