

AGREEMENT FOR SERVICES

PREAMBLE

THIS AGREEMENT is dated for identification on this 4th of June 2024 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Air Systems Inc. ("Service Provider"), identified as a C Corporation and whose address is 940 Remillard Court, San Jose, CA 95122. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 Town sought quotations for the services described in this Agreement, and Service Provider was found to be the lowest responsible supplier for this purchase.
- 1.2 Service Provider represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Town desires to engage Service Provider to provide for heating ventilation and air conditioning (HVAC) preventative maintenance and repair services.
- 1.4 Service Provider warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Service Provider acknowledges Town has relied upon these warranties to retain Service Provider.

II. AGREEMENT

- 2.1 Scope of Services. Service Provider shall provide services as described in that certain Proposal sent to the Town on May 14, 2024, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. The effective date of this Agreement shall begin July 1, 2024, through June 30, 2029, subject to appropriation of funds, notwithstanding any other provision in this agreement.
- 2.3 Compliance with Laws. The Service Provider shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Service Provider represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Service Provider to practice its profession. Service Provider shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Service Provider shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

- 2.5 Information/Report Handling. All documents furnished to Service Provider by the Town and all reports and supportive data prepared by the Service Provider under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Service Provider in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Service Provider shall not make any of these documents or information available to any individual or organization not employed by the Service Provider or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Service Provider pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Service Provider in connection with other projects shall be solely at Town's risk, unless Service Provider expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Service Provider which is and has been confirmed in writing by Service Provider to be a trade secret of Service Provider.
- 2.6 Compensation: Compensation for year one (FY 2024/25) shall not exceed \$104,320. Compensation for future years will be the base cost of \$104,320 and shall be adjusted upward annually for the remaining term of this agreement by the change, if any, in the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for All Urban Consumers, all items (CPI). The adjustment shall be based upon the CPI published on December 31 of the preceding year. If the CPI indicates a downward adjustment, compensation would remain at the base amount. Payment shall be based upon Town approval of each task.

Year 1 – FY 2024/25 = \$64,320 + \$40,000 (unforeseen repairs) = \$104,320
 Year 2 – FY 2025/26 = \$64,320 + \$40,000 (unforeseen repairs) = \$104,320
 Year 3 – FY 2026/27 = \$64,320 + \$40,000 (unforeseen repairs) = \$104,320
 Year 4 – FY 2027/28 = \$64,320 + \$40,000 (unforeseen repairs) = \$104,320
 Year 5 – FY 2028/29 = \$64,320 + \$40,000 (unforeseen repairs) = \$104,320
 For a total agreement **not to exceed \$521,600***

*Total compensation does not include CPI adjustments for Years 2-5.

- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
 Town of Los Gatos
 Attn: Accounts Payable
 P.O. Box 655

Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

- 2.8 Availability of Records. Service Provider shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Service Provider shall make these records available to authorized personnel of the Town at the Service Provider offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Service Provider. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that the Service Provider, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Service Provider may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Service Provider agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Service Provider shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Service Provider or is based on allegations of Service Provider's negligent performance or wrongdoing.
- 2.11 Conflict of Interest. Service Provider understands that its professional responsibilities are solely to the Town. The Service Provider has and shall not obtain any holding or interest within the Town of Los Gatos. Service Provider has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Service Provider warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Service Provider shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Service Provider discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement Service Provider shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Service Provider warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Service Provider nor its subcontractors do and neither shall

discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Service Provider agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Service Provider agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. Service Provider shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

General Liability:

- i. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Service Provider; products and completed operations of Service Provider, premises owned or used by the Service Provider.
- ii. The Service Provider's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

- iv. The Service Provider's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.
- 3.3 Workers' Compensation. In addition to these policies, Service Provider shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Service Provider shall ensure that all subcontractors employed by Service Provider provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease.
- 3.4 Indemnification. The Service Provider shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees, and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Service Provider, or any of the Service Provider's officers, employees, or agents or any subcontractor.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Service Provider shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Service Provider shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Service Provider an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to

completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

- 4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over \$1,000 which are defined as a "public work" by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.
- 4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.
- 4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.
- 4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violations identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.
- 4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the TOWN, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

- 4.4.5 In addition to submitting the certified payrolls and related documentation to the TOWN, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.
 - 4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
 - 4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.
 - 4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the TOWN for any fines assessed by the California Department of Industrial Relations against the TOWN for such violation, including all staff costs and attorney's fee relating to such fine.
 - 4.4.9 The TOWN shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., the TOWN may continue to hold sufficient funds to cover estimated wages and penalties under the contract.
- 4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Service Provider.
- 4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.7 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Air Systems Inc.
940 Remillard Court
San Jose, CA 95122

or personally delivered to Service Provider to such address or such other address as Service Provider designates in writing to Town.

