Staff Report

TO: Board of Commissioners

FROM: Rick Jakubiec
Facilities Director - Building & Grounds

DATE: August 10, 2017

RE: **Goyette Mechanical – Bid Proposal**

BACKGROUND

The county building has been cooling the environmental air with one chiller unit for over a year. A second chiller unit (back up) identical to the other is no longer operable due to age related issues. The working chiller has exceeded the manufacturer's life expectancy by a number of years. A bid proposal for a new air conditioner unit was advertised earlier this year with only one qualified bid submission. The bid submitted by Goyette Mechanical was not aligned with the long range plan for the county building. A modified design was sent to Goyette for bid using state of the art and existing equipment. This design and submitted bid by Goyette satisfies all necessary County requirements.

FINANCIAL IMPACT

$91,500 completed installation

OTHER CONSIDERATIONS

Minor work done in house.

RECOMMENDATIONS

1. Move to approve the Agreement between Isabella County and Goyette Mechanical Company, Inc., for the renovation of the HVAC system at the Isabella County Building, in the amount of $91,500.00, and authorize the Board Chair to sign the same.

ATTACHMENTS

Copy of Bid Proposal

AGREEMENT

THIS AGREEMENT, made and entered into this 11th day of August, 2017, by and between the **COUNTY OF ISABELLA**, a municipal corporation and political subdivision of the State of Michigan, of 200 N. Main St., Mt. Pleasant, MI 48858 (hereinafter referred to as the "County"), and **GOYETTE MECHANICAL COMPANY, INC.**, a Michigan corporation, of 3842 Gorey Ave., P.O. Box 33, Flint, MI 48501 (hereinafter referred to as the "Contractor").

W I T N E S S E T H:

WHEREAS, the County requires the renovation of the HVAC system at the Isabella County Building, 200 N. Main Street, Mt. Pleasant, Michigan 48858 (hereinafter referred to as the "Work Site"); and

WHEREAS, the Contractor has submitted a proposal to the County to provide the services the County requires; and

WHEREAS, the County accepts the Contractor's proposal subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, **IT IS HEREBY AGREED** as follows:

1. **Services to be Performed by the Contractor.** The Contractor shall provide all labor, tools, equipment and materials required to renovate the HVAC system that serves the Work Site ("the Project"), as more fully set forth in the attached Exhibit A – Contractor's Proposal, which is incorporated by reference into this Agreement and made a part thereof. The labor and materials to be provided by the Contractor with respect to the Project are as set forth in Exhibit A.

The Contractor shall schedule all work on the Project with Rick Jakubiec, Isabella County Director of Facilities, or his designee, prior to commencing work.

2. **Compensation.** It is expressly understood and agreed that total compensation which the Contractor shall receive under this Agreement shall not exceed the sum of NINETY-ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($91,500.00).

The County shall pay the Contractor the sum set forth above upon completion of the Project. Completion of the Project shall be to the County's satisfaction. The County shall pay the Contractor in accordance with the County's procedure for payment of Accounts Payable.

3. **Agreement Period and Termination.** This Agreement shall become effective on its date of execution. The Contractor shall commence work on the date of execution and

perform its work on the Project in accordance with a schedule mutually agreed upon by the County and Contractor. It is expressly understood and agreed that the Project shall be completed by no later than sixty (60) calendar days from the work commencement date, subject to a mutually agreed upon excusable delay. The Contractor shall notify Rick Jakubiec, Isabella County Director of Facilities, or his designee, not less than two (2) business days prior to the date Contractor is prepared to commence its work at the Work Site.

It is expressly understood and agreed by the County and the Contractor that the execution date of this Agreement is the date in which it is fully signed by the authorized representatives of both parties, which is the date set forth in the introductory paragraph on page one.

It is also expressly understood and agreed by the parties hereto that all obligations of the Contractor set forth in this Agreement which extend to beyond the completion date of the Project shall survive said completion and remain in full force and effect for the time set for the performance of said obligations.

Notwithstanding any other provision in this Agreement to the contrary, the County may terminate this Agreement effective after ten (10) calendar days written notice to the Contractor if the Contractor fails to comply with the terms and conditions of this Agreement. The County's exercise of its right to terminate this Agreement shall not be construed as a waiver of any other rights or remedies which the County may have in law and/or in equity.

