



Facilities Committee Item #:	II B – Action Item (recommendation)
Board Agenda Item #:	II B – Consent Item
Date:	October 10, 2018 / October 11, 2018
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“ MPS ”) Board of Directors Facilities Committee (the “ Facilities Committee ”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Approval of Construction Agreement for MSA-2 to Make HVAC Upgrades Using MSA-2’s Prop 39 Energy Efficiency Grant From the State of California

I. Proposed Committee Recommendation

Staff recommends that the Facilities Committee approve, and recommend that the full Board of Directors of MPS (the “**MPS Board**”) approve, the agreement between MPS and Highlands Diversified, Inc. dba Highlands Trade, attached as Exhibit A, for the installation of new HVAC units at MSA-2’s campus located at 17125 Victory Boulevard in Van Nuys (the “**Project**”). The Project will be paid for solely from the Prop 39 energy efficiency grant received by MPS for the benefit of MSA-2.

II. Background

A. Prop 39 Background

MPS applied for and received grants for its schools under the Proposition 39 California Clean Energy Jobs Act (“**Prop 39**”), a state program providing funding to local educational agencies for improving energy efficiency and creating clean energy jobs. Under Prop 39, MSA-2 received funding of **\$271,059**. According to Prop 39 rules and regulations, Prop 39 projects must be under contract by June 30, 2019. Otherwise, Prop 39 funds received must be returned to the State of California.

MPS signed an agreement with First Note Finance (“**FNF**”) to manage MPS’s Prop 39 projects. FNF is only paid if and when projects are completed. After the payment of fees to FNF



of \$27,218 under its contract, a balance of \$243,840 remains to be spent on various energy efficiency projects for MSA-2.

B. MSA-2 Co-Location Use Agreement

MSA-2 leases space on the Los Angeles Unified School District (“LAUSD”) owned Birmingham campus. As such, MPS was required to seek additional approvals from LAUSD to perform the proposed HVAC upgrades. For example, LAUSD required a review of the equipment to be installed to confirm it conformed to its standards. LAUSD has provided its approvals.

C. Procurement

On MPS’s behalf FNF issued an RFP to various vendors for the Project. See RFP attached as Exhibit B. Four bids were received. FNF and Mr. Ontiveros reviewed the bids and determined that Highlands Trades’s bid of \$205,079.26 represented the best value to MPS and MSA-2.

D. The Agreement

The proposed Agreement between MPS and Highlands Trade Partners has been reviewed by MPS’s general counsel and found to be acceptable.

III. Budget Impacts

Since the Project will be paid entirely from the Prop 39 funds already received by MPS, there is no budget impact to either MSA-2 or MPS.

Exhibits (attachments):

- A. *Agreement between MPS and Highlands Trade Partners*
- B. *RFP*



Exhibit A

Agreement between MPS and Highlands Trade Partners

AGREEMENT BETWEEN OWNER AND CONTRACTOR

A G R E E M E N T made as of the 8th day of August, 2018.

B E T W E E N the Owner:

Magnolia Science Academy 2
17125 Victory Boulevard
Van Nuys, CA 91406

and the Contractor:

Highlands Diversified, Inc. dba Highlands Trade
Partners 5114 E. Clinton Way #111
Fresno, CA 93727 Tel: (559) 455 – 1700 ext. 102

the Project is:

Magnolia Science Academy 2
17125 Victory Boulevard
Van Nuys, CA 91406

The Owner and Contractor agree as follows.

ARTICLE 1 THE WORK OF THIS CONTRACT

This Agreement entered into as of the day and year first written above.

The Contractor shall fully execute the Work described in the Contract Documents, described as follows:

The Work is generally described as the construction work necessary to provide turnkey installation of ten (10) Wall Mounted Heat Pump Systems and ten (10) programmable, networking, smart thermostats. These replacement units shall be 11.0 EER and 14.0 IPLV or better, and will replace (10) existing Wall Mounted Heat Pump units located on the portable classrooms. All units include isolation curbs, sound attenuators, CO2 sensors, Bard guards, and IAQ Controllers.

The project is to be implemented as soon as possible as determined by school client. The project includes development of all documentation required for permit from the local jurisdiction and a full one (1) year replacement labor warranty and warranty to commence upon startup of equipment. The contractor includes a one (1) year warranty period, dated from date of Substantial Completion and must meet requirements of the Los Angeles Unified School District.

A more detailed Scope of Work is provided by attaching a TASK ORDER (Exhibits “A”, “B”, and “C”) to this Contract, and the terms and conditions of the Task Order will take precedence

ARTICLE 2 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Owner and exercise the Contractor’s skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner’s interests. The Owner agrees to furnish and approve, in a timely manner, the information required by the Contractor to perform the Work and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

3.1 The date of commencement of the Work shall be per a Notice to Proceed to be issued by the Owner.

3.2 The Contractor shall have a reasonable period of time to complete this Project, consistent with the timing of the information provided by the Owner concerning the scope of work to be performed.

