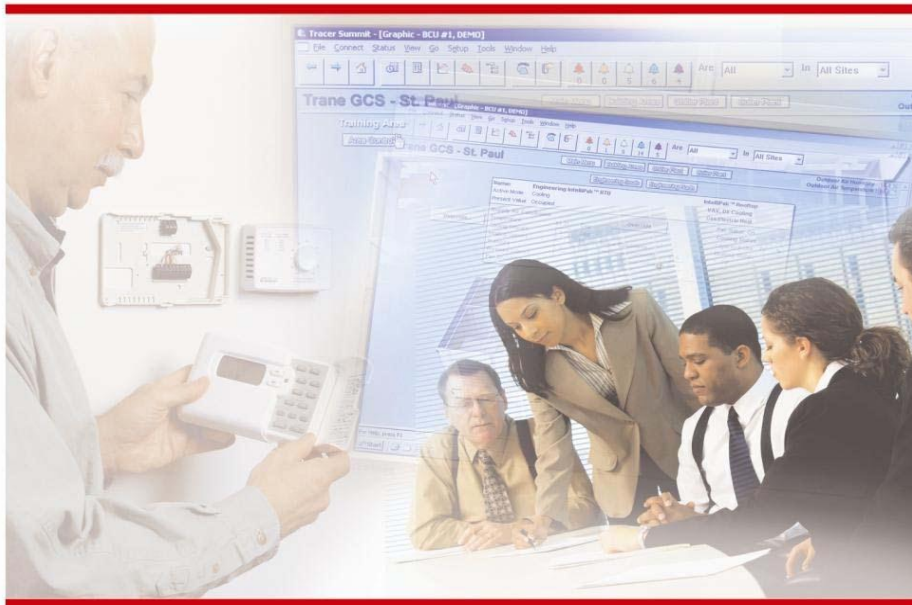




Breathitt County Schools
420 Court St.
P.O. Box 750
Jackson, KY 41339

Breathitt County High School Boiler Replacement Project



Bluegrass Industrial Park
12700 Plantside Drive
Louisville, KY 40299-1918
Ernie Tacogue

Date: 10/15/2014

TO: Larry Hammond Superintendent	NO: B-B146608	DATE: 10/15/2014
	PROJECT: Breathitt County High School Boiler Replacement	
	SUBMITTED BY: Ernie Tacogue Harshaw Trane KPC Vendor #1848	

Harshaw Trane is pleased to present the following proposal to replace the existing boiler at Breathitt County High School with new high efficiency condensing boilers.

Project Scope Description:

Installation of two new Aerco BMK - 3000 high efficiency condensing boilers, including the following:

- Removal of the existing Weil-Mclain gas-fired boiler(s) and disposal to off-site location.
- Remove heating hot water supply and return piping as required to permit removal of the existing boiler and installation of new Aerco boilers.
- Remove natural gas piping as required to permit removal of the existing boiler and installation of the new boilers.
- Repair the existing boiler housekeeping pad as required to accommodate the new Aerco boilers.
- Remove electrical branch circuit raceways and conductors serving the existing boiler back to the source; remove control wiring serving the existing boiler.
- Install new hot water supply and return piping as required to connect the two new boilers into the heating hot water system.
- Install new natural gas piping as required for the new boilers.
- Install new PolyPropylene venting through the roof.
- Install a new electrical panel BP-1 to feed the new boilers; connect the new panel to an existing circuit breaker in panel DP-4.
- Install a new branch circuit from panel board BP-1 to each new boiler.
- Insulate new boiler piping with 1-1/2" thick- 1-1/2 pound fiberglass insulation with all-service jacketing.
- Install new electric combustion damper actuator on existing damper and interlock to open when boiler is started.
- Provide and install new boiler emergency shut-down switches.
- Boiler Factory startup.
- As-built mechanical and electrical drawings.
- 1st year project warranty.
- 10 year pressure vessel/heat exchanger warranty.