4. Workmanship and Inspection of Work. All work done by the Contractor under this Agreement shall be performed in a skillful and workmanlike manner, and according to applicable local and State of Michigan codes. The County may in its sole discretion require the Contractor to remove any worker from the Project that the County deems incompetent or careless.

The County shall designate an individual or individuals it may desire to act as its representative(s) in the inspection of work done by the Contractor under this Agreement (hereinafter referred to as the "inspector(s)"). The inspector(s) shall periodically inspect the work done by the Contractor under this Agreement to ensure that such work is in accordance with the Project's requirements set forth in Section 1 of this Agreement and the attached Exhibit A, and is free from defects.

The inspections to be conducted by the inspector(s) shall include, but not be limited to, inspection of the work completed by the Contractor upon notification from the Contractor of having completed the Project, but prior to Contractor receiving compensation therefore as set forth in Section 2 of this Agreement. In the event the inspector(s) discovers that any of the work is not in compliance with the requirements of this Agreement, and applicable Federal, State or local laws, ordinances, rules, regulations and codes, or is otherwise defective, he/she/they shall deliver to the County and the Contractor written notification of such defects or failure to comply with this

Agreement. The County may require the Contractor to correct such defects, deviations from or non-compliance with the requirements of this Agreement, or the requirements of applicable Federal, State or local laws, ordinances, rules, regulations and codes prior to compensating the Contractor under this Agreement.

Any inspection(s) by the County, as authorized by this Section 4, shall not relieve the Contractor from any responsibility regarding defects or other failures to meet the requirements of this Agreement.

5. Warranties.

A. The Contractor warrants that it meets all Federal, State and local licensing, certifications and authorization requirements to perform all the work required by the Project.

B. The Contractor warrants to the County that all materials shall be new and all work performed and materials provided under this Agreement will be of good quality free from faults and defects, and in conformance with this Agreement. The Contractor, if required by the County, shall furnish the County with satisfactory evidence as to the kind and quality of the materials. All work and materials not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty is not limited by the provisions requiring correction of defective work, set forth in Section 6.

C. Neither the final certificate nor payments, or any provision in this Agreement shall relieve the Contractor of responsibilities for defects in workmanship or faulty materials. The Contractor shall correct any defects due to faulty work or materials and pay for the damage to other work resulting therefrom, which appear within a period of one (1) year from the date of completion unless otherwise stated in this Agreement. The County shall notify the Contractor of observed defects with reasonable promptness.

D. The Contractor shall transfer to the County all manufacturer warranties covering items, equipment, and materials incorporated into the Project under this Agreement.

6. Correction of Work.

A. The Contractor shall promptly correct all work rejected by the County as defective or as failing to comply with Contractor's warranties set forth in Section 5, whether observed before or after substantial completion. The Contractor shall bear all costs of correcting such rejected work.

B. If, within one (1) year after the date of completion of the Project or designated portion thereof or within one (1) year after acceptance by the County of the Project or designated portion thereof or within such longer period of time as may be prescribed by law, any of the materials and/or workmanship is found not to be in accordance with the Contractor's warranties set forth in Section 5, B, and C, the Contractor shall correct such defect(s) promptly after receipt of a written notice from the County to do so. This obligation shall survive termination of this Agreement. The County shall give such notice promptly after discovery of the condition.

C. The Contractor shall remove from the Work Site all portions of the work which are not in compliance with Contractor's warranties in Section 5, B, and C, and which have not been corrected under subsections A and B of this Section, unless removal is waived in writing by the County.

D. If the Contractor fails to correct work not in compliance with Contractor's warranties in Section 5, B, and C, the County may correct such work. The Contractor shall bear the costs incurred by the County in correcting such defective work.

7. <u>Cleaning Up</u>. The Contractor and its subcontractors shall at all times keep the Work Site and surrounding area free from accumulation of waste material or rubbish caused by its operations. Daily clean-up and removal from the work area of all debris resulting from Contractor's work is required. Contractor shall be responsible for paying for and hauling away waste. At the completion of the Project, the Contractor shall remove all the Project's remaining waste material and rubbish from and about the Work Site, as well as its tools, equipment, and machinery.

