



Mechanical & Electrical Services

Mechanical Customer Support Agreement

Customized For

ISD 2143 Waterville-Elysian-Morristown

500 East Paquin Street
Waterville, MN 56096



April 1st, 2022 through March 31st, 2023

Prepared By:

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Introduction

ISD 2143 Waterville-Elysian-Morristown's operations staff will be responsible for the day-to-day operations of the building automation and managing the temperature control system. The facility staff has been trained and is experienced in managing the different areas of HVAC and temperature controls. Because of this, they do not require a high level of support from vendors, but use Customer Support Agreements (CSA) to augment their current knowledge and protect their equipment investment and maximize utility efficiency use over the long term.

Customer Support Agreement (CSA) Goals

- Develop a maintenance relationship with **ISD 2143 Waterville-Elysian-Morristown** to promote the use of automated operation and proactive maintenance of systems to maximize facility staff throughput and utility savings.
- Support facility staff with pre-season performance testing and maintenance.
- Extend the life of the owner's mechanical assets beyond industry standards and thus reducing downtime and repair cost and maximizing **ISD 2143 Waterville-Elysian-Morristown** ROI.
- Upgrade and maintain system software and hardware to current supported revisions to minimize the possibility of needed to upgrade an obsolete system.
- Allow **ISD 2143 Waterville-Elysian-Morristown** to focus on their core competencies to execute their mission.
- Constant improvement through Continuous Commissioning. Always looking to improve the benchmark that has been set.

Proposal Contents

- NAC Custom Service Plan Features (based upon customer request/input)
- Schedule of Services
- Customer Support Agreement Pricing Summary/Signature Page
- Terms and Conditions

*Specific Cost Saving Facts

- If you are overheating your space by just 3Deg, due to miscalibrated controls, this will cause an increase in your fuel consumption by over 16% when it is below 50Deg outside.
- Temperature control systems out of calibration cause increased operational cost of 5-15% per year. This is based on servicing hot and cold calls throughout their shifts.
- Setting back the temperature 10Deg in a building, unoccupied 12 hours per day and 41 hours per weekend, results in utility savings of approximately 24%.
- Dirty air filters in air handling units increase the total static pressure .5" and generates the need for 10% additional horsepower.
- One millimeter of scale will raise the energy consumption of a chiller 10% at full load.

*Source (Terry A. Thompson "Preventive Maintenance Save Energy Dollars" Engineered Systems)



NAC Customer Support Agreement

The following is a comprehensive list of the Support Services NAC offers to maximize the value of your investment in your Mechanical and your Building Control Systems. Following this list of Support Services is a detailed description of each offering and the value that it provides.

Mechanical and Automatic Temperature Control System Services

1. Mechanical Equipment Preventive Maintenance

- Air Handler/Rooftop Unit maintenance and Performance Testing
- Boiler System Maintenance and Performance Testing
- Misc. HVAC Equipment Maintenance and Performance Testing
- Flex Hours Support Services

2. Emergency Response Services Standard

- On-Site Response
- Emergency Response Services
- After-Hours Support

3. General Services, Included in All Support Agreements

- Account Management
- Documentation of All Services Provided
- Quality Assurance Program



NAC Customer Support Agreement Detailed Description

1. Mechanical and Automatic Temperature Control Equipment

Flex-Hours Support Services

Automation Mechanical Electrical Plumbing

Flex-hours support, as you need it, whether it is online support from our office, or an on-site visit from a service technician. Prepaying for these hours allows you to budget for emergency calls or special projects and spread the payments over the term of your contract. We will provide an agreed upon number of hours of Flex-Hours Support per year. These hours can be used for any of the services that NAC Mechanical & Electrical Services offers to our customers.

- Included in this Support Agreement – Eighty (80) Hours per year (**See optional added pricing below**)
 Not included with this Support Agreement (Owners staff to maintain) Not Applicable

Pneumatic System Maintenance and Performance Testing

Pneumatic control systems are susceptible to oil and water that can migrate from the central air supply system. For this reason, it becomes increasingly important to monitor the health and operation of these systems. If there is a failure, it can cost the owner thousands of dollars to repair. NAC will monitor and maintain the Automatic Temperature Control (ATC) system so that failures are caught before they cause secondary damage. NAC will also calibrate and repair systems as outlined in "Attachment A".