ARTICLE 4 BASIS FOR PAYMENT

4.1 CONTRACT SUM

4.1.1 The Owner shall pay the Contractor the Cost of the Work for the scope of work as defined in the Scope and Work Schedule attached hereto as TASK ORDER Exhibit “A” and the Fixed Turnkey Price attached hereto under as TASK ORDER Exhibit “B” Price and Payment Terms.

ARTICLE 5

5.1 PROGRESS PAYMENTS

5.1.1 The Contractor shall, once every month, deliver to the Owner an application for payment (“Application for Payment”) setting forth the amount which the Contractor believes it is entitled to be paid for the current period. Such Application for Payment shall be supported by such data substantiating the Contractor’s right to payment as the Owner may reasonably require including, without limitation, copies of invoices from Subcontractors and material suppliers, receipts and vouchers, a Prevailing Wage Report using the standard California Department of Industrial Relations form, attached hereto as TASK ORDER Exhibit “C”, and a conditional release of lien upon progress payment and a Conditional Release upon Progress Payment. Upon payment, Contractor shall supply Owner with an Unconditional Release of Lien upon Progress Payment.

5.1.2 The Owner will review each Application for Payment, and will pay the amount due within thirty (30) days after Owner’s receipt of the Application for Payment.

5.1.3 The Contractor shall promptly pay each Subcontractor upon receipt of payment out of the amount paid to the Contractor on account of each Subcontractor’s Work, the amount to which said Subcontractor is entitled, reflecting the percentage actually retained, if any, from payments to the Contractor on account of such Subcontractor’s Work.

5.1.4 The Contractor agrees to keep the Work on the site(s) on which Work is to be performed or materials to be furnished pursuant to the Contract Documents free and clear of all mechanic’s liens and claims of liens, provided that the Owner has paid the Contractor the amount due for the labor, services and materials which are the subject of the lien.

5.2 FINAL PAYMENT

5.2.1 Upon receipt of written notice from the Contractor that the Work is complete and ready for final inspection, all corrections made, all reports and there is no other unfinished Work, and upon receipt of a final Application for Payment, including all completed and signed Prevailing Wage Reports using the standard California Department of Industrial Relations form, attached hereto as TASK ORDER Exhibit “C”, the Owner will promptly make such inspection and, when it finds the Work acceptable and the Contract fully performed, the Owner will promptly approve final payment.

5.2.2 Final payment, constituting the unpaid balance of the Contract Sum, if any, (subject to any retention with respect to minor work or defective work) shall be due and payable thirty (30) days following the receipt of a final Application for Payment provided that as a condition to such payment the Owner has approved the Work, and Contractor has provided an Unconditional Release of Lien upon final payment for itself and all subcontractors or supplier.

5.2.3 If there should remain minor items to be completed, the Contractor and the Owner shall list such items and the Contractor shall deliver, in writing, its unconditional promise to complete said items within a reasonable time following substantial completion of the work. The Owner may retain an amount equal to one and one-half (1-1/2) times the cost to complete the minor work (“punch-list work”), as reasonably determined by Owner, until such time as the punch-list work is completed.

ARTICLE 6 THE CONTRACT DOCUMENTS

6.1 The Contract Documents consist of this Agreement Between Owner and Contractor, the bid set of Construction Documents, and the Contractor’s proposal attached as Exhibit “A”. The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Change Order. The Contract Documents shall not be construed to create a contractual relationship between the Owner and a Subcontractor or sub-subcontractor between any persons or entities other than the Owner and Contractor.

6.2 The term “Work” means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations. The Work may constitute the whole or a part of the Project.

ARTICLE 7 OWNER

7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

7.1.1 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

7.1.2 The Contractor shall pay for the building permit and final inspection. Owner shall pay other permits, governmental fees and charges required for the construction, use or occupancy of permanent structures or permanent changes in existing facilities.

7.2 OWNER’S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

7.3 OWNER’S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or persistently fails or neglects to carry out the Work in accordance with the Contract Documents, or fails to perform a provision of the Contract, the Owner, after ten (10) days written notice to the Contractor and without prejudice to any other remedy the

Owner may have, may make good such deficiencies and may deduct the reasonable cost thereof, from the payment then or thereafter due the Contractor.

ARTICLE 8 CONTRACTOR

8.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters.

8.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

8.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

8.4 WARRANTY

8.4.1 The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage.

8.4.2 Pursuant to the terms of this warranty, the Contractor shall promptly correct Work rejected by the Owner for failing to conform to the requirements of the Contract Documents if discovered within one year after the date of Substantial Completion of the Work, provided that the Owner gives the Contractor prompt written notice of the discovery of the condition. The Contractor shall correct it promptly after receipt of written notice from the Owner to do so.

