



AGENDA REPORT

Meeting Date: March 1, 2016
Item Number: D-11
To: Honorable Mayor & City Council
From: Trish Rhay, Assistant Director of Public Works Services,
Infrastructure & Field Operations

Caitlin Sims, Senior Management Analyst CS

Subject: APPROVAL OF AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND REIGN ELECTRIC SERVICES AND SYSTEMS, INC. TO PROVIDE MAINTENANCE SERVICES FOR VARIABLE FREQUENCY DRIVES AT THE CITY WATER TREATMENT PLANT

Attachments: 1. Agreement

RECOMMENDATION

Staff recommends that the City Council approve a three-year service agreement with Reign Electric Services and Systems, Inc. that terminates on February 28, 2019, for a not-to-exceed amount of \$147,000.

INTRODUCTION & DISCUSSION

The City's Reverse Osmosis Water Treatment Plant located at 345 Foothill Road provides treatment for groundwater from three City wells to meet drinking water quality standards. The facility has been operating since 2003. The Water Treatment Plant is operating with high-efficiency motors, each of which is equipped with variable-frequency drives. The variable frequency drive enables pumps to accommodate fluctuating demand, running the motor at lower speeds when possible to increase efficiency and reduce energy consumption.

These variable frequency drives are complex and require on-going maintenance to ensure that they are running most efficiently. In October 2014, the City entered into a one-year agreement with Reign Electric Services and Systems, Inc. to provide regular maintenance on the variable-frequency drives at the Water Treatment Plant. Reign Electric Services and Systems, Inc. has provided a high-level of service.

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The proposed agreement is a service agreement and, because Reign Electric Services and Systems, Inc. has provided a high-level of service for the plant, to maintain uninterrupted service, staff recommends that the City Council enter into a three-year service agreement with Reign Electric Services and Systems, Inc. The proposed agreement is a three-year agreement that would terminate on February 28, 2019, for a not-to-exceed amount of \$147,000, with an annual maintenance amount of \$49,000 per year.

FISCAL IMPACT

Funds have been budgeted in this fiscal year and are available for this purpose.

A handwritten signature in black ink, appearing to read 'George Chavez', is written over a horizontal line.

George Chavez

Approved By

Attachment 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
REIGN ELECTRIC SERVICES AND SYSTEMS, INC. TO
PROVIDE MAINTENANCE SERVICES FOR VARIABLE
FREQUENCY DRIVES AT THE CITY WATER TREATMENT
PLANT

NAME OF CONTRACTOR: REIGN ELECTRIC SERVICES &
SYSTEMS, INC.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: SHAHRIAR SADEGHI, President

CONTRACTOR'S ADDRESS: 27758 Santa Margarita Parkway, No. 314
Mission Viejo, CA 92691
Attention: SHAHRIAR SADEGHI, President

CITY'S ADDRESS: City of Beverly Hills
345 Foothill Road
Beverly Hills, CA 90210
Attention: GEORGE CHAVEZ, Assistant
City Manager/Director of Public Works
Services

COMMENCEMENT DATE: March 1, 2016

TERMINATION DATE: February 28, 2019

CONSIDERATION: Not to exceed \$147,000.00, as more
particularly described in Exhibit B

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
REIGN ELECTRIC SERVICES AND SYSTEMS, INC. TO
PROVIDE MAINTENANCE SERVICES FOR VARIABLE
FREQUENCY DRIVES AT THE CITY WATER TREATMENT
PLANT

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Reign Electric Services and Systems, Inc., (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONTRACTOR's Scope of Work. CONTRACTOR shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONTRACTOR must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

CONTRACTOR shall commence its services under this Agreement upon the Commencement Date or upon a receipt of a written notice to proceed from CITY. CONTRACTOR shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

The City Manager or his designee may extend the time of performance in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement.

Section 3. Compensation.

(a) Compensation

CITY agrees to compensate CONTRACTOR for the services and/or goods provides under this Agreement, and CONTRACTOR agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly

described in Exhibit B, attached hereto and incorporated herein, based on the hourly rates set forth in Exhibit B.