If the Contractor fails to clean up during and at the completion of the Project, the County may do so and the cost thereof shall be charged to the Contractor. The Contractor shall reimburse the County for the clean-up costs it incurs within thirty (30) days of receipt of the County's bill setting forth such costs and the total sum due.

8. <u>Protection of Persons and Property</u>.

A. The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work it is to perform under this Agreement.

B. The Contractor shall take all reasonable precautions for safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:

1. All its and the County's employees at the Work Site and all other persons who may be affected thereby.

2. All materials and equipment to be used and/or incorporated into the Project, whether in storage on or off the Work Site, under the care, custody or control of the Contractor or any of its subcontractors or sub-subcontractors.

3. Other property at the Work Site or adjacent thereto, including but not limited to all interior and exterior fixtures and furnishings of the Work Site, trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation or replacement in the course of the Project.

C. The Contractor shall give all notices and comply with all applicable laws, ordinances, rules and regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

D. The Contractor shall erect and maintain, as required by existing conditions and progress of the Project, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.

E. The Contractor shall promptly remedy all injury, damage or loss to any property caused in whole or in part by the Contractor, any subcontractor, any sub-subcontractor or anyone directly or indirectly employed by them, or by anyone for whose acts any of them may be liable and for which the Contractor is responsible under subsection B of this Section.

F. Under no circumstances shall any tools of any kind or materials being used be left unattended at the Work Site.

G. The foregoing obligations of the Contractor are in addition to its obligations under Section 12 of this Agreement.

9. <u>Compliance with the Law, Obtaining Permits and Nondiscrimination</u>.

A. In performing its responsibilities under this Agreement, the Contractor shall comply with all applicable Federal, State and local laws, ordinances, codes, rules and regulations.

B. The Contractor shall secure and pay for all building permits and all other permits and governmental fees, licenses and inspections necessary for the proper execution of this Agreement.

C. The Contractor and its subcontractors shall comply with the Michigan Occupational Safety and Health Act, 1974 PA 154, as amended,

(hereinafter referred to as "OSHA") and regulations promulgated thereunder. If during the progress of the Project, it is discovered that the Contractor has failed to comply with OSHA, its regulations, or other applicable Federal, State or local laws, ordinances and regulations, the Contractor and its subcontractors shall take such steps as necessary to comply, at no additional cost to the County.

D. The Contractor and its subcontractors shall be held responsible for the safety of their employees and any unsafe acts or conditions that may cause injury or damage to any persons or property within and around the Work Site under this Agreement.

E. If the Contractor or any subcontractor uses any product at the Work Site which contains any ingredient that could be hazardous or injurious to a person's health, a Material Safety Data Sheet (MSDS) must be submitted to Rick Jakubiec, Isabella County Director of Facilities, prior to commencement of work.

F. The Contractor and all its subcontractors and sub-subcontractors shall adhere to all Federal, State and local laws, ordinances, rules, regulations and policies prohibiting discrimination in regard to employees and applicants for employment including, but not limited to, the following:

1. The Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended.

2. The Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended.

3. Section 504 of the Federal Rehabilitation Act of 1973, PL 93-112, 87 Stat 355, as amended, and rules adopted thereunder.

4. The Americans with Disabilities Act of 1990, PL 101-336, 104 Stat 327 (42 USC §12101 *et seq.*), as amended, and regulations promulgated thereunder.

The Contractor, its subcontractors and sub-subcontractors, as required by law, shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.

G. Breach of this Section 9 shall be regarded as a material breach of this Agreement, and in the event the Contractor, its subcontractors or sub-

subcontractors are found not to be in compliance with this Section, the County may terminate this Agreement effective as of the date of delivery of written notification to the Contractor.

