



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Tim Murray, City Administrator  
**FROM:** Paul J. Peanasky, Parks & Recreation Director  
**MEETING DATE:** March 12, 2019  
**SUBJECT:** Approve Bid to Replace Air Handler Unit on City Hall

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### Background:

The current air handler unit on City Hall has had major maintenance expenses over the past few years and is worn out. Therefore, the unit needs to be replaced and upgraded. The new unit will help with temperature and humidity control in City Hall.

Staff solicited bids and received two (2) bids as follows:

Owatonna Heating and Cooling	\$146,400
Keith Pumper Plumbing and Heating	\$168,707.

The approved 2019 Budget and CIP included \$175,000 for this project.

### Recommendation:

Staff recommends approval of the bid of \$146,400 from Owatonna Heating and Cooling to replace the air handler unit on City Hall.

### Attachments:

- Bids

**SECTION 00300  
PROPOSAL FORM – LABOR AND MATERIALS**

TO: Paul Peanasky, Director  
City of Faribault  
208 NW First Ave  
Faribault, MN 55021

Sir:

The Bidder, in compliance with the Instructions to Bidders for the City Hall Rooftop HVAC replacement, has examined the project site of the proposed work, and begin familiar with all of the conditions surrounding the construction of the proposed project including the availability of materials and labor, herby proposed to furnish all labor, material, services, and supplies, in accordance with the Contract Documents, within the time set forth therein, and at prices stated below. These prices are to cover all expenses incurred in performing the work required under the Contract Documents, for the categories proposed by the Bidder.

The Bidder hereby agrees to commence work under this contract on or before a date to be specified in a written notice to proceed from the Owner's Representative and to fully complete the project on or before the dates stipulated in the Contract Documents.

A bid shall be rejected if it contains any alteration or erasure unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid.

This Bid is accompanied by a cashier's check, certified check or bid bond for not less than five percent of the amount of the bid payable to the City of Faribault.

In submitting this bid, it is understood that the right is reserved by the Owner to retain the deposits of the three lowest bidders for a period not to exceed 30 days after the date and time set for the opening of bids and that it is agree that this bid may not be withdrawn for a period of thirty (30) days after date of filing same. It is also understood that the Owner reserves the right to accept or reject any and all bids and to waive any informalities or irregularities in bidding.

All addenda shall become a part of the bid and the work and are submitted with the bid.

CITY HALL ROOFTOP HVAC UNIT REPLACEMENT Project No. 18-051

The undersigned agrees to furnish and pay for all labor, materials, equipment and appliances required by the aforementioned documents, for the category or categories of work indicated below for the Base Bid Stipulated Sum and warranty this work for a minimum period of 18 months after the date of Substantial Completion of the work.

The Bidder, acknowledges receipt of the following numbered addenda 1 (date) and has incorporated the requirements of Note: See City of Faribault contract for services the addenda in the proposal.

Categories of Work:

City Hall Rooftop HVAC unit Replacement  
(As specified)

Base Bid Stipulated Sum:

One Hundred Forty Six Thousand, Four Hundred ----- Dollars (\$ 146,400.00 )

Percentage Markup for Overhead and Profit for Change Order: 10 %

Anticipated Number of Calender Days to Project Completion: 110 days (includes manufacturer lead time)

Roof Top Unit to be Supplied: Daikin  
(Other Than Daikin)

Alternate Add/Subtract: \$ XXXXXXXXXX

Note: These alternates will not be used in determination of low bidder.

Respectfully Submitted: Firm Name: Owatonna Heating and Cooling, Inc.

BY: Wes Kain W.Kain 3-5-19

TITLE: President

Address: 408 North Cedar Ave

Owatonna, MN 55060

**END SECTION 00300**

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Categories of Work: HVAC  
(As specified)

Base Bid Stipulated Sum:

ONE HUNDRED SIX EIGHT SEVEN HUNDRED SEVEN DOLLARS AND <sup>00</sup>/<sub>100</sub> DOLLARS (\$168,707.<sup>00</sup>)

Percentage Markup for Overhead and Profit for Change Order: 10 %

Anticipated Number of Calendar Days to Project Completion: 30 Days from UNIT ARRIVAL

Roof Top Unit to be Supplied: DAIKIN  
(Other Than Daikin)

Alternate Add/Subtract: \$ NA

Note: These alternates will not be used in determination of low bidder.

Respectfully Submitted: Firm Name: KEITH PUMPER PLUMBING AND HEATING, INC.

