

February 8th, 2017

Mr. Ashfaq Dean
Culver City
Police Department
4040 Duquesne Avenue
Culver City, CA. 90232

Reference: Culver City Police Department
Change 6 Pneumatic Control Valves to Electric Valves
SSC #CA2017010023

Dear Ashfaq,

Thank you for the opportunity to submit a proposal to change six (6) pneumatic controls valves to electric control valves on the following Multi-zone Units MZ60, MZ61, MZ62, and MZ63.

Our proposal is based upon the following:

- Mechanical drawings on the existing units.
- Building walk with Ashfaq Dean and Jeff Gifford on January 12, 2017 and Ashfaq Dean and Matt Walters (Key Air) on January 30th, 2017.
- Removal of old pneumatic control valves. Cap existing pneumatic control lines at the source.
- Installation of new electric control valves: including
 - Providing the new valves
 - Installation of the new valves
 - Re-insulation of the piping
 - All wiring and conduit
 - Providing and installing 120vac-24vac transformers for power to the new valves
 - Utilizing the existing control panels to house the new transformers
 - Checkout and commissioning
- New control valves are as follows:

▪ MZ60 –	HW Valve	-	1"
	CHW Valve	-	1 ¼"
▪ MZ61 –	HW Valve	-	1"
	CHW Valve	-	1 ¼"

- MZ62 – HW Valve - 1"
- MZ63 – HW Valve - 1"

- We will provide engineering drawings, programming, checkout, start-up, commissioning, and on-site training.
- All work will be performed during normal business hours.
- One-year warranty on all parts and labor.
- Our price includes all applicable tax on material.
- Our price does not include the cost of permits.
- Our price does not include a new work station. Existing Delta System to remain as is.
- Setpoint is a licensed electrical contractor C-10 #950396
- This proposal is contingent upon receipt of a purchase order and/or subcontract agreement fully acceptable to Setpoint Systems Corporation.

Our price: \$ 39,756.00

If you have any questions or require further information, please contact me.

Regards,

Setpoint Systems Corporation



Jeffrey D. Gifford
Project Manager

PROPOSAL ACCEPTED BY:

Purchaser _____

Company _____

Title _____

Date: _____

Terms and Conditions

By accepting this Proposal, Purchaser agrees to be bound by the following terms and conditions:

1. **SCOPE OF WORK.** This proposal is valid for 60 days from date of proposal. Beyond that time Setpoint reserves the right to revise any or all portions of it. This proposal is based upon the use of straight time labor only unless stated otherwise in this proposal. Plastering, patching and painting are excluded unless stated otherwise in this proposal. "In-line" duct and piping devices, including but not limited to valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by Setpoint Building Technologies Group (Setpoint), shall be distributed to and installed by others under Setpoint's supervision but at no additional cost to Setpoint. Purchaser agrees to provide Setpoint with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. Setpoint agrees to keep the jobsite clean of debris arising out of its own operations. Purchaser shall not back charge Setpoint for any cost or expenses without Setpoint's written consent.

Unless specifically noted in the statement of the scope of the work or services undertaken by Setpoint under this agreement, Setpoint's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal or disposal of environment Hazards or dangerous substances, to include but not to be limited to asbestos, PCBs, or mold discovered in or on the premises. Any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify or alter the scope of work or services to be performed by Setpoint shall not operate to compel Setpoint to perform any work relating to Hazards without Setpoint's express written consent.

2. **INVOICING & PAYMENTS.** Setpoint may invoice Purchaser for all materials delivered to the job site or to an off-site storage facility and for the work performed on-site and off-site. Purchaser agrees to pay Setpoint amounts invoiced upon receipt of invoice. Waivers of lien will be furnished upon request, as the work progresses; to the extent payments are received. If Setpoint's invoice is not paid within 30 days of its issuance, it is delinquent and Setpoint shall add 1 % per month interest onto delinquent amounts.
3. **MATERIALS.** If the materials or equipment included in this proposal become temporarily or permanently unavailable, the time for performance of the work shall be extended to the extent thereof, and in case of permanent unavailability, Setpoint shall (a) be excused from furnishing said materials or equipment; and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonable substitute therefore.
4. **WARRANTY.** Setpoint warrants that the equipment manufactured by it shall be free from defects in material and workmanship arising from normal usage for a period of one (1) year from delivery of said equipment, or if installed by Setpoint, for a period of one (1) year from the installation date. Setpoint warrants that for equipment furnished and/or installed but NOT manufactured by Setpoint, Setpoint will extend the same warranty and terms and conditions, which Setpoint receives from the manufacturer of said equipment. For equipment installed by Setpoint, if Purchaser provides written notice to Setpoint of any such defects within thirty (30) days after the appearance or discovery of such defect, Setpoint shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. All transportation charges incurred in connection with the warranty for equipment not installed by Setpoint shall be borne by Purchaser. These warranties do not extend to any equipment which has been repaired by others, abused, altered or misused, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.
5. **LIABILITY.** Setpoint shall not be liable for any special, indirect, or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.
6. **TAXES.** The price of this proposal includes duties, sale, use, excise or other similar taxes unless required by federal, state or local laws unless stated otherwise in this proposal. Purchaser shall pay, in addition to the stated price; all taxes not legally required to be paid by Setpoint or, alternatively, shall provide Setpoint with acceptable tax exemption certificates. Setpoint shall provide Purchaser with any tax payment certificate upon request and after completion and acceptance of the work.
7. **DELAYS.** Setpoint shall not be liable for any delay in the performance of the work resulting from or attributed to acts of circumstance beyond Setpoint's control, including but not limited to acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner or other Contractors or delays caused by suppliers or subcontractors or Setpoint, etc.
8. **COMPLIANCE WITH LAWS.** Setpoint shall comply with all applicable federal, state, and local laws and regulations. All licenses and permits required for the execution of the work shall be obtained and paid for by the purchaser unless stated otherwise in this proposal.
9. **DISPUTES.** All disputes involving more than \$15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.
10. **INSURANCE.** Insurance coverage in excess of Setpoint's standard limits will be furnished when requested and required and at Setpoint's discretion the costs of this additional insurance may be passed on to the Purchaser. No credit will be given or premium paid by Setpoint for insurance afforded by others.
11. **INDEMNITY.** The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorney's fees which may arise in connection with the execution of the work herein specified and which are caused, in whole or in part by the negligent act or omission of the indemnifying Party.
12. **OCCUPATIONAL SAFETY AND HEALTH.** The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act (OSHA) relating in any way to the project or project site.
13. **ENTIRE AGREEMENT.** This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.
14. **CHANGES.** No change or modification of any of the terms and conditions stated herein shall be binding upon Setpoint unless accepted by Setpoint in writing.
15. **SEVERABILITY.** If one or more of the provision of this agreement are held to be unenforceable under laws, such provision(s) shall be excluded from these terms and conditions and the remaining terms and conditions shall be interpreted as if such provision were so excluded and shall be enforced in accordance to their terms and conditions.