



CITY COUNCIL STAFF REPORT

DATE: January 21, 2009 CONSENT CALENDAR
SUBJECT: AIRPORT TERMINAL CHILLER EQUIPMENT MAINTENANCE
FROM: David H. Ready, City Manager
BY: Department of Aviation

SUMMARY

The Airport included funding in the current fiscal year for preventive maintenance on the Airport's terminal chiller system. This action approves the award of the work for \$33,754.

RECOMMENDATION:

1. Approve contract with Carrier Corporation in the amount of \$33,754 for specified preventive maintenance services to the York and Trane chillers at the Airport, in a form acceptable to the City Attorney.
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The City has a service agreement with the Carrier Corporation to regularly inspect and service certain HVAC equipment including the two 250 ton capacity chillers located at the Airport. Based on good preventative maintenance practices, the Airport anticipated the need and budgeted for HVAC systems work which goes beyond the routine services provided by the vendor. However, because the Carrier Corporation is responsible for the month to month servicing, has special expertise for these services, and possesses a complete history and knowledge of the chillers, it is recommended by staff that they also be authorized to perform the more extensive maintenance work according to the submitted proposal.

Section 7.04.030 of the Municipal Code provides that the City Council may authorize the acquisition of supplies, equipment or services without competition when it is determined

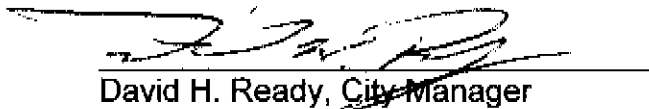
that an unusual or unique situations exists, in that due to experience and expertise demonstrated in prior contracts with the city a particular contractor is uniquely qualified for a particular task, that makes the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest. Pursuant to the requirements of Section 7.04.030, the Procurement Manager and the Executive Director of Aviation have determined that the prior contract performance and special expertise of Carrier for airport chiller maintenance services is acceptable and will adequately protect the public interest in that the total cost of the services to be provided will likely be equal to or less than what could be obtained through an independent City competitive process at this time.

FISCAL IMPACT:

The cost of the proposed preventive maintenance services total \$33,754. Funding for the work is included in the current FY budget in acct. 415-6200-43050.



Thomas Nolan, Executive Director, Airport



David H. Ready, City Manager

Attachments:

1. Carrier Corporation quotation



Carrier Corporation
License # 449642
3050 Enterprise Street
Brea, CA 92821
Amy Cabral
Phone: (626) 926 - 8659
Fax: (860) 660 - 0068

January 6, 2009

Palm Springs Airport
3400 E. Tahquitz Canyon
Palm Springs, CA 92262
Attn: Craig Toms

Subject: Sandblast and Epoxy Trane and York Chillers, Eddy Current Chillers (Rev 3)

Dear Craig:

Carrier Corporation is pleased to present the following proposal to provide necessary equipment, labor, and on-site project management to complete the detailed scope of work as listed below:

Eddy Current both chillers (York and Trane):

Report to customer
Perform Eddy Current on chillers
Test system
Clean work area
Advise customer

Carrier's price to perform the above scopes of work: \$5,286.00.

****Note:** This scope must be completed prior to the sandblast and epoxy taking place.

Protective Epoxy on York:

Report to customer
Remove marine water box
Remove heads
Blow tubes dry
"Vacublast" condenser tubesheets, heads and waterbox to clean metal condition
Apply epoxy
Clean tube holes, bolt holes
Rough up gasket surface to prevent slippage
Test system
Clean work area
Advise customer

Protective Epoxy on Trane :

Report to customer
Remove heads
Blow tubes dry
"Vacublast" condenser tubesheets and heads to clean metal condition
Apply epoxy
Clean tube holes, bolt holes
Rough up gasket surface to prevent slippage
Test system
Clean work area
Advise customer

Carrier's price to perform the above scopes of work: \$28,468.00.

