



AGENDA REPORT

Meeting Date: June 21, 2016

Item Number: E-16

To: Honorable Mayor & City Council

From: Chad Lynn, Assistant Director of Public Works Services

Logan Phillippo, Management Analyst

Subject: THREE AS-NEEDED HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) AGREEMENTS IN THE NOT-TO-EXCEED AMOUNT OF \$225,000 EACH OVER A PERIOD FOR UP TO THREE YEARS, TOTALING \$675,000, RELATING TO THE MAINTENANCE OF CITY FACILITIES; AND

APPROVAL OF THREE CORRESPONDING PURCHASE ORDERS IN THE AMOUNT OF \$75,000 EACH, TOTALING \$225,000, FOR THESE SERVICES FOR THE FISCAL YEAR ENDING JUNE 30, 2017.

A. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND C.E. MECHANICAL, INC. FOR AS-NEEDED HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) SERVICES RELATING TO THE MAINTENANCE OF CITY FACILITIES; AND

A PURCHASE ORDER WITH C.E. MECHANICAL, INC. IN THE AMOUNT OF \$75,000 FOR THE FISCAL YEAR ENDING JUNE 30, 2017

B. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND AIR CONDITIONING SOLUTIONS, INC. FOR AS-NEEDED HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) SERVICES RELATING TO THE MAINTENANCE OF CITY FACILITIES; AND

A PURCHASE ORDER WITH AIR CONDITIONING SOLUTIONS, INC. IN THE AMOUNT OF \$75,000 FOR THE FISCAL YEAR ENDING JUNE 30, 2017

C. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ADVANCED CENTRIFUGAL SYSTEMS, INC. FOR AS-NEEDED

HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
SERVICES RELATING TO THE MAINTENANCE OF CITY
FACILITIES; AND

A PURCHASE ORDER WITH ADVANCED CENTRIFUGAL
SYSTEMS, INC. IN THE AMOUNT OF \$75,000 FOR THE FISCAL
YEAR ENDING JUNE 30, 2017.

- Attachment:**
1. C.E. Mechanical, Inc. Agreement
 2. Air Conditioning Solutions, Inc. Agreement
 3. Advanced Centrifugal Systems, Inc. Agreement
-

RECOMMENDATION

Staff recommends that the City Council move to approve the following items:

- An Agreement with C.E. Mechanical, Inc. for As-Needed Heating, Ventilation, and Air Conditioning (HVAC) Services Relating to the Maintenance of City Facilities; and
- A Purchase Order with C.E. Mechanical, Inc. in the Amount of \$75,000 for the Fiscal Year Ending June 30, 2017; and
- An Agreement with Air Conditioning Solutions, Inc. for As-Needed Heating, Ventilation, and Air Conditioning (HVAC) Services Relating to the Maintenance of City Facilities; and
- A Purchase Order with Air Conditioning Solutions, Inc. in the Amount of \$75,000 for the Fiscal Year Ending June 30, 2017; and
- An Agreement with Advanced Centrifugal Systems, Inc. for As-Needed Heating, Ventilation, and Air Conditioning (HVAC) Services Relating to the Maintenance of City Facilities; and
- A Purchase Order with Advanced Centrifugal Systems, Inc. in the Amount of \$75,000 for the Fiscal Year Ending June 30, 2017.

DISCUSSION

The City of Beverly Hills owns and/or maintains sixty-one buildings which total over three million square feet of City facilities and tenant properties. The Public Works Services Department Facilities Maintenance Division maintains these buildings using a combination of City staff and service providers through ongoing maintenance agreements and capital projects.

Throughout each year, the City provides ongoing preventative and responsive maintenance services. There are additional unplanned and unpredictable maintenance and repair needs as it relates to heating, ventilation and air-conditioning ("HVAC") systems which require immediate response to ensure the safety of people and property and to ensure the continuity of operations which require these facilities remain occupied and operational. In an effort to meet these needs, staff recommends the City enter into as-needed service agreements with multiple service providers. The selection of multiple contractors allows the flexibility to provide ongoing planned services while preserving the ability to obtain competitive proposals for unplanned maintenance and repair projects.

