

Les Baugh
County Member

Irwin Fust
Special District Alternate

Larry Farr
City Member

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County Member Alternate

James Yarbrough
City Member Alternate

Brenda Haynes
Special District Member



Brent Weaver
City Member

Dick Fyten
Public Member

David Kehoe
County Member

Bob Richardson
Public Member Alternate

Stephen Morgan
Special District Member

James M. Underwood
Interim Executive Officer/
General Counsel

December 3, 2015

Commissioners:

Re: SHASTA LAFCO LEASE – HV/AC SERVICE AGREEMENT REQUIREMENT (Item # 8b)

Background

Shasta LAFCO's existing lease requires that the agency procure and maintain an HV/AC service agreement for the leased premises. Staff has explored various HV/AC maintenance agreement options and is recommending that the Commission authorize the engagement of Palo Cedro Heating & Air to provide these required services.

Discussion

The existing lease provides: "Lessee shall, at Lessee's sole expense, procure and maintain an HVAC service contract, with a copy to Lessor, for a minimum of twice yearly service with an HVAC contractor specializing and experienced in the maintenance of HVAC equipment, and who is licensed, bonded and insured." No such service agreement has previously been procured, so this is now required. Staff has therefore made inquiry of several prospective qualified HVAC service and repair companies in the greater Redding area for this purpose.

As a result, Palo Cedro Heating & Air has been determined to be qualified and has proposed the most cost-effective annual HVAC service agreement. The total yearly cost for the proposed service is \$_____. This amount can be accommodated within projected savings to have been realized in the FY 2015-16 Final Budget due to lower than projected Executive Officer and support staff expenditures as we near the end of the second fiscal quarter. Accordingly, it is expected that the first service to occur this fiscal year can be paid for without requiring a transfer of funds from unallocated contingencies.

Alternatives

The Commission could direct staff to undertake a more formal request for proposals (RFP) for services to be rendered, but to do so is not required under the public contract statutes and would require more staff time and cost to so proceed.

Conclusion & Recommendations

It is recommended that the Commission authorize the Interim Executive Officer to negotiate a formal agreement with Palo Cedro Heating & Air, and authorize the Chair to sign such an agreement for twice

SHASTA LAFCO

Meeting of December 3, 2015
Shasta LAFCO Staffing & Office Hours (Item 8c)

Page 2 of 2

annual HV/AC equipment service at its existing leased office, in a form approved as to form by Shasta LAFCO's General Counsel.

Sincerely,

Jim Underwood

James M. Underwood,
General Counsel/Interim Executive Officer