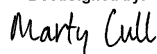
- 4.8 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.9 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Service Provider. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Service Provider have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:
 6/26/2024
853FEEA2E839470...
Laurel Prevetti, Town Manager

Air Systems Inc. by:

DocuSigned by:
 6/20/2024
D83BCD9022C941F...
Marty Cull, Executive Vice President, and
Chief Financial Officer

Recommended by:

DocuSigned by:
 6/20/2024
0E97831349644C3...
Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

DocuSigned by:
 6/25/2024
EFD6738A5534428...
Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:
 6/26/2024
BF6EBCBE2C214F8...
Wendy Wood, CMC, Town Clerk



Air Systems

An EMCOR Company

Cover Letter & Statement of Qualifications

May 14, 2024

To Whom It May Concern,

Air Systems has been led by Art Williams (President & CEO) and Marty Cull (V.P.) for over 25 years. As an EMCOR Company, we are held to the highest standards of accountability, record keeping and invoicing, technical training and expertise, and most importantly – ethics and morals. We are audited by EMCOR (publically traded on the NYSE) twice per year, but are otherwise mostly left to operate in the relationship forging, trust winning manner that the bay area has expected from Air Systems for over 50 years.

Our South Bay Technician Leadership Team, led by Journeyman-Foreman Noah York (10 years at ASI), collectively tout over 70 years of practical HVAC experience and are all expert HVAC technicians and communicators who oversee all preventive maintenance, planned and emergency repairs, and project work. We have over 20 apprentice and journeyman level technicians dedicated to our south bay partners and guarantee a **2 hour response time** to their emergency needs.

I, bidder Joseph Barton, have been with Air Systems since 2013 and have won numerous sales and customer service awards. My client-centric approach has led to many accolades from ASI and partners alike. In my account portfolio, I manage several major municipalities, such as Town of Los Gatos, Alameda County Water District, the City of Orinda & the Contra Costa Water District. My decade plus experience in the HVAC industry, coupled with my world class communication skill set and passion (B.A., Communication Studies, SJSU), make me an account manager that is knowledgeable, responsive, friendly and accountable.

The team at Air Systems is looking forward to a mutually prosperous relationship with the Town of Los Gatos. Thank you in advance for your time and consideration.

Kindest Regards,

Joseph Barton
Service Sales Manager
(408) 616-9918
joseph.barton@airsystemsinc.com

EXHIBIT A



Solicitation Number: HVAC 2024

Bid Amount: \$64,320.00

Solicitation Number: HVAC 2024

ATTACHMENT B
Proposer's Information Form

PROPOSER (please print): Air Systems, Inc.

Address: 940 Remillard Ct., San Jose CA 95122

1st Contact person (Name): Joseph Barton

Title: Service Sales Manager Office Tel: (408) 280-1677

Direct/Cell: (408) 616-9918 Fax: —

Email: joseph.barton@airsystemsinc.com

2nd Contact person (Name): Paul Accinelli

Title: Sales Director Office Tel: (408) 280-1677

Direct/Cell: (408) 318-9729 Fax: —

Email: paul.accinelli@airsystemsinc.com

State Contractor's License Number: 855330

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture ☐ Partnership ☒ Corporation

Year incorporated? 1974 In what state? California

When authorized to do business in California?): 1974 (March)

☐ Other (explain): _____

PROPOSER'S SIGNATURE

No proposal shall be accepted which has not been signed in ink in the appropriate space below:

By signing below, the submission of a proposal shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and they have read and understand the RFP. No request for modification of the proposal shall be considered after its submission on the grounds that the Proposer was not fully informed as to any fact or condition.

(1) If Proposer is *INDIVIDUAL*,
sign here: *n/a*

Proposer's Signature

Proposer's typed name and title

Date: _____

(2) If Proposer is *PARTNERSHIP* or
JOINT VENTURE, at least (2) Partners
or each of the Joint Venturers
shall sign here: *n/a*

Partnership or Joint Venture Name
(type or print)

Signature

Name of Member of the Partnership or Joint Venture
(type or print)

Date: _____

Signature

Name of Member of the Partnership or Joint Venture
Name (type or print)

Date:

(3)

(X) If Proposer is a CORPORATION,

the duly authorized officer(s) shall
sign as follows:

The undersigned certify that they are respectively:

Chief Financial Officer (Title)

and n/a (Title)

of the corporation named below; that they are
designated to sign the Proposal Cost Form by
resolution (attach a certified copy, with corporate seal,
if applicable, notarized as to its authentic Town or
Secretary's certificate of authorization) for and on
behalf of the below named CORPORATION, and that
they are authorized to execute same for and on behalf
of said CORPORATION.

AIR SYSTEMS INC.
Corporation Name (type or print)

[Signature]
Signature

RICHARD GILLHAM (CFO)
Name of Member of the Corporation (type or print)

Date: 5/14/2024

Signature

Name of Member of the Corporation (type or print)

Date: _____

ATTACHMENT D Bid Price Sheet

For all services described below, unless excluded by the Town in description of services below, the Town shall consider unit prices below to include all labor, equipment, fees of any kind, overhead, insurance, fuel, materials, surcharges, disposal fees, and any other costs associated with and necessary for the Bidder to perform such service. No qualifications, exemptions, or alterations of services described below will be allowed. Failure to comply will result in disqualification of bid.