Typical HVAC-related maintenance and repair work may include, but is not limited to:

- Preventative maintenance inspections and service
- Cleaning and replacement of parts and equipment
- Lubrication of parts
- Calibration of equipment
- Oil analysis
- Submittal of reports, service and preventative/predictive maintenance records
- Repairs
- Installation of new equipment

When the City identifies an HVAC-related maintenance or repair need, staff will seek proposals and cost estimates from each of these three vendors and evaluate them based on estimated cost, scope of work, responsiveness and the ability to meet City requirements. Upon direction from the City, the Contractor may then provide the needed services. In the event that none of the three vendors can satisfactorily meet City requirements, the City may choose to seek proposals from and execute service agreements with other HVAC maintenance and repair service providers as it best meets the needs of the City.

Work contracted out under these agreements will conform to the rules and requirements set forth in each applicable employee bargaining unit's Memorandum of Understanding ("MOU"). For example, the Municipal Employees' Association ("MEA") MOU requires that work contracted out is (1) not currently performed by MEA members or (2) currently performed by MEA members, but cannot be performed by MEA members due to volume of such work or the timing in which it needs to be completed. As outlined in the MOU, the Association members and City will meet to determine an accurate scope of the work for which the City needs to contract out.

Future agreements and Purchase Orders with these contractors that exceed \$50,000 will remain subject to review and approval by the City Council. This limitation excludes activities in response to a declared emergency. Agreements, Purchase Orders or expenditures over \$50,000 that arise out of a declared emergency are required to be reported to the City Council at the next public meeting.

The terms of each agreement include:

- Termination with five (5) days' notice
- A requirement to obtain written approval by the City prior to engaging in any work and prior to the City incurring any costs
- An initial term of one (1) year with two (2) additional one (1) year terms to be executed at the discretion of the City for a total term not to exceed three (3) years
- A total Not-To-Exceed amount of \$225,000 over the entire term of the agreement
- Insurance and indemnification provisions as approved by the City's Risk Manager
- Fixed rates for a one-year period

FISCAL IMPACT

Funding for projects associated with these agreements will be provided each fiscal year as part of the program budget(s) for Facilities Maintenance, Tenant Support, Parking Services and other associated budget programs wherein services are provided. This

includes both General Fund and associated Enterprise Funds, such as the Parking Services Fund. No additional funding is required at this time for approval or to enter into these proposed agreements.

Each of the proposed agreements provides for a Not-To-Exceed consideration in the amount of \$225,000 over the total term of the agreement. Staff estimates to expend approximately \$75,000 per contract per year. Based on the actual work needed over the term of the agreements, this total Not-To-Exceed value may not be required or actually expended for any or all vendors.

Once project proposals for a particular as-needed service are obtained and evaluated, one contractor will be selected based on pricing, availability and other potential service impacts. The City will provide the Contractor with approval to commence work and an associated Purchase Order will be issued or updated accordingly. All future purchase orders and/or service agreements that exceed \$50,000 will require City Council approval at a future meeting, even with the approved agreements as provided herein.


George Chavez
Approved By

ATTACHMENT 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
C.E. MECHANICAL, INC. FOR AS-NEEDED HEATING,
VENTILATION, AND AIR CONDITIONING (HVAC) SERVICES
RELATING TO THE MAINTENANCE OF CITY FACILITIES

NAME OF CONTRACTOR: C.E. Mechanical, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: David Tickenoff, President

CONTRACTOR'S ADDRESS: 13327 Elliot Avenue
Chino, CA 991710

CITY'S ADDRESS: City of Beverly Hills
345 Foothill Road
Beverly Hills, CA 90210
Attention: Terry Wagner, Facilities
Maintenance Manager

COMMENCEMENT DATE: July 1, 2016

TERMINATION DATE: June 30, 2017, unless extended pursuant to
Section 2 of the Agreement

CONSIDERATION: Not to exceed \$225,000.00 for the term of
the agreement based on the rates set forth
in Exhibit B

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
C.E. MECHANICAL, INC. FOR AS-NEEDED HEATING,
VENTILATION, AND AIR CONDITIONING (HVAC) SERVICES
RELATING TO THE MAINTENANCE OF CITY FACILITIES

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and C.E. Mechanical, Inc. (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to obtain the services of a contractor ("services") to perform HVAC work for various CITY facilities as described in Exhibit A, attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the services.

