

DATE December 14, 2005

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EXPENDITURE FROM GOLF CONCESSION IMPROVEMENT ACCOUNT (400K-00) FOR NEW AIR CONDITIONING SYSTEM AND HOT WATER BOILER REPLACEMENT AT THE ENCINO-BALBOA (SEPULVEDA GOLF COMPLEX) FOOD SERVICE CONCESSION

J. Combs _____
 H. Fujita _____
 S. Huntley _____
 R. Jensen _____

J. Kolb _____
 F. Mok 3m.
 K. Regan _____
 M. Shull _____


 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the expenditure of funds from the Golf Concession Improvement Account (400K-00) for the installation of one 12 ½ ton gas/electric package unit with economizer and power exhaust to serve the dining room area; and one 7 ½ ton gas/electric package unit with economizer and power exhaust to serve the bar room area, with all related controls and connections, at the Sepulveda Golf Complex Food Service Concession by Applied Air Conditioning and Refrigeration, Inc., in an amount not to exceed \$64,481.75; and,
2. Approve the expenditure of funds from the Golf Concession Improvement Account (400K-00) for the installation of one Raypak 500,000 BTU boiler that provides hot water for the restaurant, locker rooms, restrooms and banquet room, at the Sepulveda Golf Complex Food Service Concession by Applied Air Conditioning and Refrigeration, Inc., in an amount not to exceed \$18,321.25, and,
3. Authorize the Chief Accounting Employee to establish AIMS Account 940-EB entitled "Encino-Balboa Food Service Concession"; and,
4. Authorize the Chief Accounting Employee to deposit into the Concession Improvement Account 400K, a \$20,000 contribution from the Sepulveda Golf Complex Food Service Concession contractor, Monterey Concessions Group, upon execution of their five-year concession contract, and to appropriate the same into AIMS Account 940-EB.

REPORT OF GENERAL MANAGER

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NO. 05-328

SUMMARY:

As a result of Request for Proposal (RFP) released on May 17, 2004, a contract to operate the food service concession at the Sepulveda Golf Complex was awarded to the Monterey Concessions Group on February 16, 2005. As a term of the contract, Monterey agreed to pay a \$20,000.00 capital investment contribution toward the replacement of the heating, ventilation and cooling system atop the facility's dining room and bar area. This contract has not been executed, however, and is still moving through several layers of approval in the City.

The current system has outlived the expected lifespan and has required extensive and on-going repairs from City construction crews and outside City contractors. We can no longer await final Mayor and Council review of the new contract to begin work. Staff seeks funding to authorize the HVAC specialist on contract with the City, Applied Air Conditioning & Refrigeration, Inc., to purchase an energy efficient 12 ½ ton rooftop gas/electric cooling unit with economizer and power exhaust, a 7 ½ ton gas/electric cooling unit with economizer and power exhaust, with related controls and connections, and perform the removal of the old equipment and installation of the new equipment. The total invoice for equipment and labor is \$64,481.75, to be paid from the Golf Concession Improvement Account. Once Monterey's contract is executed, they will be obligated to make a payment to the Department to partially reimburse the cost.

The hot water boiler serving the restaurant, banquet room, restrooms and locker rooms is thirty to forty years old. City construction crews have been repairing the system but replacement parts are becoming impossible to purchase due to the age of the system. The system is on the verge of complete failure and in need of replacement. Staff seeks funding to authorize the HVAC specialist on contract with the City, Applied Air Conditioning & Refrigeration, Inc., to purchase a new 500,000 BTU hot water boiler with all related controls and connections and perform the removal of the old equipment and installation of the new equipment. The total invoice for equipment and labor is \$18,321.25, to be paid from the Golf Concession Improvement Account.

FISCAL IMPACT STATEMENT:

These expenditures will not impact the Department's General Fund as the Golf Concession Improvement Account is funded with concession revenues. Sufficient funds are available in Account 400K for this expenditure. Modest savings could be anticipated in staff costs as we are relieved from continuous repairs to the units.

Report was prepared by Michael Honan, Administrative Resources Division.