8.5 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material.

ARTICLE 9 CHANGES IN THE WORK

9.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be

authorized by written Change Order signed by the Owner and Contractor or by a written Construction Change Directive signed by the Owner.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- (1) employees on the Work and other persons who may be affected thereby;
- (2) the Work and materials and equipment to be incorporated therein; and
- (3) other property at the site or adjacent thereto.

The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except for damage or loss attributable to acts or omissions of the Owner, and not attributable to the fault or negligence of the Contractor.

10.2 PROTECTION OF STUDENTS – WORK DURING SCHOOL HOURS

10.2.1 Fingerprinting and Criminal Records Check of Contractor’s Employees.

Contractor shall comply with the provisions of Education Code §45125.1 regarding the submission of fingerprints to the California Department of Justice and the completion of criminal background investigations of the contractor and/or its employees.

Contractor shall not permit any employee to have any contact with Magnolia pupils until such time as Contractor has verified in writing to the Magnolia Project Lead that such employee has not been convicted of a felony, as defined in Education Code §45125.1.

ARTICLE 11 INSURANCE

11.1 CONTRACTOR’S LIABILITY INSURANCE

11.1.1 The Contractor shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor’s operations under the Contract, whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

Worker’s Compensation and Employer’s Liability Insurance with limits of not less than required by law.

Commercial General Liability Insurance, (Insurance Services Office, Form CG 00 01 or equivalent), including

- Personal Injury, including accidental death, with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;
- Property Damage, including Broad Form Property Damage Coverage, with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;
- Products Liability/Completed Operations Liability, with limits of not less than One Million Dollars (\$1,000,000) in the aggregate; and
- Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

Before commencing the Work, the Contractor shall furnish a) certificate, satisfactory to Owner, from each insurance company showing that the above insurance is in force, stating policy numbers, dates of expiration, and limit of liability thereunder and b) a certificate naming Owner as an additional insured on a combination of a ISO form CG 20 37 and an ISO CG 20 10 10/01 form or its approved equivalent.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other.

12.2 GOVERNING LAW

The Contract shall be governed by the laws of the State of California.

12.3 TESTS AND INSPECTIONS

Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority. The Owner shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Owner timely notice of when and where tests and inspections are to be made so that the Owner may be present for such procedures.

ARTICLE 13 INDEMNIFICATION

13.1 To the fullest extent permitted by law, Contractor agrees to indemnify, hold harmless and defend Owner and its Officers, Agents and Employees from and against any and all claims, losses, damages, liability including defects in the work arising out of the negligent acts, errors or omissions and/or breaches of this agreement except to the extent caused by the active or sole negligence, or willful misconduct of the Owner.

ARTICLE 14 DISPUTES

14.1 All disputes not settled by negotiation or mediation shall be resolved by resort to such rights and remedies as the parties each may have at law or in equity. Except to the extent that this AGREEMENT expressly permits a party to suspend performance, pending final resolution of a dispute, the parties shall each proceed diligently and faithfully with performance of their respective obligations under this AGREEMENT. CONTRACTOR acknowledges and agrees that, should a dispute proceed pursuant to this Section, the only issues that the CONTRACTOR may raise in such proceedings are those that were specifically included in its written claim submitted in accordance with this AGREEMENT, as applicable to the type of WORK. Failure to specifically describe an issue in the written claim within 10 days constitutes a waiver of that claim and shall preclude CONTRACTOR from raising such claim in any court or arbitration proceeding.

This Agreement entered into as of the day and year first written above.

Magnolia Science Academy 2

Highlands Trade Partners

President & CEO (Signature)

CONTRACTOR (Signature)

By: Patrick Ontiveros

By: Leonel Alvarado

Its: Director of Facilities

Its: President

861507

License Number

**Form of TASK ORDER
Exhibit A**

Scope of Work and Schedule

Facility: Magnolia Science Academy 2

Address: 17125 Victory Boulevard, Van Nuys, CA 91406

Primary Contact for Site: Patrick Ontiveros, Tel: (213) 628-3634; Email:
pontiveros@magnoliapublicschools.org

Project Manager Name and Contact Info:

James Richmond, First Note Finance *inc*; Cell: (303) 517-8640; Email:
James@FirstNoteFinance.com

Amanda Kielian, First Note Finance *inc*; Cell: (650) 534-8102; Email:
Amanda@FirstNoteFinance.com

Project Manager Name and Contact Info for CONTRACTOR:

Frank Kaiser, Highlands Trade Partners, Cell: (559) 978-3876; Email:
fkaiser@highlandstraes.com

Scope of Work Narrative:

This project includes the turnkey (Design-Build) Engineering, Design, Electrical, permitting, Installation, and Commissioning Support of ten (10) Bard Wall Mounted Heat Pumps and ten (10) Bard programmable, networking, smart thermostats.