Exclusions:

- ✓ Proposal does not include replacement of any part not specifically outlined in this proposal.
- ✓ Exclusions are, but not limited to the following parts, seals, impellers, castings, buffer seals, orifice plates, automatic valves, rupture discs, motor, temperature sensors, cooler and condenser tubes, rotor, vane paddles, vane motor, bearings (except as quoted).
- ✓ Asbestos removal or abatement
- ✓ Scope of work not explicitly listed as included in this proposal.
- ✓ Preexisting site conditions.
- ✓ Overtime
- ✓ Refrigerant
- ✓ Oil, Oil change

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28,468 * *

5,286 * *

33,754 * * *

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PRICING:

Carrier's total price to provide and install all materials and services outlined in this proposal based straight time – including all taxes, labor, standard freight, disposal of non-hazardous material. Price is valid for 30 days from date located at top of this proposal.

PREPAYMENT OPTION:

Should you choose to prepay the above amount in full, a pre-payment discount will be provided. The amount will be determined predicated on the total amount.

PARKING, LOADING DOCK AND ELEVATOR ACCESS:

Carrier will require a parking and staging area. Furthermore, **Carrier** will require uninterrupted access to the building. This area will be determined and coordinated with building management.

All of us at **Carrier** look forward to working with you towards a brighter, more reliable, and efficient future. If I may be of any assistance, please feel free to contact me at (626) 926 - 8659, by fax at (860) 660 - 0068. Your active consideration of **Carrier Corporation** is greatly appreciated.

Sincerely,
Carrier Corporation

Amy Cabral
Account Executive

Customer Signature _____ Date _____

ENVIRONMENTAL, HEALTH AND SAFETY

CARRIER is committed to conducting its operations in compliance with all environmental regulations and to providing a safe and healthful workplace for all of its employees. Our environmental, health and safety goals include preventing incidents that harm the environment, accidental injury to our employees and visitors, and/or exposure to harmful chemical or physical agents. Our goals also include the elimination of accidents that cause property loss, environmental damage, or result in the interruption to our business. To achieve these goals, environmental and safety rules and procedures will be enforced equally with production, quality, cost and ethical standards. Our objective is to provide quality products and services while actively conserving our human and natural resources. **CARRIER** firmly believes that all accidents and undesirable environmental incidents are preventable. Furthermore, every job can, and will, be done safely and in an environmentally-sound manner. Realization of these goals and objectives will demand maximum effort from every employee.

CARRIER's EH&S GOALS:

- A. Create and maintain "Safety Awareness". Safety is everyone's responsibility, therefore make safety an integral part of every service job.
- B. Strive to maintain a hazard-free work environment by requiring everyone to provide special attention to the equipment, processes and procedures utilized in the performance of our work.
- C. Provide for the safeguarding of our employees while improving the effectiveness of our quality assurance and customer satisfaction programs.
- D. Ensure compliance with applicable standards, regulations and codes established by local, state and federal agencies (re: OSHA).
- E. Utilize safety and health training, positive reinforcement techniques, identification, evaluation and correction of hazards and unsafe work procedures and performance to achieve regulatory compliance.
- F. Significant reduction in lost-time injuries, reportable accidents with the long range goal of no lost-time injuries and no recordable accidents.
- G. Active participation by all **CARRIER** employees in applicable aspects of the safety program.
- H. Provide **CARRIER** service operations with effective training based on both OSHA and **CARRIER** Safety Standards in the recognition, evaluation and control of hazards and dangerous work procedures and performances.
- I. Establish safety kits to provide proper personal protective equipment for the assigned tasks.
- J. Establishment of procedures for natural disasters, fire and emergency situations, including safe locations, exit routes, methods for accounting for employees in natural disasters.
- K. Achieve and ensure the implementation of the safety program with the performance of safety, health and record-keeping audits by representatives of **CARRIER's** Safety Committee, and if necessary, enforcement through an accepted, written, adequately communicated disciplinary program.
- L. Baseline plot of equipment under current standard conditions.