BY: KEITH A. PUMPER

TITLE: PRESIDENT

Address: 470 RAILWAY ST, SUITE A

DUNDAS, MN 55019

END SECTION 00300

## CITY OF FARIBAULT CONTRACT FOR SERVICES

This Agreement is entered into this 12 of March 2019 between the City of Faribault, and Contractor, is to set forth the requirements for installation of a new HVAC unit on the roof of City Hall.

1. Recitals.

- 1.1 The City is entering into this contract as the agent or owner of the property listed and the respective property owner.

The properties are:	<u>Property Address</u> 208 1 <sup>st</sup> Ave NW Faribault, MN	<u>Property Owner</u> City of Faribault
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2. Contract Documents.

- 2.1 The Contract between the parties consists of this document, Scope of Work and Specifications; and Contractor's executed Proposal form dated 3-5-19. In the event of an inconsistency between this document and the Bid Proposal Form, this document shall control. It is in the intent of the City that all accepted alternate and deductions are also approved with this contract.

3. Compensation.

- 3.1 City shall pay Contractor a maximum of \$ 146,400.00 plus performance/payment bond costs, for services identified in the Bid Proposal Form dated 3-5-19, which is attached to this document for reference.

City shall pay Contractor within thirty (30) days of receipt of billings by Contractor. Billing shall constitute certification by Contractor that the work described has been completed in accordance with the contract and in a workmanlike manner and approved by the Engineer.

Final payment for the project will not be released until the City has received the following required documents:

- Proof of compliance with the state income-tax withholding requirements by submitting Department of Revenue form IC-134;

- Lien waivers from all suppliers, subcontractors and other parties that furnished labor or materials for this project;
- Product warranties as required in the Scope of Work and Specifications.

4. Term.

- 4.1 This Agreement shall expire on 10-30-14
- 4.2 The City may terminate this Agreement without cause upon 14 days written notice.

5. Insurance and Bonds.

- 5.1 Contractor agrees to keep in force statutory workers' compensation insurance. If Contractor is self-insured and exempt from workers' compensation insurance requirements, Contractor must provide the City with a copy of the certification from the State of Minnesota indicating that the company is self-insured and exempt from such requirements. Additionally, Contractor shall maintain liability coverage for all work covered under the Agreement naming the City of Faribault as an additional insured in at least the amount of \$500,000 per claimant and \$2,000,000 for each incident.
- 5.2 Contractor agrees that this contract is not valid until they provide both a performance bond and a payment bond to the City. The bond amounts must each be in at least the amount of the contract.

6. Contracts.

- 6.1 City: Paul Peanasky  
15 Division Street W.  
Faribault, MN 55021  
Ph: 507-334-2064  
Email: [ppeanasky@ci.faribault.mn.us](mailto:ppeanasky@ci.faribault.mn.us)

- 6.2 Contractor:

7. Consideration

- 7.1 Contractor for and in consideration of the payment or payments herein specified and by the City to be made, hereby covenants and agrees to provide the services, products, all materials; all necessary tools and equipment, and to do and perform all the

work and labor necessary to complete and fulfill the requirements as described in the Specifications and Bid Proposal Form submitted by Contractor (hereinafter referred to as the "Proposal"), which is hereby referred to and attached and made a part of this Agreement as fully and to the same extent as if set forth herein in detail.

8. Performance of Work.

- 8.1 Contractor also agrees that all the work and labor shall be done in the best and most diligent manner and that all materials and labor shall be in entire and strict conformity in every respect with the Proposal, and the requirements of federal, state and local laws, ordinances, regulations, standards, and specifications of the City and shall be subject to the inspection and approval of the proper authorities of the City for the supervision of the work, and in case any of said material or labor shall be rejected by the City as defective or unsuitable, then the materials shall be removed and replaced with other approved materials and the labor shall be done anew to the satisfaction and approval of the City at the cost and expense of Contractor.

In order to minimize the disturbance of building occupants, work shall be performed between the hours of 7:00am – 4:00pm, Monday through Friday. If Contractor wishes to perform work outside of these hours, this must be approved by the City on a case-by-case basis, prior to the commencement of such work. A space will be allowed in the parking lot for the temporary parking of a crane.

Employees, contractors and subcontractors of Contractors shall not use obscene or inappropriate language, participate in inappropriate behavior or smoke in the building, commons areas or grounds where the work is being performed. The City considers inappropriate behavior to include sexual harassment, asking inappropriate personal information, requesting sexual favors or any other similar behavior.