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 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

The amount set forth in paragraph (a) shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

(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. Unless otherwise provided for herein, CONTRACTOR shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONTRACTOR said Consideration in accordance with the 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 Principal 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 CITY 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 and auto liability insurance shall contain an endorsement naming the 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 3 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 _____, 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A Municipal Corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

[Signatures continue]

CONTRACTOR: C.E. MECHANICAL, INC.



DAVID TICKENOFF
President



CARIN TICKENOFF
Secretary

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager/Director of Public
Works Services



TERRY WAGNER
City Facilities Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF WORK

At the direction of CITY, CONTRACTOR shall provide all materials, necessary equipment and labor to perform as-needed heating, ventilation, and air conditioning (HVAC) maintenance services at various CITY facilities. Upon CITY's request, CONTRACTOR shall submit a written proposal, which shall contain the proposed scope of work, performance schedule and price for such work. CITY shall determine the commencement and termination dates for each project upon written acceptance of CONTRACTOR's proposal. CONTRACTOR guarantees that the work shall be performed in accordance with the Scope of Work, specified in such proposal and in accordance with all relevant Codes and Regulations and to CITY's full satisfaction. Typical work may include, but is not limited to:

- Preventative maintenance inspections and service, as scheduled
- Cleaning and replacement of parts and equipment, as scheduled
- Lubrication of parts
- Calibration of equipment
- Oil analysis
- Submittal of reports, service and preventative/predictive maintenance records as specified
- Repairs
- Installation of new equipment as required

EXHIBIT B
SCHEDULE OF PAYMENT AND RATES

CITY shall compensate CONTRACTOR for the satisfactory completion of services required by the Agreement in an amount not to exceed \$225,000, based on the rates set forth below.

Rates

CONTRACTOR shall provide as-needed heating, ventilation, and air conditioning (HVAC) services as described in Exhibit A at the following rates effective through June 30, 2017. In the event CITY agrees to extend the term of the Agreement beyond this date, CONTRACTOR may modify these rates upon giving CITY thirty (30) days prior written notice.

Service rate (M-F, 7am-4pm): \$116.00 per hour

Overtime (including Sunday): \$174.00 per hour

Holidays: \$232.00 per hour

Truck charge: \$75.00 per trip

Payments

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 undisputed 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

A.
B.
C.

ADDRESS

COMPANY (A. B. C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	LIMITS		
				B.I.	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"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKERS' COMPENSATION <input type="checkbox"/>					

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

TITLE: _____

AGENCY: _____

ADDRESS: _____

RM02.DOC REVISED 10/14/96.

ATTACHMENT 2

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
AIR CONDITIONING SOLUTIONS, INC. FOR AS-NEEDED
HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
SERVICES RELATING TO THE MAINTENANCE OF CITY
FACILITIES

NAME OF CONTRACTOR: Air Conditioning Solutions, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Greg O'Neill, President

CONTRACTOR'S ADDRESS: 2223 El Sol Ave
Altadena, CA 91001

CITY'S ADDRESS: City of Beverly Hills
345 Foothill Road
Beverly Hills, CA 90210
Attention: Terry Wagner, Facilities
Maintenance Manager

COMMENCEMENT DATE: July 1, 2016

TERMINATION DATE: June 30, 2017, unless extended pursuant to
Section 2 of the Agreement

CONSIDERATION: Not to exceed \$225,000.00 for the term of
the agreement based on the rates set forth
in Exhibit B

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
AIR CONDITIONING SOLUTIONS, INC. FOR AS-NEEDED
HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
SERVICES RELATING TO THE MAINTENANCE OF CITY
FACILITIES

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Air Conditioning Solutions, Inc. (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to obtain the services of a contractor ("services") to perform HVAC work for various CITY facilities as described in Exhibit A, attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the services.