The unit replacements must meet a minimum efficiency 11.0 EER and 14.0 IPLV. All units include isolation curbs, sound attenuators, CO2 sensors, Bard guards, and IAQ Controllers. The contractor includes a one (1) year warranty period, dated from date of Substantial Completion and meets requirements of the Los Angeles Unified School District.

Additionally, the kWh savings in the CEC approved plan for this scope is 39,086 kWh/year. The energy savings of the project shall be within 15% of 39,086 kWh/year.

	(1) 4 ton Wall Mounted Heat Pump	(8) 3.5 ton Wall Mounted Heat Pumps	(1) 2 ton Wall Mounted Heat Pump
Manufacturer	Bard	Bard	Bard
Model Number	C48H1-B0ZVP4XXX	C42H1-A0ZVP4XXX	C24H1-A0ZVP4XXX
Efficiency (EER and IPLV)	11.00 EER and 15.0 IPLV	11.0 EER and 14.7 IPLV	11.00 EER and 14.3 IPLV

First Note Finance inc
 Energy Savings Made Simple



Bid Form - Schedule of Values – Magnolia Science Academy 2, HVAC

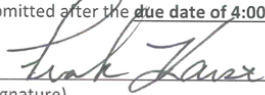
For your bid to be accepted as responsive, all blanks in both tables below must be filled in with a price, or "N/A", or "included". Leaving blanks may result in your bid being rejected.

Base Bid includes LAUSD Required Equipment

17125 Victory Blvd.

		Total
1	Prepare and Submit Feasibility Study	\$6,184.00
2	Obtain Engineering and Permits	\$6,844.00
3	Secure and Assist with Collection of Rebates & Incentives	\$0.00
4	Replace (10) Wall Mounted Heat Pumps	\$164,077.26
5	Install (10) programmable, networking, smart thermostats	\$6,504.00
6	Removal/Disposal	\$1,100.00
7	Repair & Seal Ductwork	\$5,680.00
8	System Commissioning	\$7,800.00
9	Other Costs	\$6,890.00
	Fixed Turnkey Price, 17125 Victory Blvd.	\$ 205,079.26

Certification: I, (name) Frank Kaiser, am qualified to make this bid-offer commitment on behalf of my company. The fixed, turnkey price provided is all-inclusive. I understand that this bid is provided to the client without expectation for compensation of any kind for the cost of preparing it, and that the Client (Magnolia Science Academy 2), or its designated Energy Manager (First Note Finance inc) may reject this bid if it is not responsive, complete or submitted after the **due date of 4:00 PM on March 26, 2018.**


 _____ 8/8/18
 (signature) (date)
General Superintendent

 (title)

Please submit your bid via email attachment on or before the date and time due to
Amanda@FirstNoteFinance.com

This bid includes: (1) 4-ton Wall Mount Heat Pumps, (8) 3.5-ton Wall Mount Heat Pumps and (1) 2-ton Wall Mounted Heat Pumps. All units include Isolation curbs, sound attenuators, CO2 Sensors, Bard Guards and IAQ Controller.

Equipment pricing is based off of Geary Pacific/Bard and the information they have obtained through LAUSD Specifications. A representative from Geary Pacific/Bard was at the job walk and obtained equipment information directly from Magnolia Science Academy 2.

Magnolia Science Academy 2 Project Narrative

- *Total duration of project to (6) working days*
- *Day 1: Disconnect and remove (2) existing wall mount units and (2) thermostats. Start, test and clean up job site.*
- *Day 2: Disconnect and remove (2) existing wall mount units and (2) thermostats. Start, test and clean up job site.*
- *Day 3: Disconnect and remove (2) existing wall mount units and (2) thermostats. Start, test and clean up job site.*
- *Day 4: Disconnect and remove (2) existing wall mount units and (2) thermostats. Start, test and clean up job site.*
- *Day 5: Disconnect and remove (2) existing wall mount units and (2) thermostats. Start, test and clean up job site.*
- *Day 6: Final walk through with First Note Finance and school representative.*

*****Timeline may change based on weather delays, arrival of equipment, or any unforeseen issues on jobsite.*



5114 East Clinton Way, #111
Fresno, California 93727
Phone: 559-455-1700
Fax 559-455-1711
CDGS DVBE #0043397

California State Contractor's License #861507

Date: March 26, 2018

Magnolia Science Academy 2
17125 Victory Boulevard
Van Nuys, CA 91406

Attention: Steven Keskinurk
Reference: Magnolia Science Academy 2
Subject: Warranty Letter

Dear Steven,

Highlands Diversified Inc. dba Highlands Trade Partners will repair or replace any or all work, that may prove defective or fail to conform to Contract requirements, workmanship and materials; together with any other work which may be displaced, damaged or marred in so doing, all without any additional expense to Contractor, ordinary wear and tear and unusual abuse or neglected excepted. All warranties, unless greater requirements are otherwise stipulated in the Contract Documents, shall be for one (1) year period, dated from date of Substantial Completion.