10. Applicable Law and Venue. This Agreement shall be construed according to the laws of the State of Michigan.

The County and the Contractor agree that the venue for the bringing of any legal or equitable action under this Agreement shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

11. Independent Contractor.

A. It is expressly understood and agreed that the Contractor, its subcontractors and sub-subcontractors, are independent contractors. The employees, servants, agents and assigns of the Contractor, its subcontractors or sub-subcontractors shall in no way be deemed to be and shall not hold themselves out as employees, servants or agents of the County and shall not be entitled to any fringe benefits of the County, such as, but not limited to, health and accident insurance, life insurance, paid vacation or sick leave, or longevity. The Contractor, its subcontractors and sub-subcontractors shall be responsible for paying all salaries, wages and other compensation which may be due their employees or agents for performing work under this Agreement and for the withholding and payment of all applicable taxes, including, but not limited to, income and social security taxes, to the proper Federal, State and local governments.

B. The direction and supervision of the working forces, including subcontractors, rests exclusively with the Contractor. The County shall not issue any instructions to, or otherwise interfere with the same.

12. Indemnification and Hold Harmless. The Contractor shall, at its own expense, protect, defend, indemnify, save and hold harmless the County and its elected and appointed officers, employees, servants and agents from all claims, damages, costs, lawsuits and expenses, including, but not limited to, all costs from administrative proceedings, court costs and attorney fees, that they may incur as a result of any acts, omissions or negligence of the Contractor, or its officers, employees, servants, agents or subcontractors that may arise out of this Agreement.

The Contractor's indemnification responsibilities under this Section shall include the sum of damages, costs and expenses which are in excess of the sum of damages, costs and expenses which are paid out on behalf of or reimbursed to the County, its officers, employees, servants and agents by the insurance coverage obtained and/or maintained by the Contractor.

13. Insurance. The Contractor shall not commence work under this Agreement until it has obtained the insurance of the types and not less than the limits set forth below. All coverages shall be with insurance companies licensed and admitted to do business in the State of Michigan who are acceptable to the County and have a minimum rating of "A" by the A.M. Best Company (www.ambest.com).

A. Workers' Compensation Insurance: The Contractor, during the term of this Agreement and any extension thereof, shall procure and maintain Workers' Compensation Insurance, including Employers Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

B. Commercial General Liability Insurance: The Contractor, during the term of this Agreement and any extension thereof, shall procure and maintain Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than $1,000,000 per occurrence and $1,000,000.00 aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions:

(1) Contractual Liability;

(2) Products and Completed Operations;

(3) Independent Contractors Coverage;

(4) Broad Form General Liability Extensions or equivalent, if not already included;

(5) Deletion of all Explosion, Collapse and Underground (XCU) Exclusions, if applicable;

(6) Per contract aggregate.

C. Vehicle Liability: The Contractor, during the term of this Agreement and any extensions thereof, shall procure and maintain Vehicle Liability Insurance, including Michigan No-Fault Coverages with limits of liability of not less than $1,000,000 per occurrence and $1,000,000.00 aggregate combined single limit Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles.

D. Additional Insured: Commercial General Liability and Vehicle Liability Insurance, as described above, shall include an endorsement stating the following shall be "Additional Insureds". The County of Isabella, all elected and appointed officials, all employees and volunteers, all boards,

commissions and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed that the Contractor's Commercial General Liability and Vehicle Liability Insurance shall be made primary to the Additional Insureds and not contributing with any other insurance or similar protection available to the Additional Insureds, whether said other available coverage be primary, contributing or excess.

E. Deductibles: The Contractor shall be responsible for paying any deductibles in the insurance coverages it is required to maintain by this Agreement.

F. Cancellation Notice: The Workers' Compensation Insurance, Commercial General Liability Insurance and Vehicle Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to the Isabella County Administrator/Controller, 200 N. Main St., Mt. Pleasant, Michigan 48858." If the Contractor's insurers refuse to provide such an endorsement the Contractor shall be responsible for making the required notice.

G. Proof of Insurance Coverage: The Contractor shall provide the County at the time the copies of this Agreement are returned by it for execution, with two (2) copies of certificates of insurance for each of the policies mentioned above.

H. Certified Copies of Policies. If so requested, Certified Copies of all policies mentioned above shall be furnished.

I. Expiration of Insurance Coverages. If any of the above coverages expire during the term of this Agreement or any extensions thereof, the Contractor shall deliver renewal certificates and/or policies to the County at least ten (10) days prior to the expiration date.

