

**CITY OF GARDEN GROVE
INTER-DEPARTMENT MEMORANDUM**

To: Matthew J. Fertal From: Keith G. Jones
Dept: City Manager Dept: Public Works
Subject: AGREEMENT WITH AIR RENTAL, INC. Date: October 12, 2010
FOR THE PURCHASE AND
INSTALLATION OF COOLING TOWER
FOR CITY HALL

OBJECTIVE

To receive City Council approval to purchase and install a cooling tower for City Hall.

BACKGROUND

The Public Works Department Building Maintenance Division is responsible for the maintenance of City owned buildings. The cooling tower for City Hall has reached the end of its useful service life and is beyond repair. This leaking tower presents a safety concern as the tower could burst and cause flooding and electrical shorts to the floors below.

ANALYSIS

Due to the urgent need to replace the cooling tower, Public Works staff solicited three quotes from various vendors. The results are as follows:

| | |
|---|-------------|
| Air Rental Inc. Downey, CA | \$80,680.00 |
| Acco Engineered Services Costa Mesa, CA. | \$95,967.00 |
| Siemens Industry Inc. Cypress, CA. | \$96,272.00 |


FINANCIAL IMPACT

The financial impact is \$80,680.00 to the General Fund. Funds are available as part of the fiscal year 2010/11 Building Maintenance Budget.

RECOMMENDATION

It is recommended that the City Council:

- Approve the agreement with Air Rental, Inc. for the purchase and installation of a cooling tower in City Hall in the amount of \$80,680.00
- Authorize the City Manger to execute the contract on behalf of the City.


KEITH G. JONES
Public Works Director

By: Ron Meislahn
Division Manager

Recommended for Approval


Matthew Fertal
City Manager

Attachment: Air Rental Contract

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2010, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and **Air Rental, Inc.**, herein after referred to as "CONTRACTOR".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED _____.
2. CITY desires to utilize the services of CONTRACTOR to **Provide all Materials and Labor to remove and replace the cooling tower and all other related work included in Proposal (Attachment A), at City Hall located at 11222 Acacia Parkway, Garden Grove, CA.**
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination.** The term of the agreement shall be for period of 180 days. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONTRACTOR for work performed to date in accordance with proposal which is attached as Attachment A and is hereby incorporated by reference. Contractor is required to present evidence to support performed work.
2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of tasks as set forth in the Proposal. The Proposal is attached as Attachment A, and is incorporated herein by reference. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONTRACTOR shall be compensated as follows:
 - 3.1 **AMOUNT.** Total Compensation under this agreement shall not exceed (NTE) amount of Eighty Thousand Six Hundred Eighty Dollars (\$80,680.00) payable in arrears and in accordance with proposal in Attachment "A".
 - 3.2 **Payment.** For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this

Agreement, a written authorization by CITY will be required, and payment shall be based on schedule included in Proposal (Attachment A).

- 3.3 Records of Expenses. CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to CITY.
- 3.4 Termination. CITY and CONTRACTOR shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by CITY, then the provisions of paragraph 3 would apply to that portion of the work completed.

4. Insurance requirements.

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR/CONSULTANT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
 - (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
 - (b) Automobile liability in an amount of \$1,000,000.00 combined single limit (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate CITY, it's officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, it's officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, it's officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, it's officers, officials, employees, agents, and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.
6. **Non-Discrimination.** CONTRACTOR covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONTRACTOR shall act and be an independent contractor and not an agent or employee of the CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.
8. **Compliance with Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
- a. (Contractor)
Air Rental, Inc.
Attention: Randy Karsting, President
12214 Lakewood Blvd.
Downey, CA 90242
 - b. (Address of CITY) (with a copy to):
City of Garden Grove Garden Grove City Attorney
11222 Acacia Parkway 11222 Acacia Parkway
Garden Grove, CA 92840 Garden Grove, CA 92840
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONTRACTOR'S risk, until written instructions are received from CITY.
13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship

between any subcontractor and CITY. All persons engaged in the work will be considered employees of CONTRACTOR. CITY will deal directly with and will make all payments to CONTRACTOR.

15. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
16. **Indemnification.** CONTRACTOR agrees to protect, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence of CITY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

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(Agreement Signature Block On Next Page)

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

**"CITY"
CITY OF GARDEN GROVE**

By: _____
City Manager

ATTESTED:

City Clerk

Date: _____

**"CONTRACTOR"
Air Rental, Inc.**

By: Randy Karsting

Name: RANDY KARSTING

Title: PRESIDENT

Date: 8-30-2010

Tax ID No. 71-0932291

Contractor's License: 887825

Expiration Date: 12/31/10

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

APPROVED AS TO FORM:

Omar Sandoval
Garden Grove City Attorney

10-9-10
Date

Proposal & Scope of Work

ATTACHMENT "A" Air Rental, Inc.

12214 Lakewood Blvd., Downey, CA 90242 Phone (714) 816-6750 Fax (714) 816-6755
E-mail: airrentalinc@yahoo.com Contractors Lic. #887825

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|--|---|---------------|
| To: CITY OF GARDEN GROVE CITY HALL ATTN: BILL PICKRELL FAX: 714-741-5419 EMAIL: bpickrell@ci.garden-grove.ca.us | Phone: 714-741-5383 | Date: 8-20-10 |
| | Job Name/ Location: GARDEN GROVE CITY HALL GARDEN GROVE, CA | |
| | Proposal # AUG10-20RK | Job Phone: |

Air Rental is pleased to provide you with this quote to remove and replace the cooling tower. We recommend installing a new Evapco Cooling Tower. A new Evapco tower matches the existing towers capacity, physical size and footprint. The new replacement tower should be located in the same location as the existing to match the existing piping, discharge duct roof penetration and electrical connections. In our tower replacement selection we considered the long term benefits to the City of Garden Grove.

The tower replacement incorporates a variable-frequency drive (VFD) with by-pass. VFD's vary the speed of the fan motor by varying the frequency to the motor, this reduces energy consumption because it controls the motor speed based on the demand of the building.

The new tower is constructed with a galvanized steel casing and type 304 stainless steel construction basing (which is more corrosion resistant). A stainless steel basin will last over 30 plus years as opposed to a galvanized basin installation that may start to show first signs of rust as early on as 6 years. Evapco offers a 5 year warranty with a stainless steel basin. A galvanized basin offers the manufacturer's 18-month warranty coverage.

A stainless steel drain pan is included in the scope of work and will sit under the new tower housing to capture and drain any water. In the event of a water leak in the room, the un-wanted water will be contained and drained to an appropriate receptacle.

A new stainless steel roof discharge duct will be installed through the existing roof penetration. The existing roof discharge duct is aged and showing signs of rust.

Scope of Work:

Replace old tower with (1) new tower with stainless steel construction basin disconnect and disassemble old tower and ductwork rig off roof, remove from property and dispose. Fabricate and install new stainless steel discharge duct and pan, necessary rigging to install new cooling tower. Provide and install new variable frequency drive with by-pass, reconnect piping to new tower, reconnect electrical and control wiring, fill, start-up, test and adjust tower performance and controls during regular business hours.

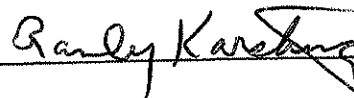
WE PROPOSE hereby to furnish material and labor - complete in accordance with the above specifications, for the sum of:

Eighty thousand six hundred eighty dollars 00/100 Dollars: **\$80,680.00**

Payments to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tomado, and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Authorized Signature



Note: this proposal may be

withdrawn by us if not accepted within 30 Days

ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. The terms and conditions attached hereto

Signature _____

Date of Acceptance _____

Signature _____