PROPOSAL

New Boiler Equipment Description:

- Quantity two Aerco Benchmark Model BMK – 3000
- 3,000,000 Btuh input
- 2,610,000 to 2,880,000 Btuh output
- 15 to 1 turndown condensing design
- Up to 98% Efficiency
- Stainless steel firetube heat exchanger
- 4” motorized valves
- Bacnet Gateway

Clarifications:

1. Proposal does not include temporary heat.
2. Proposal does not include new hot water pumps.
3. The boiler will operate under standalone unit controls.

Total Net Base Price (Taxes included).....\$ 197,304.00

Confidentiality: Any information shared between the parties in connection with the work hereunder shall be considered confidential and proprietary to the disclosing party and shall remain the sole property of the disclosing party. The drawings, specifications and project ideas, as instruments of Harshaw Trane’s service, are and shall remain the property of Harshaw Trane until such time that Harshaw Trane and Roll Forming finalize a contract. They shall not be used on other projects or extensions to this project except by agreement in writing.

Ernie Tacogue
Account Executive



12700 Plantside Drive
Louisville, KY 40299-6387

Harshaw Trane Qualifications

Harshaw Trane
12700 Plantside Drive
Louisville, KY 40299
Website: www.harshawtrane.com



Harshaw Trane has served the Kentucky and Southern Indiana market for over 35 years. As a professional services provider, Harshaw Trane has capabilities from performance contracting, energy services, equipment, parts, controls, and service to full turnkey contracting solutions. Association affiliations include Energy Star Partner, Kentucky Association of Manufacturers (KAM), U.S. Green Building Council (USGBC), American Association of Heating, Refrigeration and Air Conditioning (ASHRAE) and Kentucky Pollution Prevention Center (KPPC).

Harshaw Trane has held a market leadership role in the implementation of web based energy management systems, metering and comprehensive turnkey solutions. World-class custom solutions are utilized to leverage facility information into overall energy savings and asset management. Current installations include numerous facilities across the state, including schools, hospitals, industrials and a multi-award winning Fort Knox base-wide system with over 275 buildings.



**KENTUCKY ASSOCIATION
OF MANUFACTURERS**



Harshaw Trane Resources

- 41 Certified Energy Managers (CEM)
- 2 Certified Measurement and Verification Professionals
- 3 Certified Building Commissioning Professionals
- 2 Certified Demand-Side Management Professionals
- 14 Project Managers
- 30 LEED Accredited Professionals
- 2 Certified Six Sigma Green Belts
- 44 Degreed Engineers
- 7 Application/Energy Engineers
- 300 Associates
- 80+ Certified and Factory-Trained Technicians
- 4 Professional Engineers
- 1 Certified Carbon Reduction Manager (CRM)

Harshaw Trane Terms and Conditions (Service)

The following "Terms and Conditions" are attached to and made a part of the Service Agreement ("Agreement") between the named Customer and Harshaw Trane.

Harshaw Trane's Services are furnished pursuant to and subject to the following terms and conditions, except for any Services that are the subject of a pre-existing valid written agreement currently in effect between Harshaw Trane and Customer, in which case such written agreement shall apply.