A. Preventative Maintenance

Building	Number of Hours/Month	Monthly Cost
Civic Center	8	\$1768. ⁰⁰
Adult Recreation Center	7	\$1096. ⁰⁰
Youth Recreation Center	.66	\$147. ⁰⁰
Library	6	\$1442. ⁰⁰
Police Operations Building	2	\$484. ⁰⁰
PPW Service Center	2	\$423. ⁰⁰

B. Labor Rates for Extra Work, as Required

Labor costs must reflect prevailing wages.

Labor Category	Straight Time (\$ per hour)	Overtime (\$ per hour)
HVAC Service Calls	\$199. ⁰⁰	\$298. ⁰⁰
Holiday/Sunday HVAC Service Calls	n/a	\$398. ⁰⁰

C. Equipment and Vehicle Charges for Extra Work, as Required

Equipment Category	Rate (\$ per hour) ^{\$} per instance/visit
HVAC Svc. Call "Truck Charge"	\$ 85
Fuel Surchage	\$ 19

D. Supply Mark-ups for extra work, as Required

Description	Mark-up
Materials	25%

E. Call Out Minimums

Description	Mark-up ^{\$} Min. Charge
1 hr + Truck Charge	\$284

F. Additional Information

1. Company Name Air Systems, Inc.
- 2.
2. Address from which service will be provided:
940 Remillard Ct., San Jose Ca 95122
(10.6 miles from Town of Los Gatos)
3. Location of Shop and Storage Facility (must be within 20 miles from Town limits:
(same as above)
4. Number of years providing the specified service: 50
5. Business Organization (Check One):
 Individual Proprietorship ____
 Partnership ____
 Corporation ✓ (c)
 Other _____
 If incorporated, provide the following information:
 Date of incorporation: March 1974 State of incorporation: CA
 Names and titles of all officers and directors:
Art Williams (CEO) & Richard Gilliam (CFO)
 If an individual or partnership, provide the following information:
 Formation date of company: n/a
 Name and address of all partners, indicating whether they are general or limited partners:
n/a
6. List the names, titles, and qualifications of the key personnel who will perform work under this contract as well as their roles in relation to the contract. Identify the primary technician to be designated for the Town. Include their certifications, experience, and training.
Acct. Rep - Joseph Barton (BA - Communication Studies)
13 years HVAC industry experience, current
Sales Manager at ASI
Foreman - Noah York, 20+ years Journeyman in
HVAC-R, current ToLG foreman.

7. Indicate whether proposer has ever failed to complete any contract awarded to it. If so, note when, where, and why. Attach additional sheets, if necessary.

None.

8. Indicate whether proposer has been or is the subject of a bankruptcy or insolvency proceeding or subject to assignment for the benefit of creditors.

None.

9. List subcontractors, if any, who will perform work under this contract. Attach additional sheets, if necessary. (none)

Company n/a

Location _____

Describe work to be contracted _____

Company n/a

Location _____

Describe work to be contracted: _____

Company n/a

Location _____

Describe work to be contracted: none

10. List three organizations for whom proposer performed similar services of a similar scope in the last three years.

Organization Town of Los Gatos

Location 6 locations within the Town of Los Gatos

Contact Person Dan Keller Phone (408) 395-5310

Describe work performed by proposer identical to this RFP

Date work performed 2015 to present

Organization Alameda County Water District
 Location 4 ACWD locations in/near Fremont CA
 Contact Person Mike Casey Phone (510) 557-1118
 Describe work performed by proposer Quarterly HVAC Preventive Maint.
& emergency service response
 Date work performed 2014 to present

Organization City of Orinda
 Location Civic Center, Library & Community Center
 Contact Person Steve Ehnhart Phone (925) 253-4243
 Describe work performed by proposer Quarterly HVAC Preventive Maint.
& emergency service response
 Date work performed 2004 to present

ADDENDA

Proposer acknowledges receipt of the following Addenda:

Number 1 Date 5/10/24-J
 Number 2 Date 5/10/24-J
 Number _____ Date _____

SIGNATURE

<u></u>	<u>Service Sales Manager</u>
Signature	Title
<u>Joseph Barton</u>	<u>May 14, 2024</u>
Name (printed or typed)	Date
<u>(408) 616-9918</u>	<u>n/a</u>
Telephone	Fax
<u>65-1174056</u>	<u>#39052</u>
Tax ID Number	Los Gatos Business License Number

Town of Los Gatos - HVAC Preventative Maintenance and Repair Services

Project Proposals			Intent to Award		
				ACCO Engineered Systems	
			Air Systems, Inc.		Name Vendor
			Bid	Bid	Bid
Bid Item	Location	Description			
1	Town-wide	HVAC Preventative Maintenance and Repair Services	\$ 64,320.00	\$ 72,400.00	
Total			\$64,320.00	\$ 72,400.00	\$0.00
Town of Los Gatos					



**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

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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.

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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

Attachment:

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