



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/20/2026

ITEM NO: 13

DATE: January 20, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution to Ratifying the Emergency Procurement of Services for Flood Restoration at Civic Center**

RECOMMENDATION: Adopt a resolution to ratify Town staff's emergency purchasing actions; grant the Town Manager the authority to execute an Agreement for Services in substantially the form prepared, as necessary to complete flood remediation and restoration work with Sharjo, LLC in an amount not to exceed \$300,000; and authorize an expenditure budget adjustment in the amount of \$300,000 to the Annual Unanticipated Repairs Project (CIP No. 811-9904; 4118151) funded from the General Fund unassigned fund balance.

FISCAL IMPACT:

The total cost for flood response, mitigation, remediation, and anticipated restoration work at the Civic Center is still being developed. Final costs are still being determined but are not expected to exceed \$300,000.

Funding will be provided through an appropriation from the General Fund unassigned Fund Balance to the Annual Unanticipated Repairs Project (CIP No. 811-9904; 4118151). Staff is concurrently pursuing reimbursement through the Town's insurance program; however, authorization of capital project expenditures ensures that all required work can proceed without delay, regardless of the timing or outcome of insurance reimbursement. Authorization of the full not-to-exceed amount provides flexibility to address additional damage identified during restoration without requiring subsequent Council action. The Town anticipates insurance reimbursement for eligible costs in excess of the \$100,000 flood deductible and \$10,000 mold deductible.

PREPARED BY: Maura Herlihy
Senior Administrative Analyst PPW

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

STRATEGIC PRIORITY:

This item is associated with the Town's strategic priorities of public safety and quality public infrastructure.

EXECUTIVE SUMMARY:

On December 25, 2025, significant rainfall resulted in flooding at the Civic Center, impacting multiple public-facing and staff work areas. Immediate action was required to stabilize conditions and prevent further damage. Pursuant to authority granted under Town Council Policy 4-06 and Town Code Section 2.50.145, the Town Manager authorized Parks and Public Works staff to initiate emergency purchasing actions to address the damage. As repair needs continue to be evaluated and costs refined based on expanded damage assessments, this item seeks to ratify emergency purchasing actions and authorize funding and contracting authority to allow restoration work to proceed without delay.

BACKGROUND:

On December 25, 2025, during a significant rainstorm, flooding occurred within the Civic Center. Impacted areas included the Clerk's Office, the Community Development Department (CDD), the Council Chambers lobby, and adjacent office spaces. The flooding posed an immediate risk to Town facilities, public health, and the Town's ability to maintain normal operations when the Civic Center reopened following the holiday closure.

Parks and Public Works staff contacted Sharjo LLC dba ServiceMaster on December 25, 2025. Sharjo LLC dba ServiceMaster was selected based on staff's past positive experience with the company in responding quickly and efficiently to similar incidents. The contractor mobilized the same day to begin water extraction, drying, and damage assessment activities. Early action focused on stabilizing conditions and preserving the safety and usability of the facility.

DISCUSSION:

The flooding event constituted a sudden and unexpected occurrence that posed an imminent risk to Town property, public health, and the continuity of municipal operations. Consistent with the definition of an emergency under Town Council Policy 4-06 and the authority vested in the Town Manager under the Town's Purchasing Policy 4-06, Emergency Procurement Policy 4-10, Town Code Section 2.50.145, and Public Contract Code Section 22050, the Town Manager exercised delegated purchasing authority to authorize Parks and Public Works to immediately contract for and expend Town resources necessary to address the damage and restore safe conditions at the Civic Center. Following any flooding event, a fast response is critical to preventing the growth of mold within the impacted building materials, so this emergency action

was warranted. Attachment 1 is a resolution recognizing the flood event and authorizing the emergency purchase of services.

Emergency response and remediation activities included immediate water extraction and drying, removal of impacted materials, cleaning and disinfection, moisture monitoring, air quality testing, and restoration of affected interior components. Air quality testing conducted on January 5, 2026, indicated no measurable mold in the building.

Following water extraction from carpeted areas, Sharjo LLC dba ServiceMaster continued initial emergency remediation work; removed two feet of wall material in affected areas, disposed of wall materials, inspected and disinfected the space between walls, and restored the area. This protocol is consistent with recommendations for minimizing the risk of mold growth in buildings.

Based on contractor quotes and projected restoration costs, staff recommends a not-to-exceed authorization of \$300,000 to address unforeseen conditions identified during ongoing restoration planning without requiring additional Council action. Attachment 2 is a draft of the agreement with Sharjo, LLC. The agreement will be finalized after staff has confirmed project costs with the contractor.

CONCLUSION:

The Civic Center flooding required immediate action to protect Town property, safeguard public health, and maintain essential municipal operations. The Town Manager directed staff to act within the authority granted under Town policy and code. Ratification of emergency actions and authorization of funding and contracting authority will allow staff to complete repairs efficiently and maintain transparency and fiscal accountability while final costs are confirmed.

COORDINATION:

This report was prepared with coordination among the Parks and Public Works Department, Finance Department, Town Attorney, and Town Manager's Office.

ENVIRONMENTAL ASSESSMENT:

This is not a project as defined under the California Environmental Quality Act (CEQA), and no further environmental review is required.

Attachments:

1. Resolution Authorizing the Emergency Procurement of Services to Repair Flood Damage at the Civic Center
2. Draft Agreement – Sharjo LLC