



MEETING DATE: 4/6/09
ITEM NO. 2

COUNCIL AGENDA REPORT

DATE: MARCH 18, 2009

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER 

SUBJECT: PPW JOB NO. 09-01 – CIVIC CENTER HVAC UPGRADES PROJECT 411-821-2103

- A. ADOPT RESOLUTION DECLARING THERMA CORPORATION TO BE THE LOWEST RESPONSIBLE BIDDER ON THE PROJECT AND AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$358,029.
- B. AUTHORIZE STAFF TO EXECUTE FUTURE CHANGE ORDERS TO THE CONTRACT AS NECESSARY UP TO AN AMOUNT OF \$18,000.

RECOMMENDATION:


1. Adopt Resolution (Attachment 1) declaring Therma Corporation to be the lowest responsible bidder on the project and award a construction contract (Exhibit A) in the amount of \$358,029.
2. Authorize staff to execute future change orders to the contract as necessary up to an amount of \$18,000.

BACKGROUND:

The adopted Capital Improvement Program FY 2008/09-2012/13 designates funding for the Civic Center HVAC Upgrades Project. Many of the major components of this system are more than 40 years old and are long beyond their expected service life. Many of these original components are in need of replacement or upgrade due to their age, condition, and limited reliability. Maintenance costs, periodic failure, and energy inefficiency are the primary reasons for this replacement and upgrade project.

DISCUSSION:

The primary reason for this HVAC upgrade project is to replace major components that are beyond their expected service life. If these components are not replaced, the Town will have to


PREPARED BY: Todd Capurso
Director of Parks and Public Works

Reviewed by: PSJ Assistant Town Manager _____ Town Attorney
_____ Clerk Administrator SE Finance _____ Community Development

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DISCUSSION (cont'd):

perform maintenance on the existing older equipment more frequently, which will raise maintenance costs significantly in the long term.

Energy efficiency is also another key reason for replacement, to lower electricity and operation costs for the Town.

This project provides for the replacement of:

- Two of the Civic Center's main air handlers that serve the Administration and Community Development Departments
- One 10-ton package type air conditioning unit that provides cooling for the Police Department dispatch office
- Boiler flue
- Main exhaust fan
- The addition of building energy management system control points

Staff engaged the services of a consulting Mechanical Engineering firm to develop the plans, specifications and scope of work for this project. On March 25th, 2009, four (4) bids were received for this project. Staff has reviewed the bids received and determined three of the bids were responsive to the formal bid process. The fourth bid was rejected as not responsive.

The three responsive bids received are as follows;

- | | |
|-----------------------|--------------|
| • Foothill Mechanical | \$380,500.00 |
| • O. C. McDonald | \$382,700.00 |
| • Therma Corporation | \$358,029.00 |

Therma Corporation was determined to be the lowest responsible entity and their bid is responsive to the Town's formal bid process. It is recommended that the Council adopt a Resolution declaring Therma Corporation to be the lowest responsible bidder for the project, and award a construction contract in the amount of \$358,029.

CONCLUSION:

1. Adopt Resolution (Attachment 1) declaring Therma Corporation to be the lowest responsible bidder on the project and award a construction contract (Exhibit A) in the amount of \$358,029.
2. Authorize staff to execute future change orders to the contract as necessary up to an amount of \$18,000.

ENVIRONMENTAL ASSESSMENT:

This project is Categorical Exempt pursuant to Sections 15301 (c), and 15303 (e), and 15304 (b) of the State CEQA guidelines.

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FISCAL IMPACT:

Sufficient funds are available to pay for this project as follows.

HVAC UPGRADES PROJECT 411-821-2103				
<u>FY 2008/09 Fiscal Impact</u>	<u>Available Budget Funding</u>	<u>Expended/ Encumbered To Date</u>	<u>Proposed Contract Amount</u>	<u>Available Balance</u>
Project 411-821-2103	\$ 450,000	\$ 32,555	\$ 358,029	\$ 59,416
TOTALS	\$ 450,000	\$ 32,555	\$ 358,029	\$ 59,416
TOTAL EXPENDITURES BY CATEGORY:				
Design & Consulting Services		\$ 32,555		
Construction			\$ 358,029	
Contingency			18,000	
TOTALS		\$ 32,555	\$ 376,029	

Attachments:

Resolution authorizing the Town Manager to execute a construction contract (Exhibit A).

