



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/4/2024

DATE: May 30, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to Execute a Five-Year Agreement for Services with Air Systems Inc. for Heating Ventilation and Air Conditioning (HVAC) Preventative Maintenance and Repair Services Including a Contingency for Unforeseen Repairs for a Total Agreement Amount of \$521,600

**RECOMMENDATION:**

Authorize the Town Manager to execute a five-year Agreement for Services with Air Systems Inc. (Attachment 1) for heating ventilation and air conditioning (HVAC) preventative maintenance and repair services including a contingency for unforeseen repairs for a total agreement amount of \$521,600.

**BACKGROUND:**

The Town of Los Gatos has utilized contractual HVAC services for Town-owned facilities for the past several years. Staff reviews these maintenance contracts regularly to ensure that the services provided are being performed 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 this component of building maintenance due to the high level of responsiveness required, the specialized expertise needed, and the essential operations housed in these facilities. The current HVAC services contract with Air Systems, Inc. will expire on June 30, 2024.

**DISCUSSION:**

With the existing contract set to expire at the end of this fiscal year, staff advertised a Request for Proposal (RFP) on April 19, 2024 for contract HVAC services at six main municipal facilities,

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

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

PAGE 2 OF 3

SUBJECT: Authorize the Town Manager to Execute an Agreement for Services with Air Systems Inc. for Heating Ventilation and Air Conditioning (HVAC) Preventative Maintenance and Repair Services Including a Contingency for Unforeseen Repairs

DATE: May 22, 2024

DISCUSSION (continued):

including emergency and after-hours response and repair. Firms were asked to provide their capability and qualifications across services and to provide line-item costs per hour for additional services and repairs as needed, such as upgrades, modifications, and replacements due to failure.

Six companies attended a mandatory walkthrough, and two proposals were received on May 14, 2024. Air Systems Inc. presented the lowest responsible proposal for \$64,320 annually and \$40,000 is being added for unforeseen repairs, resulting in a 5-year agreement of \$521,600. This amount for unforeseen work is due to our aging HVAC equipment and multiple repairs done annually.

Air Systems Inc. has a successful work history with the Town by providing HVAC service and repairs for over five years. The agreement term allows for continuity of service and maximizes savings by engaging the firm for multiple years. The contract language provides for cancellation should the need arise during the contract term.

CONCLUSION:

Authorize the Town Manager to execute an Agreement for Services with Air Systems Inc. for heating ventilation and air conditioning (HVAC) preventative maintenance and repair services for a total agreement amount not to exceed \$521,600 including a contingency for unforeseen work.

FISCAL IMPACT:

Funding for Fiscal Year 2024/25 is included in the Proposed Operating Budget for HVAC services at the Police Operations Building, Civic Center, Library, Parks and Public Works Service Center, Adult Recreation Center, and the Youth Recreation Center. Execution of any options to continue the service in subsequent years will be contingent upon staff evaluation of the quality of the services provided, as well as the Town Council's appropriation of funding through the budget process in subsequent fiscal years.

ENVIRONMENTAL ASSESSMENT:

In accordance with CEQA Guidelines Section 15378(b)(5), approval of this agreement is not a project subject to CEQA because it is an administrative activity that will not impact the environment.

PAGE 3 OF 3

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DATE: May 22, 2024

Attachment:

1. Agreement for Services with Air Systems Inc. with Exhibit A