



FACILITIES MANAGEMENT

Independent School District No. 709

Located at 101 East 3rd Street

*Mailing Address: 215 North 1st Avenue East
Duluth, Minnesota 55802*

Construction Management (218) 336-8907

Maintenance (218) 336-8906

Operations (218) 336-8905

Fax (218) 336-8909

Memorandum

To: Bill Hanson

From: Kerry M. Leider

Date: December 28, 2011

Re: Carpentry Demolition and Reconstruction Work Related to the Glycol Leak at Denfeld High School – Heartwood Construction, Inc.

Enclosed please find three (3) copies of the Agreement between Independent School District #709 and Heartwood Construction, Inc. pertaining to the carpentry demolition and reconstruction work to remove and repair building damage caused by the glycol leak resulting from a failed plumbing joint in the heating system at Denfeld High School. The estimated cost for this service is \$28,919.37.

Due to the emergency nature of this work and the need to have this work completed as soon as possible to prevent further damage, I am recommending approval of the Agreement with Heartwood Construction, Inc. to perform the carpentry demolition and reconstruction work related to the glycol leak at Denfeld High School. If you concur, please sign and return all three copies to the Facilities Management office for processing.

If you have any questions, please call me at extension 3234.

Attachments

INDEPENDENT SCHOOL DISTRICT NO. 709

MEMORANDUM OF AGREEMENT, made this **28th day of December, 2011**, between Independent School District No. 709, a public corporation, in the State of Minnesota, party of the first part, hereinafter called "ISD 709," and **Heartwood Construction, Inc.** party of the second part, hereinafter called "Contractor",

WITNESSETH, that the said Contractor, in consideration of the covenants and agreements herein mutually entered into, does for itself and for its successors, assigns, executors and administrators covenant, promise and agree to and with ISD 709 that Contractor shall and will at its own proper cost and expense and according to the best of its art and ability, do and perform all the work and furnish all equipment and materials (except only where otherwise especially provided herein to the contrary) which may be required in performing building and completing the specified work: **To perform carpentry demolition, and reconstruction work as it is required, only, to remove and repair building damage caused by a release of glycol heating fluid. This release of fluid resulted from a failed plumbing joint in the heating system installed by Shannons' Inc.. The leaked fluid subsequently caused damage to the Denfeld High School Building. This Agreement is for work to repair that damage caused to the building and**

building materials and contents related to the leak and only when such work is covered by Shannon's Insurance. Shannon's Insurance Company, CAN, has retained the services on John Hargesheimer with Moe&Nevin Insurance Adjusters. The Insurance Claim Number is #E2830910.

The work to be performed by Heartwood Construction, Inc pursuant to this Agreement may include but not limited to that work summarized in their Estimate # 2011-12-27-0833 (attached hereto), and other work requested by ISD 709 and that authorized by CNA Insurance or their property adjuster representative Moe & Nevin. **Total contract award amount is estimated at \$28,919.37 but will be based on the actual labor time and material provided by the Contractor.** As stated above, and together with all other words connected therewith or necessary thereto, and in accordance with the plans and directions by ISD 709 and CNA Insurance and made from time to time as the work proceeds, said directions to form a part of this contract.

AUDIT:

Subject to 1998 Minnesota Laws ch 386, art. 1, § 6: the books, records, documents, accounting procedures and practices of the Contractor relevant to the project are subject to examination by ISD 709 or its designated representative and

the State Auditor or Legislative Auditor as deemed appropriate for three (3) years after the final payments are made and all other pending matters are closed.

CONSIDERATION:

ISD 709, in consideration of the due and faithful performance of the covenants and agreements referred to herein and as directed by ISD 709 and or by Moe&Nevin Insurance Adjusters, ISD 709 promises and agrees to pay the Contractor only the amount of the Contractor's invoice that is fully covered and paid by CNA Insurance (CNA Claim Number E2830910).

To the extent permitted by Shannon's inc. and CNA Insurance, ISD 709 hereby authorizes CNA Insurance to make direct payment to Heartwood Construction Inc. for their work provided ISD 709 receives a copy of invoices and check used for payment.

CONTRACT DOCUMENTS:

It is understood and agreed that this contract consists of the following:

1. Printed Memoranda of Agreement and Title Sheet.
2. Contractor's Estimate Estimate # 2011-12-27-0833
3. Contractor's Insurance Policy.
4. Supplementary Conditions and Insurance Requirements.
5. Asbestos Containing Materials Contractor/Short Term Worker Acknowledgement Form.

IN WITNESS WHEREOF, Independent School District No. 709 has caused these presents to be signed by the Director of Business Services, and said Contractor shall hereunto set his/her hand the day and year first above written.

INDEPENDENT SCHOOL DISTRICT NO. 709

By: W.C. Hanson

W.C. Hanson, Director of Business Services

Date: 12/28/11

CONTRACTOR – Heartwood Construction, Inc.

By: Larry Louis Anderson

Title: CEO

Date: 12/28/11