RESOLUTION

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AUTHORIZING THE TOWN MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH THERMA CORPORATION FOR PPW JOB NO. 09-01 CIVIC CENTER HVAC UPGRADES PROJECT

WHEREAS, the Facilities Maintenance Fund includes funding for PPW Job No. 09-01 –Civic Center HVAC Upgrades Project; and

WHEREAS, proposals were sought in conformance with State and Town Law for the Civic Center HVAC Upgrades Project; and

WHEREAS, it is necessary for the Town Council to secure a construction contract for the Civic Center HVAC Upgrades Project; and

WHEREAS, the Town Council has selected the firm of Therma Corporation to provide the necessary construction services for the Civic Center HVAC Upgrades Project; and

NOW, THEREFORE, IT IS RESOLVED that the Town Council of the Town of Los Gatos hereby approves the attached Contract (Exhibit A) with Therma Corporation to provide construction services in connection with the Civic Center HVAC Upgrades Project at a cost not to exceed \$358,029.

BE IT FURTHER RESOLVED that the Town Manager is hereby authorized and directed to execute said agreement on behalf of the Council.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 6th day of April, 2009 by the following vote:

COUNCIL MEMBERS

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

CONTRACT

THIS AGREEMENT is between the **Town of Los Gatos** (hereinafter referred to as "Owner") and **Therma Corporation** (hereinafter referred to as "Contractor"). Owner and Contractor, for the consideration hereinafter named, agree as follows:

A. SCOPE OF WORK

Contractor shall furnish all materials and perform all of the work for the construction of **PPW Job No. 09-01 Civic Center HVAC Upgrades Project** in accordance with the Contract Documents.

B. CONTRACT PRICE

As full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Contract, also for all loss or damage arising out of the nature of the work aforesaid, or from the actions of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by Owner, and for all risks of every description connected with the Work, also for all expenses incurred by or in consequence of the suspension or discontinuance of work, and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Contract Documents, Owner shall pay (three hundred fifty eight thousand twenty nine dollars), **\$358,029**, which shall supersede any other amount specified in the Contract Documents.

C. CONTRACT DOCUMENTS

All rights and obligations of Owner and Contractor are fully set forth and described in the Contract Documents. All parts of the Contract Documents are intended to be correlated so that any work called for in one part and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents.

D. BEGINNING OF WORK

Following the execution of this Contract and the approval of bonds and insurance policies and certificates, Owner shall issue a *Notice to Proceed* with the Work. Commencing work or the entrance of equipment or materials on the site of the Work by Contractor before receipt of the *Notice to Proceed* is at the sole risk and expense of Contractor and the Contractor shall be fully liable for any damage or injury sustained by Owner or third persons resulting therefrom.

E. TIME OF COMPLETION

The Work called for herein shall be fully completed within forty (0) working days of Contractor's receipt of the *Notice to Proceed*.

F. CORRECTION OF WORK AFTER ACCEPTANCE AND FINAL PAYMENT BY TOWN

Contractor shall remedy any defects due to faulty materials and/or workmanship and pay for any damages to other work and/or existing facilities resulting therefrom which shall appear within a period of 2 years from the date of recording of the *Notice of Completion*.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of _____ day of _____, 2009.

TOWN OF LOS GATOS, by:

by: Therma Corporation.

Greg Larson, Town Manager

(Signature)

RECOMMENDED BY:

**Todd Capurso, Director
Parks and Public Works**

(Print Name)

(Address)

APPROVED AS TO FORM:

Orry P. Korb, Town Attorney

(City, State, Zip)

ATTEST:

Jackie Rose, Clerk Administrator

(Contractor's License Number)