

**CITY OF COSTA MESA
MAINTENANCE SERVICES AGREEMENT
WITH
F.M. THOMAS AIR CONDITIONING, INC.**

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into this 2nd day of September, 2025 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and F.M. THOMAS AIR CONDITIONING, INC., a California corporation. ("Contractor").

W I T N E S S E T H :

A. City proposes to utilize the services of Contractor as an independent contractor to provide on-call HVAC mechanical automation system repairs and maintenance services of City property, as more fully described herein; and

B. Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

C. City and Contractor desire to contract for the services and desire to set forth their rights, duties and liabilities in connection with the performance of such services; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONTRACTOR

1.1. Scope of Services. Contractor shall provide the services described in the City's Request for Proposal, RFP No. 25-22 ("RFP"), attached hereto as Exhibit "A," and Contractor's response to City's RFP (the "Proposal") attached hereto as Exhibit "B," both incorporated herein (the "Services").

1.2. Prevailing Wage Requirements.

- (a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720, *et seq.*) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000, *et seq.* of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This project is a "maintenance" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

- (b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations, Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).
- (c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810, *et seq.*, eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.
- (d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.
- (e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.
- (f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor

Code Section 1725.5 requiring registration with the DIR.

1.3. Performance to Satisfaction of City. Contractor agrees to perform all the work to the complete satisfaction of City. Evaluations of the work will be done by City's Maintenance Services Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Contractor to review the quality of the work and resolve the matters of concern;
- (b) Require Contractor to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Compliance with Applicable Law. Contractor warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to harassment, workplace violence, discrimination, minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Contractor shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Contractor acknowledges that City may enter into agreements with other contractors for services similar to the Services in this Agreement or may have its own employees perform services similar to those Services contemplated by this Agreement.

1.7. Delegation and Assignment. Contractor may not delegate or assign this Agreement, in whole or in part, to any person or entity without the prior written consent of City. Contractor may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Contractor's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City, or confidential information relating to the City's computer and security systems and programs. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed

confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit C. Contractor's total annual compensation shall not exceed Two Hundred Thousand Dollars (\$200,000.00).

2.2. Additional Services. Contractor shall not receive compensation for any services provided outside the Scope of Services set forth in this Agreement without amending this Agreement as provided herein. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Contractor may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Contractor's services which have been completed to City's sole satisfaction. City shall pay Contractor's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Services performed, the date of performance, and the associated time for completion.

2.4. Records and Audits. Records of Contractor's Services shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times throughout the term of this Agreement through three (3) years after its termination.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The Services shall be performed in strict compliance with Exhibits A and B. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, pandemics (excluding COVID-19) or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of two (2) years, ending on September 1, 2027, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. The Agreement may be extended by three (3) additional one (1) year periods upon mutual written agreement of both parties.

4.2. Notice of Termination. City reserves and has the right and privilege of canceling,

suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Contractor. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Contractor shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Contractor for reasonable costs incurred and Services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Contractor shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of Contractor pursuant to its contract with City; products and completed operations of Contractor; premises owned, occupied or used by

Contractor; automobiles owned, leased, hired, or borrowed by Contractor.”

- (b) Notice: “Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City.”
- (c) Other insurance: “Contractor’s insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy.”
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting. The insurance provisions contained in this Agreement shall not be construed as limiting in any way, the indemnification provisions contained in this Agreement, or the extent to which Contractor may be held responsible for payments of damages to persons or property.

5.6. Excess Coverage. To the extent that Contractor maintains any insurance coverage(s) in amounts or types which are not expressly called out in this Agreement, such additional coverage(s) shall be deemed to be required by this Agreement.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Contractor shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Contractor in the performance of this Agreement.