- 1. Acceptance.** A Proposal or Agreement made upon these terms is subject to Customer acceptance in writing delivered to Harshaw Trane within thirty (30) days from the date hereof. If your order is an acceptance of a written Proposal on a form provided by Harshaw Trane, without the addition of any other terms and conditions of sale or any other modification, this document shall be treated solely as an acknowledgment of such order, subject to credit approval. If your order is not such an acceptance, then this document is Harshaw Trane's offer, subject to credit approval, to provide the services solely in accordance with the following terms and conditions of sale. If we do not hear from you within two weeks from the date hereof, Harshaw Trane shall rely upon your silence as an acceptance of these terms and conditions and any performance will be pursuant hereto. Customer's acceptance of services by Harshaw Trane will in any event constitute an acceptance by Customer of these terms and conditions.
- 2. Term, Renewal, and Cancellation.** The Initial Term of this Agreement shall be as stated in the "Pricing & Acceptance" section hereof. Thereafter, unless earlier terminated, this Agreement shall be automatically renewed for succeeding 12 month terms (each a "Renewal Term"), subject to the Renewal Pricing Adjustment, upon Harshaw Trane's delivery to Customer of a service renewal letter at least forty-five (45) days in advance of the scheduled expiration date and Customer's failure to notify Harshaw Trane in writing no later than thirty (30) days prior to the scheduled expiration date that the Agreement shall not be renewed. This Agreement may be cancelled upon the written notice of either party to the other (for any reason or no reason) no later than thirty (30) days prior to the scheduled expiration date; provided, however, that, in the event of a cancellation by Customer, Customer shall pay to Harshaw Trane the balance of the Service Agreement Fee applicable to the then current 12 month period of the Term. The Service Agreement Fee is based on performance during regular business hours.
- 3. Renewal Pricing Adjustment.** The Service Agreement Fee for an impending Renewal Term shall be the Current Service Agreement Fee (defined as the Service Agreement Fee for the Initial or Renewal Term immediately preceding the impending Renewal Term) adjusted by the following: (a) increase and/or decrease for additions and/or deletions to Scope of Services; (b) 25% of the Current Service Agreement Fee shall be adjusted based upon the calendar year change in the (i) U.S. Bureau of Labor Statistics Producer Price Index for selected commodity groupings (Metals and Metal Products) for Services performed in the United States (c) 65% of the Current Service Agreement Fee shall be adjusted based upon the change to cost of labor; and (d) 10% of the Service Agreement Fee shall be adjusted based upon changes to Harshaw Trane services overhead costs, which include but are not limited to the cost of fuel, truck leasing, and office-related overhead factors. The Service Agreement Fee for an impending Renewal Term shall be set forth in the service renewal letter furnished to Customer.
- 4. Payment and Taxes.** Payment is due upon receipt of Harshaw Trane's invoice. Except as may otherwise be provided in the "Service Agreement Fee" section, annual Service Agreement Fee amounts shall be paid in advance of performance of the Services. Harshaw Trane reserves the right to add to any account outstanding for more than 30 days a service charge equal to the lesser of the maximum allowable legal interest rate or 1.5% of the principal amount due at the end of each month. Without liability to Customer, Harshaw Trane may discontinue services whenever payment is overdue. In addition to the stated Service Agreement Fee, Customer shall pay all taxes not legally required to be paid by Harshaw Trane or, alternatively, shall provide Harshaw Trane with acceptable tax exemption certificates. Customer shall pay all costs (including attorneys' fees) incurred by Harshaw Trane in attempting to collect amounts due.
- 5. Termination.** This Agreement may be terminated by either party upon a material breach by the other party of its obligations hereunder upon fourteen (14) calendar days prior written notice to the breaching party and the failure of the breaching party to cure the breach within such fourteen (14) day period. Notwithstanding any termination, Customer shall remain liable to Harshaw Trane for any amounts for services provided by Harshaw Trane and not then paid.
- 6. Performance.** Harshaw Trane shall perform the services described in this Agreement with respect to the listed Equipment with reasonable promptness in a workmanlike manner in accordance with industry standards generally applicable in the area. Except as otherwise provided in writing in "Scope of Services," Services will be performed during Harshaw Trane's normal business hours and any after-hours services shall be billed separately according to then prevailing overtime or emergency labor rates. Harshaw Trane's duty to perform under this Agreement and the Service Agreement Fee are subject to the approval of Harshaw Trane's credit department, are subject to Events of Force Majeure, and contingent upon the ability to procure materials from the usual sources of supply. Upon disapproval of the credit department or upon the occurrence of any such event as aforesaid, Harshaw Trane may delay or suspend performance or, at its option, renegotiate Service Agreement Fees, and/or terms and conditions with the Customer. If Harshaw Trane and Customer are unable to agree on such revisions, this Agreement shall be cancelled without any liability, other than Customer's obligation to pay for services rendered by Harshaw Trane to the date of cancellation. This Agreement presupposes that all major pieces of equipment are in proper operating condition as of the date hereof. Services furnished are premised on the Equipment being in a maintainable condition. In no event shall Harshaw Trane have any obligation to replace Equipment that is no longer maintainable. During the first 30 days of this Agreement, and/or upon seasonal start-up (if included in the Services), an inspection by a Harshaw Trane technician of Covered Equipment indicates repairs or replacement is required, Harshaw Trane will provide a written quotation for such repairs or replacement. If Customer does not authorize such repairs or replacement, Harshaw Trane may remove the unacceptable Equipment from the "Equipment Coverage" or "Scope of Services" sections of this Agreement and adjust the Service Agreement Fee accordingly. During the Term, Harshaw Trane may elect to install/attach to Customer equipment or provide portable devices (hardware and/or software) for execution of control or diagnostic procedures. Such devices shall remain the personal proprietary property of Harshaw Trane and in no event shall become a fixture of customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices used in connection with providing service on Customer equipment. Harshaw Trane reserves the right to remove such items at its discretion. Harshaw Trane may refuse to perform any services or work where working conditions could endanger or put at risk the safety of Harshaw Trane employees or subcontractors.
- 7. Customer Obligations.** Customer shall:
 - (a) Provide Harshaw Trane reasonable and safe access to all Equipment;
 - (b) Follow manufacturer recommendations concerning teardown and internal inspection, major overhaul, restoration or refurbishing of the Equipment; unless expressly stated in the Scope of Services statement, Harshaw Trane is not performing any manufacturer recommended teardown and internal inspection, major overhaul, restoration or refurbishing of the equipment; Harshaw Trane shall not be responsible to perform any subsequent repairs to the Equipment necessitated by Customer's failure to follow such manufacturer recommendations;
 - (c) Units (5) years of age or greater which have not had a tube analysis within the previous (12) months will require an analysis within the first year;
 - (d) Units (7) years of age or greater which have not had a bearing inspection, will require one prior to contract acceptance. After inspection and restoration of equipment to its original operating conditions, coverage will become effective in accordance with the terms of this agreement;
 - (e) Reimburse Harshaw Trane for services, repairs, and/or replacements performed by Harshaw Trane beyond the "Scope of Services" or otherwise excluded hereunder. Such reimbursement shall be at the then prevailing **regular**, overtime and holiday rates for labor, **vehicle charges** and prices for materials, and may at Harshaw Trane's option be subject to a separate written agreement prior to its undertaking such work. Prevailing rates subject to change with 30 day written notice;
 - (f) Unless water treatment is expressly included in Harshaw Trane's Scope of Services, provide professional cooling tower water treatment in accordance with any reasonable recommendations provided by Harshaw Trane.
- 8. Exclusions.** Unless expressly included in "Scope of Services" or "Equipment Coverage," the services to be provided by Harshaw Trane do not include, and Harshaw Trane shall not be liable for, any of the following:
 - (a) Any guarantee of room conditions or system performance;
 - (b) Inspection, maintenance, repair, replacement of or services for: chilled water and condenser water pumps and piping; electrical disconnect switches or circuit breakers; motor starting equipment that is not factory mounted and interconnecting power wiring; high voltage starters (over 600 volts); recording or portable instruments, gauges or thermometers; non-moving parts or non-maintainable parts of the system, including, but not limited to, storage tanks; pressure vessels, shells, coils, tubes, housings, castings, casings, drain pans, panels, duct work; piping; hydraulic, hydronic, pneumatic, gas, or refrigerant; insulation; pipe covering; refractory material; fuses, unit cabinets; electrical wiring; ductwork or conduit; electrical distribution system; hydronic structural supports and similar items; the appearance of decorative casing or cabinets; damage sustained by other equipment or systems; and/or any failure, misadjustment or design deficiencies in other equipment or systems;
 - (c) Repairs or replacement of parts made necessary as a result of electrical power failure, low voltage, burned out main or branch fuses, low water pressure, vandalism, misuse or abuse, improper operation, unauthorized alteration of Equipment, accident, negligence of Customer or others, damage due to freezing weather, calamity or malicious act;