Contractor shall clean their work area, particularly any work performed in the common areas or grounds before leaving each day and at the completion of the entire job.

Contractor shall not leave any areas unsecured or unattended.

9. Non-Discrimination Clause.



9.1 Contractor agrees that in the hiring of common or skilled labor for the performance of any work under this Agreement, no Contractor, material supplier or vendor, shall, by reason of race, creed, color, sex or national origin, discriminate against any person or persons who are citizen of the United States and who are qualified and available to perform the work to which such employment relates; that neither he nor any subcontractor, material supplier, or vendor, shall in any manner discriminate against, or intimidate, or prevent the employment of any such person or persons from the performance of work under this Agreement on account of race, creed, color, sex or national origin; that any violation of this paragraph shall be a misdemeanor; and that this Agreement may be canceled or terminated by the City and all money due, or to become due hereunder, may be forfeited, for a second or any subsequent violation of the terms or conditions of this Agreement.

10. Indemnification.

10.1.1 Contractor hereby agrees to protect, defend and hold the City and its officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, costs, fines, charges, damage and expenses, including, without limitation, reasonable attorneys fees, consultants and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever (including those based on strict liability) arising out of (i) the activities contemplated by this Agreement, (ii) including, without limitation, any claims for any lien imposed by law for services, labor or materials, or (iii) by reason of the execution of this Agreement or the performance of this Agreement. Contractor and Contractors successors or assigns, agree to protect, defend and save the City, and its officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance. This indemnity shall be continuing and shall service the performance or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the City of any immunities, defenses, or other limitations on liability to which the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466, or otherwise.

11. Waiver of Claims.
  - 11.1 In consideration of this Agreement, Contractor, for Contractor, Contractors attorneys, agents, employee; former employees, insurers, heirs, administrators, representatives, successors, and assigns, hereby release and forever discharges the City, and its attorneys agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, City consideration, execution and performance of this Agreement between the parties.
12. Amendments.
  - 12.1 Any amendment to this Agreement must be in writing and signed by both parties.
13. Agreement Binding; Assignment of Agreement.
  - 13.1 This Agreement shall be binding upon and inure to the benefit of the parties. No assignment or attempted assignment of this Agreement or of any rights hereunder shall be effective without the prior written consent of the City.
14. Execution Authority.
  - 14.1 Each of the undersigned parties warrants it has the full authority to execute this Agreement.
15. City Staff Not Personally Liable.
  - 15.1 No officer, agent or employee of the City shall be personally liable to Contractor or any successor in interest, in the event of any default or breach of the City on any obligation or term of this Agreement.
16. Relationship of Parties.
  - 16.1 Contractor acknowledges that nothing contained in this Agreement nor any act by the staff or Contractor shall be deemed or construed by Contractor or by any third person to create any relationship of third-party beneficiary, principal and

agent, limited or general partner, or joint venture between the City and Contractor.

17. Execution in Counterparts.

17.1 This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

18. Governing Law and Venue.

18.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the State or Federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

19. Compliance with Laws.

19.1 Contractors warrants that all work performed pursuant to this Agreement shall be in compliance with all Federal, State and local laws, ordinances, regulations, rules, and standards, as well as specifications of the Cit.

20. Entire Agreement.

20.1 This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire Agreement between the City and Contractor and supersedes any other written or oral agreement between the City and Contractor.

21. Validity of Agreement Provisions.

21.1 In the event that any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions in any application thereof shall not in any way be affected or impaired thereby.

22. Enforcement of Agreement Provisions.

22.1 No failure by any party to insist upon the strict performance of any covenant, duty agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach, thereof, shall constitute a waiver of any such breach of any other

covenant, agreement, term, or condition, nor does it imply that such covenant, agreement, term or condition may be waived again.

23. Data Practices Compliance.

23.1 Any and all data created, collected, received, stored, used, maintained, or disseminated by Contractor pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and Contractor must comply with these requirements as if it were a government entity. This paragraph does not create a duty on the part of the Contractor to provide access to public data to the public if the public data are available from the HRA, except as required by the terms of this Agreement.

24. Audit Clause.

24.1 Contractor agrees that the books, records, documents and accounting procedures and practices of the Contractor relating to this contract are subject to examination by the City for a minimum of six years.

**CITY OF FARIBAULT**

**CONTRACTOR**

BY: \_\_\_\_\_  
City Administrator

BY: \_\_\_\_\_  
Authorized Signature

BY: \_\_\_\_\_  
Mayor