



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 12/17/2019

ITEM NO: 13

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**DATE:** December 5, 2019  
**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 Routine Heating, Ventilation, and Air Conditioning (HVAC) Services in Town Facilities in an Amount Not to Exceed \$29,183 for Year 1 and \$50,028 Annually Thereafter, Plus an Additional \$30,000 Annually for Unanticipated Repairs for a Total Agreement Amount Not to Exceed \$379,295

**RECOMMENDATION:**

Authorize the Town Manager to execute a five-year Agreement for Services with Air Systems, Inc. (Attachment 1) for routine heating, ventilation, and air conditioning (HVAC) services in Town facilities in an amount not to exceed \$29,183 for Year 1 and \$50,028 annually thereafter, plus an additional \$30,000 annually for unanticipated repairs for a total agreement amount not to exceed \$379,295.

**BACKGROUND:**

The Town of Los Gatos utilizes contractual heating, ventilating, and air conditioning infrastructure services for Town-owned facilities. 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 Town operations housed in facilities requiring HVAC.

**PREPARED BY:** Jim Harbin  
Superintendent

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

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BACKGROUND (continued):

The approved budget for Fiscal Year 2019/20 includes funding 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.

DISCUSSION:

In May of 2019, staff initiated a Request for Proposals (RFP) for contract HVAC services at six main municipal facilities, 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.

The RFP was sent to five firms, two of which attended the mandatory walk-through meeting, Elite Heating and Air Conditioning and Air Systems, Inc. Both firms submitted cost proposals and the results are listed in Attachment 2.

Based on a review of the proposals and reference checks, staff originally determined that Elite Heating and Air Conditioning, Inc. was the best qualified and most cost competitive firm to provide the requested services. On June 18, 2019, Town Council authorized the Town Manager to execute an Agreement for Services with Elite Heating and Air Conditioning.

Elite Heating and Air Conditioning provided services for the Town beginning July 1, and on November 15, the owner informed staff that the company would no longer be able to provide services, as it was going out of business.

In order to provide continuity of services, staff is recommending executing an agreement with Air Systems, Inc. as the new HVAC service provider based on the results of the prior RFP for the services. Air Systems, Inc. was the former HVAC service provider for the Town from October 6, 2015 to June 30, 2019 and provided thorough and efficient maintenance and repairs during their tenure.

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CONCLUSION:

Authorize the Town Manager to execute a five-year Agreement for Services with Air Systems, Inc. for routine heating, ventilation, and air conditioning (HVAC) services in Town facilities in an amount not to exceed \$29,183 for Year 1 and \$50,028 annually thereafter, plus an additional \$30,000 annually for unanticipated repairs for a total agreement amount not to exceed \$379,295.

FISCAL IMPACT:

Funding for the first year of the agreement is included in the Adopted FY 2019/20 Parks and Public Works Facilities Maintenance Budget. 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:

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

Attachments:

1. Draft Agreement for Services
2. Bid Proposal Results