- (d) Any damage or malfunction resulting from vibration, electrolytic action, freezing, contamination, corrosion, erosion, or caused by scale or sludge on internal tubes except where water treatment protection services are provided by Harshaw Trane as part of this Agreement;
- (e) Furnishing any items of equipment, material, or labor, or performing special tests recommended or required by insurance companies or federal, state, or local governments;
- (f) Failure or inadequacy of any structure or foundation supporting or surrounding the Equipment or any portion thereof;
- (g) Building access or alterations that might be necessary to repair or replace Customer's existing equipment;
- (h) The normal function of starting and stopping the Equipment or the opening and closing of valves, dampers or regulators normally installed to protect the Equipment against damage;
- (i) Valves that are not factory mounted: balance, stop, control, and other valves external to the device unless specifically included in the Agreement;
- (j) Any responsibility for design or redesign of the system or the Equipment, obsolescence, safety tests, or removal or reinstallation of valve bodies and dampers;
- (k) Any services, claims, or damages arising out of Customer's failure to comply with its obligations under this Agreement;
- (l) Failure of Customer to follow manufacturer recommendations concerning overhaul and refurbishing of the Equipment;
- (m) Any claims, damages, losses, or expenses, arising from or related to conditions that existed in, on, or upon the premises before the effective date of this Agreement ("Pre-Existing Conditions"), including, without limitation, damages, losses, or expenses involving pre-existing building envelope issues, mechanical issues, plumbing issues, and/or indoor air quality issues involving mold/mould and/or fungi;
- (n) Replacement of refrigerant is excluded, unless replacement of refrigerant is expressly stated as included within the scope of Harshaw Trane's Services, in which case replacement shall in no event exceed the stated percentage of rated system charge per year expressly stated in the scope of Services. Customer shall be responsible for the cost of any additional replacement refrigerant;
- (o) Operation of the equipment;
- (p) Any claims, damages, losses, or expenses, arising from or related to work done by or services provided by individuals or entities that are not employed by or hired by Harshaw Trane.