CARRIER CORPORATION
TERMS AND CONDITIONS OF SALE - SERVICE (rev 4/5/05)

1. **PAYMENT AND TAXES**- Payment shall be made 1.25% 10th at 30 days from date of invoice. Carrier reserves the right to require cash payment or other alternative method of payment prior to completion of work if Carrier determines, in its sole discretion, that Customer or Customer's assignee's financial condition at any time does not justify continuance of the net 30 days payment term. In addition to the Agreement price, the Customer shall pay Carrier any applicable taxes or government charges that may be required in connection with the service or material furnished under this Agreement.
2. **WORKING HOURS**- All services performed under this Agreement including major repairs, are to be provided during Carrier's normal working hours unless otherwise agreed.
3. **ADDITIONAL SERVICE**- Services or parts requested by Customer in addition to those specified in this Agreement will be provided upon receipt of Customer's written authorization and invoiced at Carrier's prevailing labor rates and parts charges. Additional services or parts shall be supplied under the terms of this Agreement.
4. **EXCLUSIONS**- Carrier is not responsible for items not normally subject to mechanical maintenance including but not limited to: duct work, casings, cabinets, fixtures, structural supports, grillage, water piping, steam piping, drain piping, cooling tower fill, boiler tubes, boiler refractory, disconnect switches and circuit breakers. Carrier is not responsible for repairs, replacements, alterations, additions, adjustments, repairs by others, unscheduled calls or emergency calls, any of which may be necessitated by negligent operation, abuse, misuse, prior improper maintenance, vandalism, obsolescence, building system design, damage due to freezing weather, chemical/electrochemical attack, corrosion, erosion, deterioration due to unusual wear and tear, any damage related to the presence of mold, fungi, mildew, or bacteria, damage caused by power reductions or failures or any other cause beyond Carrier's control.
Carrier is not responsible for the identification, detection, abatement, encapsulating or removal of asbestos, products or materials containing asbestos, similar hazardous substances, or mold, fungi, mildew, or bacteria. In the event that Carrier encounters any asbestos product or any hazardous material in the course of performing its work, Carrier may suspend its work and remove its employees from the project, until such product or material, and any hazards connected with it are abated. Carrier shall receive an extension of time to complete its work and compensation for delays encountered as a result of such situation and its correction.
Carrier shall not be required to perform tests, install any items of equipment or make modifications that may be recommended or directed by insurance companies, government, state, municipal or other authority. However, in the event any such recommendations occur, Carrier, at its option, may submit a proposal for Customer's consideration in addition to this Agreement. Carrier shall not be required to repair or replace equipment that has not been properly maintained.
5. **WARRANTY**- Carrier warrants that all service provided under this Agreement shall be performed in a workmanlike manner. Carrier also warrants all Carrier parts or components supplied hereunder to be free from defects in material and workmanship. For parts or components determined to be defective within one year from date of installation or before the termination date of this Agreement, whichever is earlier, and in the case of service, determined to be defective within ninety (90) days of completion of that service, Carrier shall at its option repair, replace, or issue a credit, for any such parts, components or service, provided they were not damaged, abused, or affected by chemical properties. Carrier shall not be liable for repairs required as a consequence of faulty installation by persons other than Carrier, misapplication, abuse, improper servicing, unauthorized alteration or improper operation by persons other than Carrier. Any claim for defective workmanship must be provided to Carrier in writing. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Carrier's obligations to repair, replace, or issue credit for any defective parts, components or service shall be Customer's exclusive remedy.
6. **PROPRIETARY RIGHTS**- During the term of this Agreement and in combination with certain services, Carrier may elect to install, attach to Customer equipment, or provide portable devices (hardware and/or software) that shall remain the personal proprietary property of Carrier. No devices installed, attached to real property or portable device(s) shall become a fixture of the Customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices that are used in connection with providing service on Customer equipment.
