



2731 S. Cherry Ave
Fresno, CA 93706
(559) 268-7375
www.nesm.com

August 14, 2018

Owner: Tulare Regional Hospital
Subject: Rental chiller install
Location: 869 N Cherry St. Tulare, CA 93274

Mr. Blitz,

We are proposing to provide a temporary 155 ton air cooled chiller to be tied into the existing chilled water header in the central plant. This will provide you the cooling capacity until we can install the new permanent chiller that will fit your needs moving forward. Attached you will find our plan for execution/ location of this temporary chiller and how it fits into your facility.

Due to the emergency chiller rental permit being rejected by OSHPD, they are requiring NESM to install the chilled water piping and the electrical as if it was a complete permanent installation. Which requires additional structural anchorage on the power poles, water piping and the chiller. OSHPD is also requiring the chilled water piping to be installed with welded steel pipe that is insulated and supported by complete seismic braces. This procedure is not typical of a rental chiller installation and the original proposal was created before the information that the emergency permit would not be granted for our temporary chiller. The positive out of this situation is that the extra money you will be spending now on the permanent piping, will stay in place for the long term chiller project. Which in essence will save you money on the construction project. The revised scope with the new details required by OSHPD are below

SCOPE:

- Provide and install (1) one 155 Ton Air Cooled chiller located on a flatbed trailer anchored to the ground outside the main hospital, we will be taking up 3 parking spaces.
- Provide CAD drawings for your approval, That will designate correct TIE-IN locations for electrical and water
- Install power poles that are seismically braced and supported to run the high voltage lines from the chiller to the generator yard where the breaker is located.
- Provide and install seismically supported pipe stands to run all chilled water piping per OSHPD approved pricing
- Provide structural hangers to support piping once the piping is in the basement
- Provide complete insulation and aluminum jacketing for all external piping and complete insulation and insulation covers once piping gets into the basement.
- Provide valves at the Tie in connections to reduce the amount of water loss once the permanent chiller is tied into
- Provide water balance to fit the temporary chiller into the existing loop
- Provide owner training and startup of the equipment

Exclusions: Anything that is not stated in the scope of work

Corporate Office: P.O. Box 4287, Fresno, CA 93744

~ California License No. 433674 ~ Equal Opportunity Employer ~

Pricing:

- Reoccurring monthly cost:
 - Chiller rental: \$10,500.00 per month _____
 - 3 Month commitment \$10,000.00 per month _____
 - 6 Month Commitment \$ 9,500.00 per month _____

- Initial set up cost - NESM (one-time expense)
 - Deliver & pick up chiller
 - Provide and install seismically supported pipe stands to run all chilled water piping per OSHPD approved pricing
 - Provide complete insulation and aluminum jacketing for all external piping and complete insulation and insulation covers once piping gets into the basement.
 - Install power poles that are seismically braced and supported to run the high voltage lines from the chiller to the generator yard where the breaker is located.
 - Start up chiller
 - Water balance

- TOTAL ONE-TIME EXPENSE: \$296,558.00

Please contact me if you have any questions.

Exclusions:

- Patching or painting of any kind
- Overtime after hour labor or weekend labor
- Roofing of any kind, repair or replacement of roof system
- Framing of any kind, including framing to support roof curbs and duct penetrations
- Duct sealing, repair or replacement other than that specifically mentioned above
- Plan check fees
- Structural modifications or any pre-existing mechanical, electrical, gas, or condensate issues not discovered in the initial survey.