(b) Expenses

CONTRACTOR shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit B. Any expenses incurred by CONTRACTOR which are not expressly authorized by this Agreement will not be reimbursed by CITY.

(c) Additional Services. CITY may from time to time require CONTRACTOR to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. CITY shall pay CONTRACTOR said Consideration in accordance with the method and schedule of payment set forth in Exhibit B.

Section 5. Independent Contractor. CONTRACTOR is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees, except as herein set forth. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONTRACTOR without the prior written approval of CITY. Any attempt by CONTRACTOR to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONTRACTOR's Responsible Principal set forth above shall be principally responsible for CONTRACTOR's obligations under this Agreement and shall serve as principal liaison between CITY and CONTRACTOR. Designation of another Responsible by CONTRACTOR shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONTRACTOR represents that it has, or shall secure at its own expense, all personnel required to perform CONTRACTOR's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONTRACTOR shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONTRACTOR. CONTRACTOR affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONTRACTOR.

Section 11. Insurance.

(a) CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONTRACTOR.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONTRACTOR in performing the Scope of Work required by this Agreement.

(3) Workers' compensation insurance as required by the State of California.

(b) CONTRACTOR shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONTRACTOR's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONTRACTOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONTRACTOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability insurance shall contain an endorsement naming CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification. CONTRACTOR agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONTRACTOR or any person employed by CONTRACTOR in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONTRACTOR. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONTRACTOR, CONTRACTOR shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the services required by this Agreement. CONTRACTOR shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONTRACTOR with all pertinent data, documents, and other requested information as is available for the proper performance of CONTRACTOR's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONTRACTOR and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Records and Inspections. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make copies and transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONTRACTOR, and supersedes all prior negotiations,

representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONTRACTOR.

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONTRACTOR.

Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the ____ day of _____ 2016, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JULIAN A. GOLD, M.D.
Mayor of the City of Beverly Hills, California

[Signatures continue]

ATTEST:

BYRON POPE
City Clerk

(SEAL)

CONTRACTOR: REIGN ELECTRIC SERVICES
& SYSTEMS, INC.



SHAHRIAR SADEGHI
President



ZOHREH MALAKJAH
Secretary

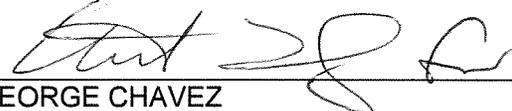
APPROVED AS TO FORM:



DAVID M. SNOW
Interim City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager/Director of Public Works
Services



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

CONTRACTOR shall provide electrical maintenance services, including but not limited to, preventative maintenance for Variable Frequency Drives (VFD) to CITY at the Water Treatment Plant as follows:

Variable Frequency Drives, VFD

Preventive Maintenance shall include the following on a semi-annual basis:

- 1) Clean and vacuum all the VFD enclosures, cabinets and components from dirt, dust and debris.
- 2) Download and backup of Faults History and Event Log Files from the VFD's and establish database for them on a semiannual basis.
- 3) Download and backup of set up parameters on all VFD's and saving them on semiannual basis.
- 4) Inspect the VFD electrical components (i.e. discharge resistors, buss bars, rectifiers, IGBT, gate driver, logic boards, etc.) for possible damage due to overloading or abnormal operation.
- 5) Complete torque of all electrical power connections and control terminals.
- 6) Complete inspection of the cooling mechanisms on all VFD's. Replace and renew cooling fans for all VFD's every 5 years of operation, or according to manufacturer recommendation.
- 7) Replace and renew DC Bus capacitor for all VFD's after relevant manufacturer recommended operational life (5-7 years).
- 8) Run the VFD and pump at full load to check and confirm all 3 phase motor currents and voltages are balanced and normal.
- 9) Provide hard copy and electronic copy of all electrical maintenance service records on a semi-annual basis.