Warrant: Magnolia Science Academy 2
Project: Prop 39 HVAC Implementation
Address: 17125 Victory Boulevard, Van Nuys, CA 91406
Date: 3/26/2018

We hereby warrant the performed scope of work in accordance with Contract Documents and that the work provided will fulfill the requirements of the warranty. We agree to repair or replace any or all our work that may prove to be defective in its workmanship, materials, or fail to conform to Contract requirements together with any other work which may be damaged or displaced by so doing within a period of one (1) year from date of Substantial Completion of the above-named Project by Highlands Diversified, Inc. dba Highlands Trade Partners, without any expense to the said Contractor, ordinary wear and tear and unusual abuse or neglect excepted. In the event of our failure to comply with the above-mentioned conditions within thirty (30) days after being notified in writing by the Contractor, we collectively or separately do hereby authorize the Contractor to proceed to have said defects repaired and made good at our expense and we will honor and pay costs and charges therefore upon demand.

Dated: _____ Dated: _____

By: _____ By: _____

5114 E. Clinton Way, Suite #111 Fresno, CA 93727

CONTRACTOR will install the following equipment, and ensure that the 11.0 EER and 14.0 IPLV specification for each system is validated with an ARI certificate.

Project Budget: \$ 205,079.26

The project budget includes all costs of all contractors, including mechanical, electrical, permits, materials, supplies, demolition... everything.

Product Cut Sheets:

A comprehensive set of project cut sheets will be submitted by CONTRACTOR. Please see link below for a comprehensive set of project cut sheets.

<https://www.dropbox.com/sh/dcdysv5w1rqfkz/AABkkuc6xCUWseJS0c7Uvstua?dl=0>

Exhibit B

Price and Payment Terms

Fixed Turnkey Price: \$ 205,079.26

(This is the fixed turnkey price to be paid to CONTRACTOR for its completion of the Work, including all products, parts, materials, labor, travel expenses, permits and overhead.)

Payment Terms:

- One final invoice per the following Schedule of Values. Payment terms at net 15 days.
- Joint-party checks to ensure payment to equipment suppliers shall be indicated on Final Invoice. All material & equipment suppliers shall be identified, so joint-party checks can be issued.
- Unconditional Waiver and Release upon Final Payment (California Civil Code 8138) is required from all equipment suppliers and/or subcontractors for final payment.
- Unconditional Waiver and Release upon Final Payment (California Civil Code 8138) from the CONTRACTOR is required for final payment.

Schedule of Values:

Project Milestone	% Completed	Amount
Installation Complete, Warranty, & O&M Manual	100%	\$ 205,079.26

Exhibit C

CA Department of Industrial Relations Prevailing Wage Reporting Form – PWC 100

This project is funded in whole or in part using Proposition 39 State funding. This statute prohibits sole sourcing of contractors and requires registration with DIR as well as compliance with applicable Prevailing Wage law.

Please use your existing DIR login or register at:

DIR PWC 100 Log-in Site: <https://www.dir.ca.gov/pwc100ext/LoginPage.aspx>



Exhibit B

Request for Proposal



HVAC Contractor Statement of Work – Request for Proposals

Magnolia Science Academy 2
17125 Victory Blvd, Van Nuys, CA 91406-5455
Replace HVAC Systems, Duct Repair and Sealing,
 February 26, 2018

This document is an invitation to qualified HVAC contracting firms to bid on the turnkey (Design-Build) Engineering, Design, Electrical, Permitting, Installation, and Commissioning Support of sixteen (16) wall mounted heat pump units and sixteen (16) programmable, networking, smart thermostats. This document and all submittals will become a contract exhibit for the successful bidder. The HVAC project is intended to be undertaken as soon as possible or in Summer Break 2018 as TBD by school client. Funding has been approved under California Proposition 39, and the total cost of the HVAC system retrofit will need to fall within the State-approved budget for the included energy efficiency measures.

