Memo

To: David Twiggs, COO/General Manager
From: Mike Sykora, Superintendent Buildings and Grounds
       Linda Mayhood, Asst. General Manager
Date: February 17, 2016
Re: Motion - Approve Bid for Balboa Club Geothermal Upgrades

Motion

I move to accept the bid from GTS, Inc, in the amount of $81,000 for a closed loop geothermal system for the Balboa Club.

Background:

In May 2009, the board approved a capital expenditure of $550,000 for an open-loop geo-thermal heating and air system for the Balboa Club. In 2014, the system piping was removed from the lower level that houses the pro shop and lounge. At that time, the upper level was not being utilized and with budget constraints a decision was made to replace the lower level with a conventional heat-pump system to control heat and air temperature, so these two areas could remain open.

The original open loop system was very expensive to maintain and was costing several thousand dollars per month to keep flushed and operational. The algae, sediment and aquatic life in the pond clogged the open loop almost weekly. This upgrade was budgeted in the 2016 capital budget.

The geothermal system in the upper level of the Balboa Club has not been used since late 2015. Space heaters were placed in the upstairs during the winter which is expensive and does not provide the proper heat distribution. To utilize this space and prevent mold and mildew from lack of ventilation, the system needs upgraded to a closed-loop system, which is more economical to maintain and will extend the useful life of the system.

Bids were solicited from three vendors with all three vendors submitting bids. Recommended vendor is in bold.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Price with Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTS, Inc. – Hot Springs, AR</td>
<td>$81,000.00</td>
</tr>
<tr>
<td>Geo-Energy Solutions - Cabot, AR</td>
<td>$137,500.00</td>
</tr>
<tr>
<td>Air Control, Inc. – Hot Springs Village, AR</td>
<td>$153,707.00</td>
</tr>
</tbody>
</table>
Recommended bid meets our specification for this project. GTS, Inc. is a very qualified and certified in geo-thermal installations. GTS, Inc.'s bid also includes engineering services for this project.

This project will be funded out of the $250,000 Building and Grounds 2016 approved capital budget that was allocated for HVAC replacements.

This will be discussed at the February 17, 2016 regular meeting.

Staff recommends approval at the February 17, 2016 meeting.