Thermographic Survey Procedures

- 1) Remove all necessary covers prior to thermographic inspection.
- 2) Perform thermographic survey when load is applied to the system.
- 3) Equipment to be inspected shall include all current-carrying devices.
- 4) Inspect distribution systems with imaging equipment capable of detecting a minimum temperature difference of 1° C at 30° C.
- 5) Equipment shall detect emitted radiation and convert detected radiation to visual signal.
- 6) Thermographic surveys should be performed during periods of maximum possible loading. Refer to ANSI/NFPA 70B, Section 20.17.
- 7) Provide photographs and/or thermograms of the deficient areas.
- 8) Provide recommendations to address deficiencies.

Low Voltage Motor Control Center and Starters

Preventive Maintenance shall include the following on an annual basis:

- 1) Clean and vacuum all the MCC enclosures, cabinets and components from dirt, dust and debris
- 2) Inspect physical and mechanical condition including anchorage, alignment, and grounding.
- 3) Verify contactors and all mechanical operation.
- 4) Test motor protection devices in accordance with manufacturer's published data.
- 5) Verify all Motor-Running Protection.
- 6) Verify appropriate lubrication on all moving current-carrying parts.
- 7) Perform insulation-resistance tests on each pole, phase-to-phase and phase-to-ground with starter closed and across each open pole for one minute.
- 8) Perform resistance measurements through bolted connections with a low-resistance ohmmeter.
- 9) Perform thermographic survey on all sections of MCC.
- 10) Test all circuit breakers in accordance with below procedures.

Low Voltage Molded Case Circuit Breakers

Preventive Maintenance shall include the following on an annual basis:

- 1) Inspect and clean each unit and all contacts.
- 2) Operate circuit breaker to insure smooth operation.
- 3) Perform a contact-resistance test.
- 4) Perform an insulation-resistance test at 1000 volts dc from pole-to-pole and from each pole-to-ground with breaker closed and across open contacts of each phase.
- 5) Verify Instantaneous, short, long and ground fault pickup and delay by secondary current injection technique.
- 6) Verify ground-fault pickup and time delay by secondary current injection.
- 7) Verify tightness of accessible bolted electrical connections by calibrated torque-wrench.
- 8) Perform thermographic survey on an annual basis.
- 9) Inspect mechanism contacts and arc chutes in unsealed units.

EXHIBIT B

RATES AND SCHEDULE OF PAYMENT

CITY shall compensate CONTRACTOR for the satisfactory performance of the work described in this Agreement in an amount not to exceed One Hundred Forty-Seven Thousand Dollars (\$147,000.00) including reimbursable expenses at the following rates:

HOURLY RATES

1. 2 Man crew	\$215/hour
2. Service truck and field serviceman	\$150/hour
3. Control and instrumentational specialist	\$120/hour
4. Shop labor	\$120/hour
5. Overtime – addition to above rates	\$60/hour
6. Labor – portal to portal	\$120/hour
7. Electrician	\$120/hour
8. Mark-up on costs for parts & equipment	25%

Warranty: Repair – 90 days
Equipment – Manufacturer Warranty

Delivery: Labor – 12 hours;
Parts – Manufacturer Lead Time

PRICING

Pricing for semi-annual preventative maintenance work based on time and material

Annual Service Fee: \$5,000.00/year
Regular Hours: \$120.00/hour plus parts
Overtime (above 8 hour weekday, weekends and holiday) \$180.00/hour plus parts

Repair of SV9000 VFD for High Performance Pump 603
Catalog No. SV9250AGV5M0A00

Pricing for semi-annual preventive maintenance work based on time and material:
Labor and Parts: 16 hours x \$120.00 hour \$1,920.00
Annual Service Fee: \$5,000.00 per year
Regular hours: \$120.00/hour plus parts
Overtime (above 8 hour week day, weekends and holiday): \$180.00/hour plus parts

SCHEDULE OF PAYMENT

CONTRACTOR shall submit an itemized statement to CITY on a CITY approved form for its services performed, which shall include documentation setting forth in detail a description of the services rendered, and the hours of service, if appropriate. CITY shall pay CONTRACTOR the amount of such billing within thirty (30) days of receipt of same.

EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below :

NAMED INSURED

COMPANIES AFFORDING COVERAGE

ADDRESS

- A.
- B.
- C.

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> Consultant's PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : _____ BY : _____

 Authorized Insurance Representative

AGENCY : _____ TITLE : _____
 _____ Address : _____