Additional Conditions

- All pre-existing conditions are considered extra
- No work will be scheduled until all proper documentation is received by this office (i.e. credit approval, signed contract)

Best Regards,

Matt Grabowski
 Service Sales Manager
Mgrabowski@nesm.com
 (559) 779-5814

Acceptance

Print Name _____

Title _____

Signature _____

Date _____

Exhibit A: General Terms and Conditions

1. New England Sheet Metal and Mechanical Co. reserves the right to request and receive financial data to support the Contractor's and Owner's ability to make timely payments for our work and will not start our scope of work until we have received evidence, to our satisfaction, that there are sufficient funds set aside to pay for the work performed by New England Sheet Metal and Mechanical Co.
2. New England Sheet Metal and Mechanical Co. reserves the right to suggest and make contractual changes to any future contract or subcontract documents. New England Sheet Metal and Mechanical Co. has the right to a copy of all contract documents between the Owner and Contractor that may affect our work.
3. This proposal includes costs for insurance policies: General Liability (2 million/4 million) and Automotive (1 million) with additional insured as requested along with standard Worker's Compensation (1 million) coverage. Builder's risk insurance coverage (All Perils/Earthquake/Flood, etc.) for our scope of work is not included. New England Sheet Metal and Mechanical Co. shall be named as additional insured on the Contractor's policy with maximum deductible losses for New England Sheet Metal and Mechanical Co. at an aggregate of \$5,000. Additional coverage or any payment of deductibles may be at an extra cost.
4. The duty to indemnify shall not extend to the acts of willful misconduct or sole negligence, active or passive, on the part of the Contractor, Owner or anyone associated with them.
5. Parties shall make efforts to resolve disputes through utilization of a mutually agreed upon Dispute Resolution Process prior to pursuing a court action. Should either party to this agreement bring suit in court to enforce the terms of this agreement, any judgment awarded shall include court costs and reasonable attorney's fees to the successful party.
6. Monthly payments are as agreed to in the executed contractual documents or as follows; Payment for services rendered by the 15th of each month for 100% of all work performed during the preceding month. Final payment to be made within 30 days after completion and acceptance of our scope of work. Late payments shall incur an interest charged by law along with prompt payment penalties, or at a minimum rate of eighteen percent (18%) per annum on past-due accounts.
7. No contractual obligations shall limit the Contractor's responsibility for safety and a safe place to work under applicable laws and regulations, or require New England Sheet Metal and Mechanical Co. to assume Contractor's responsibilities.
8. New England Sheet Metal and Mechanical Co. shall be equitably compensated for additional verified costs it incurs as a result of delays (or accelerations) caused by the acts or omissions of the Owner, Contractor, or its other Subcontractors or the Suppliers to any of them. New England Sheet Metal and Mechanical Co. shall not be assessed damages during any delay in the completion of the work caused by acts of God, acts of the public enemy, acts of Owner, Owner's agents, the State Of California, Local County, Local City, any applicable utility district, any railroad, acts of other public utilities, strikes and unusually severe weather conditions which preclude performance of the work; delays resulting from war or national or local emergencies; or delays of New England Sheet Metal and Mechanical Co.'s suppliers due to such caused, or the owner of a utility to provide for removal or relocation of utilities.
9. If hazardous or similarly classified material or a change in site/project conditions is encountered, New England Sheet Metal and Mechanical Co. will cease all operations and the Contractor and/or Owner will determine the nature and extent of such conditions, and will recommend the nature and extent of remediation. Any hazardous or a change in site/project conditions that are encountered shall be considered as extra work for New England Sheet Metal and Mechanical Co. regardless of payment for such work made to Contractor by Owner.
10. If unsuitable ground conditions are encountered, Owner will determine the nature and extent of such soil conditions and will recommend the extent of remediation. Yielding sub soil, over optimum moisture, hazardous material, and rock (unable to be excavated with a Caterpillar 446 Backhoe) shall be defined as unsuitable ground conditions. Unsuitable ground conditions shall be considered as extra work to New England Sheet Metal and Mechanical Co.
11. All contractual correspondence and payments shall be directed to our Corporate Office at P.O. Box 4287, Fresno, CA 93744-4377 (Overnight: 1210 W. Olive Avenue, Fresno, CA 93728).
12. "Contractors are required by law to be licensed and regulated by the Contractors State License Board. Any questions concerning a contractor may be referred to the Register of the board, whose address is: Contractors State License Board, 9835 Goethe Road, P.O. Box 26000, Sacramento, California 95826." New England Sheet Metal and Mechanical Co.'s California Contractor's License No.: 433674.