Clients: Magnolia Science Academy 2, 17125 Victory Boulevard, Van Nuys, CA 91406.
 Steven Keskinturk, Principal

Energy Manager: First Note Finance *inc.*, 831 Pomona Ave, Coronado, CA 92118
 Amanda Kielian & Chris Ing, Energy Managers
Amanda@FirstNoteFinance.com ; Chris@FirstNoteFinance.com

Local Jurisdiction: City of Los Angeles Department of Building and Safety, 6262 Van Nuys Blvd, 2nd Floor, Rm. 251, Van Nuys, CA 91401, Tel: (213) 473-3231

Contractor Pre-Bid Walk-Through: Wednesday, March 14, 2018. All bidding contractors will survey the premises at one time at **2:00 PM**, 17125 Victory Boulevard, Van Nuys, CA 91406. Parking lot can be accessed from Haynes Street off Balboa Blvd. This will be the only opportunity to survey the premises before proposals are due. **Please RSVP at Amanda@FirstNoteFinance.com**

Questions and Answers: Bidder questions shall be submitted by electronic mail by close of business on **March 19, 2018**. Answers to all questions will be provided in writing to all interested parties on or before **March 22, 2018**. Please send questions to Amanda@FirstNoteFinance.com

Proposal Due Date: March 26th, 2018, 4:00 PM. Please read and follow carefully all instructions on the *Bid Submittal Requirements and Bid Form and Schedule of Values*.

Facilities and Layout

HVAC system replacements for the main building are included in this RFP. These include the following units:

LEA (e.g. school)	Street Address	Floor Area (sf)	Inst. Schedule
Magnolia Science Academy 2	17125 Victory Blvd, Van Nuys	16,235	Summer Break 2018



Equipment Scheduled for Replacement

Building	Serving	System (Existing)	Quantity	Estimated Capacity (Existing)	Replacement Efficiency (Minimum)
P-20	Rm. P21	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-20	Rm. P22	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-20	Rm. P23	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-30	Rm. P31	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-30	Rm. P32	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-30	Rm. P33	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-40	Rm. P41	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-40	Rm. P42	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-50	Rm. P51	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-50	Rm. P52	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-11-14	Rm. P11	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-11-14	Rm. P12	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-11-14	Rm. P13	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-11-14	Rm. P14	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-10	Rm. P10	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV
P-60	Rm. P61(Teachers' Lounge)	Wall Mounted HP Bard WH491-BOZ	1	4 Tons	11.0 EER and 14.0 IPLV

Note: Selected contractor shall verify system capacity before ordering replacement equipment.

Minimum Efficiency Specification: All replacement heat pump systems shall be SEER-15 or better. All replacement rooftop packaged AC systems shall be SEER 14 or better. All replacement mini-split heat pump systems shall be SEER-18 or better. All replacement wall mounted AC and heat pump units shall be 11.0 EER at full load and have a minimum Integrated Part Load Value (IPLV) of 14.0. Condensing furnaces shall be AFUE 0.92 or better. If the equipment is rated in EER, not SEER, the systems shall be EER 12.2 or better.

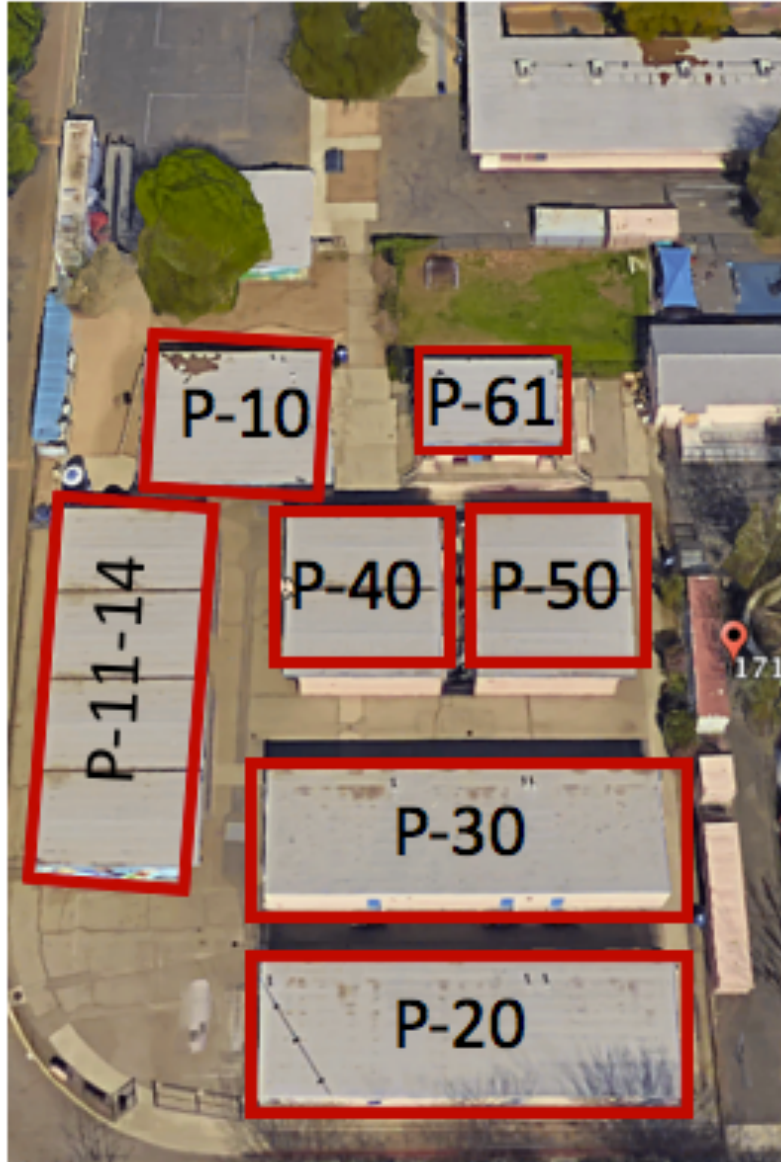
Thermostats: Contractor shall install (16) programmable, networking, smart thermostats.