- Included in this Support Agreement
 Not included with this Support Agreement (Owners staff to maintain) Not Applicable

Air Handling/Rooftop Maintenance and Performance Testing

Air Handling systems are one of the single largest operating expenses that a company has. NAC will provide a complete operational performance test to include heating, cooling delta tees, bearings, and belts, verify safeties are working properly, and that set points are optimized for the highest level of utility savings.

- Included in this Support Agreement – Twenty-two (20) AHU's
 Not included with this Support Agreement (Owners staff to maintain) Not Applicable
 Condenser Evaporator Coil Cleaning is included in this Support Agreement
 Belts (1) times per year (Customer to provide) Filters (2) times per year (Customer to provide)

Boiler System Maintenance and Performance Testing

Boiler systems are one of the most critical and largest operating expenses that a company has. NAC will provide a complete operational performance test to include combustion flue analysis, verify safeties are working properly, and that set points are optimized for the highest level of utility savings.

- Included in this Support Agreement – Quarterly Semi-Annual Annual Five (6) Boilers/Hot Water Systems
 Not included with this Support Agreement (Owners staff to maintain) Not Applicable

Steam Trap Assessment

Reliable and optimized performance of your heating plant starts with properly maintained and working steam traps. NAC will test 20% of the 3/4" and small traps to make sure they are working properly. NAC will also check the end of line traps in the boiler room and tunnels annually to make sure there are no failures. NAC will also monitor the return condensate temperature to access if we are seeing an increase in any specific area. Both temperature and ultrasonic test equipment will be used.

- Included in this Support Agreement
 Not included with this Support Agreement (Owners staff to maintain) Not Applicable



Misc. HVAC Equipment Maintenance and Performance Testing

Complex and even simple buildings can have many different mechanical systems that need to be maintained to ensure that building is running at optimum performance. NAC will verify the operation and performance test each of the items listed below per manufactures recommendations.

- Pumps
- Variable Air Volume Boxes
- Cabinet Unit Heaters
- Unit Heaters
- Domestic Hot Water Heaters
- Exhaust Fans

2. Emergency Response Services

On-site Emergency Response

Automation **Mechanical** **Electrical** **Plumbing**

If during our On-line Emergency response, we are unable to resolve the situation we will dispatch a Service Professional to your facility. Non-emergency calls, as determined by your staff and NAC will be incorporated into the next scheduled service visit.

Standard Emergency On-site Response Time – NAC will be on site by the end of the next business day; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

Premium Emergency On-site Response Time – We will be on site within four (4) hours, 24 hours/day, 7 days/week, including holidays (after the completion of the internet or telephone response) (Assumes safe driving conditions)

Emergency Response Services

Services listed above guarantees response time to an emergency situation **only**. The use of on-line and/or on-site emergency service is not included in the scope of this contract and will be billed at the applicable time & material rates.

After-Hours Support

Emergencies can and usually happen when you least expect it and many times on the weekends or after 5:00 PM. It is very important to NAC to provide support in all emergency situations for all of our customers. To address this concern NAC has a 24-7-365 emergency answering service. You can utilize this service in an after-hours emergency situation by calling **651-490-9868** or by emailing service@nac-hvac.com. After receiving the call or email, we will first attempt to solve the issue on-line as described in the *On-line Emergency Response* section of this proposal. If the problem persists, we will discuss it with you and upon your approval dispatch a service technician to your site.



3. General NAC Customer Support Agreement Features

- Account Manager** - A dedicated Account Manager will be responsible for your total service satisfaction. Your Account Manager will provide the designated services, monitor equipment performance, track equipment service history, and consult with you to meet your objectives.
- Dedicated Service Team** - Our Service Team knows controls and mechanical systems; they are trained on all aspects of maintaining and troubleshooting your systems interoperability to maximize uptime and energy efficiency.
- Documentation** - All service visits will be documented by a work order detailing the service performed, materials used, and hours spent.
- System and Service Log** - NAC will provide you with a log for documentation of concerns, system problems, and other related items requiring our attention. Each scheduled service visit shall begin with a review of the log.
- Price Advantage- Discounted Labor and Material** - As a Customer Support Agreement customer; you will receive a discount off the normal labor and material prices.