14. Waivers. No failure or delay on the part of either of the parties to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.

15. Amendments.

A. Modifications, amendments or waivers of any provision of this Agreement may be made only by the written mutual consent of the parties hereto.

B. No changes, amendments or modifications shall be made to the specifications of the Project except upon written change order specifying

such changes, amendments or modifications, signed by the County and the Contractor setting forth a detailed description of the change, amendment or modification and the costs, or credit, thereof. Any changes or alterations from the specifications which result in extra costs, or which may be required by any public body or inspector shall be paid by the County.

16. Assignment. The Contractor shall not assign its duties and/or obligations under this Agreement.

17. Section Titles. The titles of the sections set forth in this Agreement are inserted for the convenience of reference only and shall be disregarded when construing or interpreting any of the provisions of this Agreement.

18. Complete Agreement. This Agreement, Exhibit A, and any additional or supplementary documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

19. Binding Effect of the Agreement. The covenants and conditions of this Agreement shall be binding upon and for the benefit of the heirs, administrators, executors, successors and assigns of the parties hereto.

20. Invalid/Unenforceable Provisions. If any clause or provision of this Agreement is rendered invalid or unenforceable because of any State or Federal statute or regulation or ruling by any tribunal of competent jurisdiction, that clause or provision shall be null and void, and any such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement. Where the deletion of the invalid or unenforceable clause or provision would result in the illegality and/or unenforceability of this Agreement, this Agreement shall be considered to have terminated as of the date in which the clause or provision was rendered invalid or unenforceable.

21. Certification of Authority to Sign Agreement. The people signing on behalf of the parties hereto certify by their signatures that they are duly authorized to sign this Agreement on behalf of said parties and that this Agreement has been authorized by said parties.

THE AUTHORIZED REPRESENTATIVES OF THE PARTIES HERETO HAVE FULLY SIGNED THIS AGREEMENT FOR RENOVATION OF THE HVAC SYSTEM IN THE COUNTY BUILDING ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

COUNTY OF ISABELLA

By: _____
George Green, Chairperson
County Board of Commissioners

Date: _____

GOYETTE MECHANICAL CO., INC.

By: _____
(Signature)

Name: DOMINIC GOYETTE
(Print or Type)

Title: PRESIDENT
(Print or Type)

Date: 8/11/17

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EXHIBIT A

CONTRACTOR'S PROPOSAL

GOYETTE
MECHANICAL

3842 Gorey Avenue
P.O. Box 33
Flint, MI 48501
Phone: (810) 743-6883
Fax: (810) 743-9090

BUDGET PROPOSAL

Date: 6/26/2017

To: Isabella County
200 Main St.
Mt. Pleasant, MI 48858
Attn: Rick Jakubiec, Margaret McAvoy, Jessica Jarosiewicz, George Green

Re: Isabella County Office Building HVAC repairs

Total Price $ 91,500.00

In reference to the above-mentioned project, our price includes all supervision, labor, materials, tools, permits, and equipment required for a complete scope.

Our price will include the following:

- Pressure test existing refrigeration piping to verify condition / location of leak
- Demolition of existing piping at chiller barrel
- Installation of Plate & Frame heat exchanger (Water x Dx)
- Extend refrigeration piping from existing chiller barrel to new location
- Replace existing refrigeration specialties at existing condensing unit as needed
- Extend chilled water piping from existing chiller barrel to new location
- Installation of main line strainer
- Relocate / replace existing DDC control points
- Verify Building Management program configuration
- Pipe insulation on new installation
- Replace R-22 refrigerant
- Allowance of $1,500.00 to perform water balance post installation
- Provide Labor & Performance Bond if required

Our price will not include the following:

- Thermal stability tank
- Control Valve replacement
- Pump replacement
- Preconstruction water or air balance
- Electrical
- Fire Protection
- Roof / Wall / Floor Cutting & Patching
- Refrigerant reclaim on existing system
- Work as described in May 31st Bid Package #0044113

Sincerely,
Todd Burke
Goyette Mechanical Co.