Schedule Summary

Facilities Pre-Bid Walk-Through: Wednesday, March 14, 2018, 2:00 PM PST
RFP Questions Due: Monday, March 19, 2018, 4:00 PM PST
RFP Answers Provided: Thursday, March 22, 2018, 4:00 PM PST
RFP Proposals Due: Monday, March 26, 2018, 4:00 PM PST
Contractor Selection: Approx. March 26, 2018
Contracting: Week of March 26, 2018
Installation: Summer Break 2018







Preliminary Discussion

HVAC Inventory: An onsite survey performed by First Note Finance resulted in a comprehensive HVAC equipment inventory. Only some of the equipment inventoried is scheduled for replacement, and these units are identified in the tables on page 2. Bids shall be based on this inventory with regard to equipment quantities, types and sizes. Prospective bidders should also field-verify existing equipment to ensure inventory accuracy.

Responsiveness: Your complete and responsive bid is requested. Bids that are not responsive or incomplete, or are submitted after the due date and time, will be rejected. For your bid to be considered responsive and complete, the following turnkey services are required, and shall be accepted by the building owner (Client).

Best Value: Price of the HVAC retrofit is important. A responsive bid will be evaluated based on the price submitted, and whether it meets the budget parameters of the approved Proposition 39 funding. However, price is not the only consideration. Bids will also be evaluated based on the (perceived) quality of materials and equipment, warranty considerations, and company reputation, track record, and project references. The Client will choose the successful bidder and a contract awarded based on its own calculation of Best Value, at its sole discretion. The Client's decision will be final and Client withholds the right to reject any and all bids received without explanation.

Prevailing Wage: These projects are funded in whole or in part using Proposition 39 Clean Energy Jobs Act funding. This statute prohibits sole sourcing of contractors and requires documentation of Prevailing Wages. It also requires your firm to be registered with the CA Department of Industrial Relations, which involves paying them a \$400 registration fee, in order to be eligible to be paid from Proposition 39 funding.

No Payment for Bids: A bidder will not be compensated for its costs of submitting a bid.

Budget Considerations

Project implementation funding has been secured via the California Proposition 39 Clean Energy Jobs Act. These (funded) energy efficiency measures are the basis of the Project for which a Scope of Work is included in this Request for Proposal. Project funding has been secured via the California Proposition 39 Clean Energy Jobs Act.

Scope of Work

1. Feasibility Study
2. Complete Engineering and Obtain Building Permits
3. Apply for Rebates and/or Incentives
4. Replace HVAC Systems and programmable thermostats
5. Removal and Disposal of Old Equipment and Material
6. Repair and seal ductwork as needed
7. Commission installed HVAC Systems

Scope of Work - Discussion

1. Feasibility Study – The selected contractor will perform a feasibility study in order to determine in advance of filing for permits or beginning construction, any issues that may arise that will affect the schedule or cost



of the project. Contractor will have the opportunity to survey the premises including the roofs and plenums, possible locations for a crane, onsite staging of demolished equipment, condition of wiring and circuits, etc.