Customer Support Agreement Pricing Summary

Billing Period In Advance: Annual Semi Annual Quarterly Monthly

Pricing for these features is based on a 12-month program with a start date of April 1st, 2022.

\$26,408 (Twenty-Six Thousand Four Hundred Eight Dollars and no/100) annually.

Optional HVAC Flex Hours Service: (80 Hours to be used as directed by customer). (This is over and above the pricing listed above).

Optional HVAC Flex Hours Pricing: \$10,276 (Ten Thousand Two Hundred Seventy-Six Dollars and no/100) annually.
Initial _____

NAC believes that this proposal is in the best interests of **ISD 2143 Waterville-Elysian-Morristown** and is based on your input. Please feel free to contact me if you have any changes. If accepted, please sign, date below and return to NAC with purchase order or billing information.

This proposal is valid for 30 days from the time that it is signed by an authorized NAC Mechanical & Electrical employee. Contract will renew year on year after the original term unless NAC Mechanical & Electrical Services receives writing notification to cancel this agreement 30 days prior to the end of the contract term.

ISD 2143 Waterville-Elysian-Morristown

NAC MECHANICAL & ELECTRICAL SERVICES

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



TERMS AND CONDITIONS

The following terms and conditions are attached to and form an integral part of NAC Mechanical & Electrical (referred to herein as "NAC") Customer Support Agreement Proposal ("Proposal"). The portions of such Proposal relating to "Scope of Work" or any "Proposed Solution" (in either case, referred to herein as the "Proposed Solution"), together with these terms and conditions, are collectively referred to as the "CSA Agreement".

Article 1: General

1.1 a) The CSA Agreement, when accepted in writing by the Customer and approved by an authorized representative of NAC shall constitute the entire, complete and exclusive agreement between the parties relating to a technical support program ("Services") for the equipment and software identified in the List of Equipment or the Service Coverage Report attached to the CSA Agreement ("Equipment") and shall supersede and cancel all prior agreements and understandings, written or oral, relating to the subject matter of the CSA Agreement. The CSA Agreement and any rights or obligations thereunder may not be assigned by either party without the advance written consent of the other.

(b) The terms and conditions of this CSA Agreement shall not be modified or rescinded except in writing, signed by a corporate officer of NAC. NAC's performance under this CSA Agreement is expressly conditioned on Customer's assenting to all of the terms of this CSA Agreement, notwithstanding any different or additional terms contained in any writing at any time submitted or to be submitted to NAC by Customer relating to this subject matter.

c) The terms and conditions set forth herein shall supersede, govern and control any conflicting terms of the Proposed Solution or the Proposal.

1.2 This CSA Agreement shall automatically renew for successive one (1) year periods beginning on the anniversary date of the original term as set forth in the Proposal, unless stated otherwise in the CSA Agreement.

1.3 Either party may terminate or amend this CSA Agreement by giving the other party at least thirty (30) days prior written notice of such amendments or intent not to renew after the original term.

1.4 This CSA Agreement shall be governed by and enforced in accordance with the laws of the State of Minnesota.

1.5 Customer will at all times designate a contact person with authority to make decisions for Customer regarding the Services. Customer will provide NAC with information sufficient to contact such person in an emergency. If such representative cannot be reached, any request for Service received from a person located at Customer's premises will be deemed authorized by Customer, and NAC will, in its discretion, act accordingly.

1.6 NAC will be permitted to control and/or operate all Equipment necessary to perform the Services.

Article 2: Equipment Testing, Inspection and Maintenance

2.1 The Customer represents that all Equipment is in satisfactory working condition. By the latter of the first thirty (30) days of this CSA Agreement or the first scheduled inspection, NAC will have inspected all the Equipment.

2.2 If the Proposed Solution provides for maintenance, any repairs and replacements of Equipment are limited to restoring the proper working condition of such Equipment. NAC will not be obligated to provide replacement Equipment that represents significant capital improvement compared to the original. Exchanged components become the property of NAC.