9. Warranties. (a) Trane manufactured material supplied and installed by Harshaw Trane is warranted to be free from defect in material and manufacture for a period of twelve months from the earlier of the date of start-up or replacement and Harshaw Trane's obligation under this warranty is limited to repairing or replacing the defective part at its option; (b) labor is warranted (to have been properly performed) for a period of 90 days from completion and Harshaw Trane's obligation under this warranty is limited to correcting any improperly performed labor; and (c) non-Harshaw Trane equipment and/or parts are not warranted by Harshaw Trane and shall have such warranties as are extended to Harshaw Trane by the respective manufacturer. Labor to install parts supplied by Customer is not warranted by Harshaw Trane. Notwithstanding the foregoing, all warranties provided herein terminate upon termination or cancellation of this Agreement.

THE WARRANTY AND LIABILITY SET FORTH IN THIS SECTION ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, WHETHER IN CONTRACT OR IN NEGLIGENCE, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL HARSHAW TRANE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL (INCLUDING WITHOUT LIMITATION LOST REVENUE OR PROFITS), OR PUNITIVE DAMAGES. NO REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS OF PURPOSE IS MADE REGARDING PREVENTION BY THE SCOPE OF SERVICES, OR ANY COMPONENT THEREOF, OF MOLD, FUNGUS, BACTERIA, MICROBIAL GROWTH, OR ANY OTHER CONTAMINATES. HARSHAW TRANE SPECIFICALLY DISCLAIMS ANY LIABILITY IF THE SCOPE OF SERVICES OR ANY COMPONENT THEREOF IS USED TO PREVENT OR INHIBIT THE GROWTH OF SUCH MATERIALS.

10. Indemnity. Harshaw Trane and Customer shall indemnify, defend and hold each other harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, resulting from death or bodily injury or damage to real or personal property, to the extent caused by the negligence or misconduct of the indemnifying party, and/or its respective employees or agents. If the parties are both at fault, the obligation to indemnify shall be proportional to their relative fault. The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early termination hereof, with respect to any claims

based on facts or conditions that occurred prior to expiration or termination.

11. Limitation of Liability. NOTWITHSTANDING ANY CONTRARY PROVISION, NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE (INCLUDING WITHOUT LIMITATION LOST REVENUE OR PROFITS), WHETHER CLAIMED UNDER CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL THEORY OR FACTS, OR PUNITIVE DAMAGES.