2. Complete Engineering and Obtain Building Permits – This is a Design-Build construction process. Contractor is responsible for obtaining building permits as well as obtaining any engineering drawings /and/or specifications that are required by the local jurisdiction in order to obtain a building permit, including but not limited to Structural, Mechanical, and /or Electrical Engineering, stamped by a licensed professional engineer (California). As-built drawings in electronic format (AutoCAD & PDF) of the completed (phases) of the project are required deliverables for final acceptance by the client.
3. Apply for Rebates and/or Incentives– Contractor shall complete and submit utility rebate and/or incentive reservations and applications for all applicable rebates or incentives available. The estimated amount of the rebate should be submitted with the Contractor’s bid.
4. Replace HVAC Systems – Contractor shall provide a fixed price for the replacement of the existing HVAC systems. Price shall be turnkey and include all equipment plus programmable thermostats, material, parts, and demolition and installation labor required to complete the installations, including the cost of equipment delivery to the site, and crane to set the new equipment on the roof, and remove the old equipment from the roof. Contractor shall include in its price the cost of replacing or re- configuring roofing curbs to fit the new equipment if, and as, needed. Contractor shall hire and pay as a subcontractor, the School’s roofing contractor, that will repair and fit roofing material as needed on equipment curbs, as well as patch any damage to the roof resulting from the demolition and/or installation. Contractor shall hire and pay as a subcontractor, an electrical contractor, that will disconnect the existing equipment, and connect the new equipment, providing service disconnects, wiring and over-current protection devices if and as needed, or required by code. Contractor shall test and verify system operation. Again, this is a Design-Build construction process. Contractor is responsible for obtaining final approval from the local jurisdiction.
5. Additionally, the following specifications are requirements and shall be included in the Contractor’s bid price:
 - a. **Economizers:** Outdoor air temperature economizers are required for the Packaged Rooftop Unit Heat Pumps and AC units. Yes, even if they are less than 5 tons capacity.
 - b. **Minimum Efficiency Specification:** All replacement heat pump systems shall be SEER-15 or better. All replacement rooftop packaged AC systems shall be SEER 14 or better. All replacement mini-split heat pump systems shall be SEER-18 or better. All replacement wall mounted AC and heat pump units shall be 11.0 EER at full load and have a minimum Integrated Part Load Value (IPLV) of 14.0. Condensing furnaces shall be AFUE 0.92 or better. If the equipment is rated in EER, not SEER, the systems shall be EER 12.2 or better.
6. Removal and Disposal of Old Equipment and Material – Contractor shall remove from the premises and provide for proper and lawful disposal of the old HVAC equipment as well as any waste material resulting from the demolition. Contractor shall remove, transport, and properly and lawfully dispose of any refrigerants in the existing systems.
7. Repair and seal plenum & outdoor-exposed ductwork as needed – Contractor shall seal with mastic the installed HVAC unit to the supply and return plenums, as well as any outdoor-exposed ductwork as part of the installation.



8. Commissioning of installed HVAC systems – Contractor shall integrate to the existing thermostats and field verify set-points and schedules.

Bid Submittal Requirements

1. **Company Profile:** Please submit a company profile including the following information:
 - a. Company name, entity type, address, telephone, email.
 - b. Number of employees,
 - c. Number of years in business,
 - d. Professional certifications,
 - e. Number of commercial HVAC projects completed in the last five years.
 - f. Please provide the name of the company owner, president or CEO.
 - g. Please provide the name and contact information of the designated project and/or construction manager for this project.
2. **Project Experience:** Please provide brief project descriptions for similar Design-Build projects your firm has performed, including engineering through system commissioning.
3. **Project Schedule Narrative:** Please provide a narrative for your anticipated, proposed project schedule couched in terms of number of days from receiving a signed contract *for critical needs phase*. Please indicate the amount of time you anticipate it will take to obtain a building permit, if needed. Please describe your installation approach. Please explain how you plan to coordinate your installation so that roofing repairs are accomplished as needed at roof curbs to prevent roof leaks.
4. **Project References:** Please provide references for three (3) completed projects, of the same approximate size and scope, including contact information for the client you were directly responsible to. Name, address, telephone, email, and a brief project description.
5. **Warranty:** Please provide a copy of your Standard Warranty.
6. **Product Information:** Please provide cut sheet information for the exact products proposed for this project, including heat pumps, rooftop A/C systems, split-system A/C systems, smart thermostats and user interface software.
7. **Bid Form:** Please complete the following **Bid Form & Schedule of Values**.



Bid Form - Schedule of Values – Magnolia Science Academy 2, HVAC

For your bid to be accepted as responsive, all blanks in both tables below must be filled in with a price, or “N/A”, or “included”. Leaving blanks may result in your bid being rejected.

17125 Victory Blvd.

		Total
1	Prepare and Submit Feasibility Study	
2	Obtain Engineering and Permits	
3	Secure and Assist with Collection of Rebates & Incentives	
4	Replace (16) Wall Mounted Heat Pumps	
5	Install (16) programmable, networking, smart thermostats	
6	Removal/Disposal	
7	Repair & Seal Ductwork	
8	System Commissioning	
9	Other Costs	
	Fixed Turnkey Price, 17125 Victory Blvd.	\$

Certification: I, (name) _____, am qualified to make this bid-offer commitment on behalf of my company. The fixed, turnkey price provided is all-inclusive. I understand that this bid is provided to the client without expectation for compensation of any kind for the cost of preparing it, and that the Client (Magnolia Science Academy 2), or its designated Energy Manager (First Note Finance inc) may reject this bid if it is not responsive, complete or submitted after the **due date of 4:00 PM on March 26, 2018.**

 (signature) (date)

 (title)

Please submit your bid via email attachment on or before the date and time due to
Amanda@FirstNoteFinance.com