Article 3: Charges, Fees and Invoices

3.1 Payments to be made under this CSA Agreement will provide for, and be in consideration of, only Services specifically included under the Proposed Solution. All other Services, including but not limited to the following, shall be separately billed or surcharged on a time and materials basis: (a) emergency Services performed at Customer's request, if inspection does not reveal any deficiency covered by this CSA Agreement; (b) Services performed other than during NAC's normal working hours; and (c) Service performed on equipment not covered by this CSA Agreement.

3.2 Invoices are due net 30 days or otherwise as may be set forth therein. If any payment is not received net 30, NAC may deem Customer to be in breach hereof and may enforce any remedies available to it hereunder or at law, including without limitation suspension or termination of Services and acceleration of payments.

Article 4: Allocation of Risk

4.1 (a) Until one year from either the date hereof or the date the Equipment is installed, whichever first occurs, all equipment manufactured by NAC or bearing its nameplate will be free from defects in material and workmanship arising from normal use and service. (b) Labor for all Services under this CSA Agreement is warranted for 90 days after the work is performed.

4.2 The limited warranties set forth in Section 4.1 will be void as to, and shall not apply to, any Equipment (i) repaired, altered or improperly installed by any person other than NAC or its authorized representative; (ii) subjected to unreasonable or improper use or storage, used beyond rated conditions, operated other than per NAC's or the manufacturer's instructions, or otherwise subjected to improper maintenance, negligence or accident; (iii) damaged because of any use of the Equipment after Customer has, or should have, knowledge of any defect in the Equipment; or (iv) not manufactured, fabricated and assembled by NAC or not bearing NAC's nameplate.

4.3 NAC will indemnify Customer from and against losses, claims, expenses and damages (including reasonable attorney's fees) for personal injury or physical damage to property, but not loss of use of the property resulting from such damage or from damage to any work performed hereunder. Such indemnification shall be solely to the extent caused by or arising directly from NAC's or its employees', consultants' or agents' negligent acts or omissions or willful misconduct in connection with its performance of Services hereunder. NAC's obligations under this indemnity provision shall not extend to claims, losses, expenses and damages arising out of or in any way attributable to the negligence of Customer or its agents, consultants or employees other than NAC.

Article 5: Customer Responsibilities

5.1 Customer will operate and maintain all Equipment in accordance with applicable manufacturer's specifications, including those set forth in the manufacturer's operating manuals or instructions, as well as all requirements of applicable law or of authorities having jurisdiction.

5.2 Customer will promptly notify NAC of any unusual operating conditions, system malfunctions or building changes that may affect the Equipment or any Services.

5.3 Customer will provide NAC with reasonable means of access to the Equipment and shall make any necessary provisions to reach the Equipment and peripheral devices. Customer will be solely responsible for any removal, replacement or refinishing of the building structure or finishes that may be required to gain access to such Equipment.

Article 6: Limitations of Maintenance or Service Obligations

6.1 NAC will not be responsible for the maintenance, repair or replacement of, or Services necessitated by reason of: (a) non-maintainable, non-replaceable, or obsolete parts of the Equipment, including but not limited to ductwork, shell and tubes, heat exchangers, coils, unit cabinets, casings, refractory material, electrical wiring, water and pneumatic piping, structural supports, cooling tower fill, slats and basins, etc. unless otherwise specifically stated herein; or (b) negligence, abuse, misuse, improper or inadequate repairs or modifications, improper operation, lack of operator maintenance or skill, failure to comply with manufacturer's operating and environmental requirements, Acts of God, or other reasons beyond its control. NAC assumes no responsibility for any service performed on any Equipment other than by NAC or its agents.

6.2 NAC shall not be responsible for loss, delay, injury or damage that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by Customer or its employees or agents, Acts of God, war, civil commotion, acts of government, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, strikes, lockouts, differences with workmen, riots, explosions, fuel, labor or materials.

6.3 NAC is not responsible for repairs, replacements or services to Equipment due to corrosion, erosion, improper or inadequate water treatment by others, electrolytic action, chemical action or other reasons beyond its reasonable control.

6.4 NAC shall not be responsible for the removal or reinstallation of replacement valves, dampers, water flow and tamper switches required from pipes and duct work including any venting or draining systems.