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 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

The amount set forth in paragraph (a) shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

(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. Unless otherwise provided for herein, CONTRACTOR shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONTRACTOR said Consideration in accordance with the 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 Principal 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 CITY 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 and auto liability insurance shall contain an endorsement naming the 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 3 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 _____, 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A Municipal Corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

[Signatures continue]

CONTRACTOR: AIR CONDITIONING SOLUTIONS, INC.

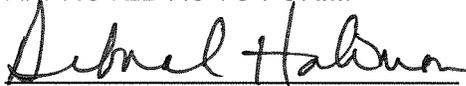


GREG O'NEIL
President



JOHN BAKER
Secretary

APPROVED AS TO FORM:

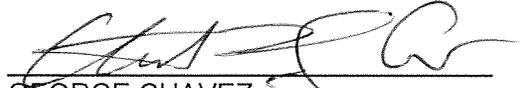


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager/Director of Public Works Services



TERRY WAGNER
City Facilities Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

At the direction of CITY, CONTRACTOR shall provide all materials, necessary equipment and labor to perform as-needed heating, ventilation, and air conditioning (HVAC) maintenance services at various CITY facilities. Upon CITY's request, CONTRACTOR shall submit a written proposal, which shall contain the proposed scope of work, performance schedule and price for such work. CITY shall determine the commencement and termination dates for each project upon written acceptance of CONTRACTOR's proposal. CONTRACTOR guarantees that the work shall be performed in accordance with the Scope of Work, specified in such proposal and in accordance with all relevant Codes and Regulations and to CITY's full satisfaction. Typical work may include, but is not limited to:

- Preventative maintenance inspections and service, as scheduled
- Cleaning and replacement of parts and equipment, as scheduled
- Lubrication of parts
- Calibration of equipment
- Oil analysis
- Submittal of reports, service and preventative/predictive maintenance records as specified
- Repairs
- Installation of new equipment as required

EXHIBIT B
SCHEDULE OF PAYMENT AND RATES

CITY shall compensate CONTRACTOR for the satisfactory completion of services required by the Agreement in an amount not to exceed \$225,000, based on the rates set forth below.

Rates

CONTRACTOR shall provide as-needed heating, ventilation, and air conditioning (HVAC) services as described in Exhibit A at the following rates effective through June 30, 2017. In the event CITY agrees to extend the term of the Agreement beyond this date, CONTRACTOR may modify these rates upon giving CITY thirty (30) days prior written notice.

Service rate: \$125.00 per hour

Emergency Service: \$168.00 per hour

Truck Charge: \$55.00 per hour

Parts and Materials: List, less 10%

Payments

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 undisputed 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	LIMITS		
				B.I.	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"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKERS' COMPENSATION <input type="checkbox"/>					

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

TITLE: _____

AGENCY: _____

ADDRESS: _____

RM02.DOC REVISED 10/14/96.

ATTACHMENT 3

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
ADVANCED CENTRIFUGAL SYSTEMS, INC. FOR AS-NEEDED
HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
SERVICES RELATING TO THE MAINTENANCE OF CITY
FACILITIES

NAME OF CONTRACTOR: Advanced Centrifugal Systems, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Robert Fisher, President

CONTRACTOR'S ADDRESS: P.O. Box 2555
Santa Clarita, CA 91386

CITY'S ADDRESS: City of Beverly Hills
345 Foothill Road
Beverly Hills, CA 90210
Attention: Terry Wagner, Facilities
Maintenance Manager