7. **DELAYS**- Delays caused by conditions beyond the reasonable control of either party shall not be the liability of either party to this Agreement.
8. **CUSTOMER RESPONSIBILITIES**- Customer shall:
 - Provide safe and reasonable equipment access and a safe work environment.
 - Permit access to Customer's site, and use of building services including but not limited to: water, elevators, receiving dock facilities, electrical service and local telephone service.
 - Keep areas adjacent to equipment free of extraneous material, move any stock, fixtures, walls or partitions that may be necessary to perform the specified service.
 - Promptly notify Carrier of any unusual operating conditions.
 - Upon agreement of a timely mutual schedule, allow Carrier to stop and start equipment necessary to perform service.
 - Provide adequate water treatment.
 - Provide the daily routine equipment operation (if not part of this Agreement) including availability of routine equipment log readings.
 - Where Carrier's remote monitoring service is provided, provide and maintain a telephone line with long distance direct dial and answer capability.
 - Operate the equipment properly and in accordance with instructions.
 - Promptly address any issues that arise related to mold, fungi, mildew or bacteria.
9. **EQUIPMENT CONDITION & RECOMMENDED SERVICE**- Upon the initial scheduled operating and/or initial annual stop inspection, should Carrier determine the need for repairs or replacement, Carrier will provide Customer in writing an 'equipment condition' report including recommendations for corrections and the price for repairs in addition to this Agreement.
In the event Carrier recommends certain services (that are not included herein or upon initial inspection) and if Customer does not elect to have such services properly performed in a timely fashion, Carrier shall not be responsible for any equipment or control failures, operability or any long-term damage that may result. Carrier at its option will either continue to maintain equipment and/or controls to the best of its ability, without any responsibility, or remove such equipment from this Agreement, adjusting the price accordingly.
10. **CUSTOMER TERMINATION**- Customer shall have the right to terminate this Agreement for Carrier's non-performance provided Carrier fails to cure such non-performance within 30 days after having been given prior written notice of the non-performance. Upon early termination or expiration of this Agreement, Carrier shall have free access to enter Customer locations to disconnect and remove any Carrier personal proprietary property or devices as well as remove any and all Carrier-owned parts, tools and personal property. Additionally, Customer agrees to pay Carrier for all incurred but unamortized service costs performed by Carrier including overheads and a reasonable profit.
11. **CARRIER TERMINATION**- Carrier reserves the right to discontinue its service any time payments have not been made as agreed or if alterations, additions or repairs are made to equipment during the term of this Agreement by others without prior agreement between Customer and Carrier.
12. **LIMITATION OF LIABILITY**- Under no circumstances shall Carrier be held liable for any incidental, special or consequential damages, including loss of revenue, loss of use of equipment or facilities, or economic damages based on strict liability or negligence. Carrier shall be liable for damage to property, other than the equipment provided under this Agreement, and to persons, to the extent that Carrier's negligent acts or omissions directly contributed to such injury or property damage. Carrier's maximum liability for any reason (except for personal injuries) shall consist of the refunding of all moneys paid by Customer to Carrier under this Agreement.
13. **WASTE DISPOSAL**- Customer is wholly responsible for the removal and proper disposal of waste oil, refrigerant and any other material generated during the term of this Agreement.
14. **CLAIMS**- Any suits arising from the performance or non-performance of this Agreement, whether based upon contract, negligence, strict liability or otherwise, shall be brought within one (1) year from the date the claim arose.
16. **GOVERNMENT PROCUREMENTS**- Carrier offers standard Commercial Items that may not comply with Government specifications. Carrier does not comply with the Cost Accounting Standards (CAS) or with the Federal Acquisition Regulations (FAR), except for FAR Part 12. In no event shall Carrier provide any Cost or Pricing Data in connection with this Agreement or subsequent modifications.
18. **SUPERSEDURE, ASSIGNMENT and MODIFICATION**- This Agreement contains the complete and exclusive statement of the agreement between the parties and supersedes all previous or contemporaneous, oral or written, statements. Customer may assign this Agreement only with Carrier's prior written consent. No modification to this Agreement shall be binding unless in writing and signed by both parties.