12. Asbestos and Hazardous Materials. Harshaw Trane's services expressly exclude any identification, abatement, cleanup, control, disposal, removal or other work connected with asbestos or other hazardous materials (collectively, "Hazardous Materials"). Should Harshaw Trane become aware of or suspect the presence of Hazardous Materials, Harshaw Trane may immediately stop work in the affected area and shall notify Customer. Customer will be responsible for taking any and all action necessary to correct the condition in accordance with all applicable laws and regulations. Customer shall be exclusively responsible for and shall indemnify and hold harmless Harshaw Trane (including its employees, agents and subcontractors) from and against any loss, claim, liability, fees, penalties, injury (including death) or liability of any nature, and the payment thereof, arising out of or relating to any Hazardous Materials on or about the premises, not brought onto the premises by Harshaw Trane. Harshaw Trane shall be required to resume performance of the services only when the affected area has been rendered harmless.

13. Insurance. Harshaw Trane agrees to maintain insurance in the following minimum amounts during the Term: Commercial General Liability -- \$1,000,000 per occurrence; Automobile Liability -- \$1,000,000 CSL; Workers Compensation -- Statutory Limits. If Customer has requested to be named as an additional insured under Harshaw Trane's insurance policy, Harshaw Trane will do so but only to the extent of Harshaw Trane's indemnity assumed under the indemnity provision contained herein. Harshaw Trane does not waive any rights of subrogation.

14. Force Majeure. If Harshaw Trane shall be unable to carry out any material obligation under this Agreement due to an Event of Force Majeure, this Agreement shall at Harshaw Trane's election (i) remain in effect but Harshaw Trane's obligations shall be suspended until the uncontrollable event terminates or (ii) be terminated upon ten (10) days' notice to Customer, in which event Customer shall pay Harshaw Trane for all parts of the Work furnished to the date of termination. An "Event of Force Majeure" shall mean any cause or event beyond the control of Harshaw Trane. Without limiting the foregoing, "Event of Force Majeure" includes: acts of God; acts of terrorism; war or the public enemy; flood; earthquake; tornado; storm; fire; civil disobedience; pandemic; insurrections; riots; labor disputes; labor or material shortages; sabotage; restraint by court order or public authority (whether valid or invalid), and action or non-action by or inability to obtain or keep in force the necessary governmental authorizations, permits, licenses, certificates or approvals if not caused by Harshaw Trane.

15. Services Other Than Solely Scheduled Service. If Harshaw Trane's services hereunder are not limited solely to Scheduled Service, the following provisions shall also apply: (a) Required restoration shall be performed by Customer at its cost prior to Harshaw Trane being obligated to perform hereunder; (b) any changes, adjustments, service or repairs made to the Equipment by any party other than Harshaw Trane, unless approved by Harshaw Trane in writing, may, at Harshaw Trane's option, terminate Harshaw Trane's obligation to render further service to the Equipment so affected; in such case no refund of any portion of the Service Agreement Fee shall be made; and (c) Customer shall (i) promptly notify Harshaw Trane of any unusual performance of Equipment; (ii) permit only Harshaw Trane personnel to repair or adjust Equipment and/or controls during the Term; and (iii) utilize qualified personnel to properly operate the Equipment in accordance with the applicable operating manuals and recommended procedures.

16. General. To the maximum extent provided by law, this Agreement is made and shall be interpreted and enforced in accordance with the laws of the state or province in which work is performed. This Agreement contains all of the agreements, representations and understandings of the parties and supersedes all previous understandings, commitments or agreements, oral or written, related to the subject matter hereof. If any part of this Agreement is deemed to be unlawful, invalid, void or otherwise unenforceable, the rights and obligations of the parties shall be reduced only to the extent required to remove the invalidity or unenforceability. Customer may not assign, transfer, or convey this Agreement, or any part hereof, without the written consent of Harshaw Trane. Subject to the foregoing, this Agreement benefit of the parties hereto and their permitted successors and assigns. Except as provided for Service Agreement Fee adjustments, no modifications, additions or changes may be made to this Agreement except in a writing signed by both parties. This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original, but all together shall constitute but one and the same Agreement. A fully executed facsimile copy hereof or the several counterparts shall suffice as an original. Harshaw Trane reserves the right to change the terms and conditions herein at any time upon written notice to Customer provided at least thirty days prior to the effective date of such changes