COMMENCEMENT DATE: July 1, 2016

TERMINATION DATE: June 30, 2017, unless extended pursuant to
Section 2 of the Agreement

CONSIDERATION: Not to exceed \$225,000.00 for the term of
the agreement based on the rates set forth
in Exhibit B

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
ADVANCED CENTRIFUGAL SYSTEMS, INC. FOR AS-NEEDED
HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
SERVICES RELATING TO THE MAINTENANCE OF CITY
FACILITIES

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

RECITALS

A. CITY desires to obtain the services of a contractor ("services") to perform HVAC work for various CITY facilities ("Project Sites") as described in Exhibit A ("Project"), attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the services.

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 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

The amount set forth in paragraph (a) shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

(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. Unless otherwise provided for herein, CONTRACTOR shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONTRACTOR said Consideration in accordance with the 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 Principal 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 CITY 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 and auto liability insurance shall contain an endorsement naming the 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 3 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 _____, 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A Municipal Corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST:

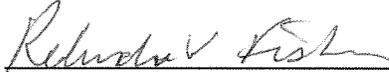
BYRON POPE
City Clerk

[Signatures continue]

CONTRACTOR: ADVANCED
CENTRIFUGAL SYSTEMS, INC.

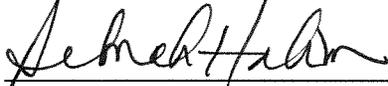


ROBERT FISHER
President



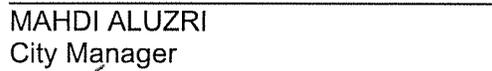
RELINDA FISHER
Chief Financial Officer

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager/Director of Public
Works Services



TERRY WAGNER
City Facilities Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

At the direction of CITY, CONTRACTOR shall provide all materials, necessary equipment and labor to perform as-needed heating, ventilation, and air conditioning (HVAC) maintenance services at various CITY facilities. Upon CITY's request, CONTRACTOR shall submit a written proposal, which shall contain the proposed scope of work, performance schedule and price for such work. CITY shall determine the commencement and termination dates for each project upon written acceptance of CONTRACTOR's proposal. CONTRACTOR guarantees that the work shall be performed in accordance with the Scope of Work, specified in such proposal and in accordance with all relevant Codes and Regulations and to CITY's full satisfaction. Typical work may include, but is not limited to:

- Preventative maintenance inspections and service, as scheduled
- Cleaning and replacement of parts and equipment, as scheduled
- Lubrication of parts
- Calibration of equipment
- Oil analysis
- Submittal of reports, service and preventative/predictive maintenance records as specified
- Repairs
- Installation of new equipment as required

EXHIBIT B
SCHEDULE OF PAYMENT AND RATES

CITY shall compensate CONTRACTOR for the satisfactory completion of services required by the Agreement in an amount not to exceed \$225,000, based on the rates set forth below.

Rates

CONTRACTOR shall provide as-needed heating, ventilation, and air conditioning (HVAC) services as described in Exhibit A at the following rates effective through June 30, 2017. In the event CITY agrees to extend the term of the Agreement beyond this date, CONTRACTOR may modify these rates upon giving CITY thirty (30) days prior written notice.

Service rate: \$120.00 per hour

Truck charge: \$100 per round trip service call service call

Parts and Materials:

Less than \$20.00, CONTRACTOR pays 100%

\$20.00 - \$100.00, CONTRACTOR pays 50%

Greater than \$100.00, CONTRACTOR pays 25%

Payments

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 undisputed 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

A.
B.
C.

ADDRESS

COMPANY (A. B. C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	LIMITS		
				B.I.	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"/> CONTRACTOR'S PROTECTIVE					
	<input type="checkbox"/> PERSONAL INJURY					
	<input type="checkbox"/> EXCESS LIABILITY					
	<input type="checkbox"/> WORKERS' COMPENSATION					
	<input type="checkbox"/>					

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

TITLE: _____

AGENCY: _____

ADDRESS: _____

RM02.DOC REVISED 10/14/96.