



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/02/2025

ITEM NO: 11

DATE: December 2, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Reopen the Building Replacement at Corporation Yard Project (4118715; CIP No. 821-2302) and Authorize an Expenditure Budget Adjustment in the Amount of \$83,565.38**

RECOMMENDATION: Authorize an expenditure budget adjustment of \$83,565.38 from the General Fund reopening the Building Replacement at Corporation Yard project (4118715; CIP No. 821-2302) to complete previously planned shelving and forklift purchases that were delayed by manufacturing and supply chain issues.

STRATEGIC PRIORITIES:

This action supports the strategic priority of prudent financial management.

FISCAL IMPACT:

This item reopens the Building Replacement at Corporation Yard project (4118715; CIP No. 821-2302) and includes an expenditure budget adjustment from the available General Fund Appropriated Reserve in the amount of \$83,565.38 to complete previously planned shelving and forklift purchases that were delayed due to manufacturing and supply chain issues.

BACKGROUND:

This project was scoped to include the demolition of an existing building and construction of a new one. It was advertised for construction in January 2022. One bid was received at that time, and the cost proposal was over the allotted budget amount. On March 3, 2022, the Town Council rejected the single bid and approved an additional \$600,000 for the project. In order to

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Fleet & Facilities Operations Manager

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

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facilitate a more competitive bidding process, the existing building was demolished with a separate contract on July 5, 2022, to help reduce the costs for the overall project.

The Town advertised and received two bids for the revised project on July 12, 2022. S & H Construction Inc. was the lowest bid for the building construction within the revised budget. The new storage building construction has proven to be a very important addition to the Parks and Public Works Streets and Parks Operations, as it houses materials that were previously exposed to weather. Additionally, the Los Gatos Monte Sereno Police Department utilizes a portion of the space for evidence storage. To accommodate these functions, staff's intent was to outfit the new building with specified shelving and secure a small forklift to provide access to higher storage area.

Attachment 1 includes copies of the previously approved contracts and purchase orders for the two outstanding work items.

DISCUSSION:

The new storage building was completed in 2023. Completion of the equipment and shelving configuration was delayed due to a manufacturing backlog affecting the forklift order placed through Hyster Yale Materials Handling Inc. The forklift manufacturing delay resulted in the project not being completed in Fiscal Year 2024-25 as originally expected when the Proposed Capital Budget was issued in May 2025.

The forklift is a critical component needed to safely access and handle materials on the new shelving system due to the narrow aisle design of the building. Because the forklift's delivery was delayed, the shelving installation by Engineered Products (A PAPE Company) could not be finalized prior to June 30, 2025 as planned.

Once the forklift is received, the remaining shelving installation and configuration will be completed. To complete these purchases, the project must be reopened and the previously appropriated funding must be re-budgeted to complete the project. When the proposed CIP was issued staff expected all work to be completed and invoices to be paid by June 30, 2025. As mentioned above, a manufacturing delay prevented completion of the project.

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Building Replacement at Corporation Yard Project		
CIP Project 821-2302; Hub Account 4118715		
Budget		
Existing Appropriations		
GFAR	\$	2,424,125
Appropriations - requested with this staff report		
GFAR	\$	83,565
	Subtotal	\$2,507,691
Expenditures including encumbrances		
Existing Expenditures		
Construction Contract - Disability Systems	\$	6,055
Construction Contract - Williams Scotsma	\$	10,637
Construction Contract - A-1 Fence	\$	29,750
Construction Contract - Asbestos Management Group of CA	\$	34,100
Construction Contract - California Roofing	\$	34,707
Construction Contract - Cuschieri Horton Architects	\$	222,500
Consultation Contract - Designtek Consulting Group	\$	715,968
Construction Contract - DJS Painting	\$	15,310
Construction Contract - Pape - Engineered Products	\$	48,216
Construction Contract - Luk and Associates	\$	15,800
Construction Contract -MSB Holdings Corp	\$	113,574
Construction Contract - S&H Construction Inc	\$	829,381
Construction Contract - San Jose Water Co	\$	52,230
Construction Contract - Solutions Office Interiors	\$	107,009
Construction Contract - SSS Fire Protection	\$	8,500
Construction Contract - Talisman Networks	\$	33,328
Construction Contract - The Painting Pros	\$	19,885
Construction Contract - Western Shelving and Rack	\$	13,900
Other Project Costs	\$	113,274
Expenditures - requested with this staff report		
Other project costs	\$	83,565
	Subtotal	\$2,507,691
6/30 Project Closeout Balance		
	\$	-

CONCLUSION:

Staff recommend that Town Council authorize the Town Manager to reopen the Building Replacement at Corporation Yard Project (CIP No. 812-2302) and approve revenue and

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expenditure budget adjustments to re-budget previously allocated appropriations and finalize purchases.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Purchase Orders with Engineered Products and Hyster Yale Materials Handling Inc.