Contractor shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Contractor or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONTRACTOR:

F.M. Thomas Air Conditioning, Inc.
231 Gemini Avenue
Brea, CA 92821
Tel: (714) 738-1062
Attn: Michael Feyka, Vice President

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5289
Attn: Daniel Jojola

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-free Workplace Policy. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the

exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Contractor shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Contractor's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Contractor of Contractor's obligation to perform all other obligations to be performed by Contractor hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Contractor agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Contractor's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Contractor is and shall be acting at all times as an independent contractor and not as an employee of City. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Contractor shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Contractor and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Contractor shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the

independent contractor relationship created by this Agreement. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

6.13. Conflict of Interest. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractors shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.14. Prohibited Employment. Contractor will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.16. Costs. Each party shall bear its own costs and fees incurred in the preparation

and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this

Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONTRACTOR

Signature

Date: _____

Michael Feyka, Vice President

CITY OF COSTA MESA

Cecilia Gallardo-Daly
Interim City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Daniel Jojola
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Director of Public Works

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT A

REQUEST FOR PROPOSALS (RFP No. 25-22)



REQUEST FOR PROPOSAL

FOR

**ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS AND MAINTENANCE
SERVICES**

RFP NO. 25-22



PUBLIC WORKS DEPARTMENT

CITY OF COSTA MESA

Released on

May 13, 2025

REQUEST FOR PROPOSAL FOR ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS AND MAINTENANCE SERVICES

The City of Costa Mesa (hereinafter referred to as the "City") is requesting Proposals from qualified contractors to provide HVAC mechanical automation repairs and maintenance services on an as needed basis. The awarded Contractor, (hereinafter referred to as "Contractor") shall be in accordance with the Sample Maintenance Services Agreement, **Appendix B** terms, conditions, and scope of work. Prior to submitting a Proposal, Proposers are advised to carefully read the instructions below, including the Sample Maintenance Services Agreement and any solicitation appendix/exhibits. The term is expected to be for 3 years with 2 one-year renewal options. The City reserves the right to award one or more contracts for this service.

I. GENERAL INFORMATION

The City of Costa Mesa is a general law city, which operates under the council/manager form of government with an annual General Fund budget of over \$189.91 million and a total budget of \$240.10 million for Fiscal Year 2024-2025.

The City of Costa Mesa, incorporated in 1953, has an estimated population of 115,000 and has an area of 16.8 square miles. It is in the northern coastal area of Orange County, California, and is bordered by the Cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley, and Irvine.

The City is a "full-service city" providing a wide range of services. These services include police and fire protection; animal control; emergency medical aid; building safety regulation and inspection; street lighting; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety maintenance and improvement; and full range of recreational and cultural programs.

The City of Costa Mesa is home to the Segerstrom Center for the Arts, Orange County Fairgrounds, South Coast Repertory Theater and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the City. The volume of sales generated by South Coast Plaza secures its place as the highest volume regional shopping center in the nation.

The successful Proposer shall have experience in similar types of services. All Proposers responding to this Request for Proposal (RFP) will be evaluated based on their expertise, prior experience on similar projects, demonstrated competence, ability to meet the requested services, adequate staffing, reference check, understanding of services, cost and responsiveness to the needs and concerns of the City of Costa Mesa.

1. **Important Notice:** The City has attempted to provide all information available. It is the responsibility of each Proposer to review, evaluate, and, where necessary, request any clarification prior to submission of a Proposal. **Proposers are not to contact other City personnel with any questions or clarifications concerning this Request for Proposal (RFP).** Any City response relevant to this RFP other than through or approved by City's Purchasing Department is unauthorized and will be considered invalid.

If clarification or interpretation of this solicitation is considered necessary by City, a written addendum shall be issued, and the information will be posted on PlanetBids. Any interpretation of, or correction to, this solicitation will be made only by addendum issued by the City's Purchasing Department. It is the responsibility of each Proposer to periodically check PlanetBids website to ensure that it has received and reviewed all addenda to this solicitation. The city will not be responsible for any other explanations, corrections to, or interpretations of the documents, including any oral information.

2. **Schedule of Events:** This Request for Proposal shall be governed by the following schedule:

Release of RFP	May 13, 2025
Deadline for Written Questions	May 20, 2025, at 11:00 a.m.
Responses to Questions Posted	May 22, 2025
Proposals are Due	May 28, 2025, by 2:00 p.m.
Approval of Contract	TBD

****All dates are subject to change at the discretion of the City.**

3. **Proposer's Minimum Requirements:** Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in **Appendix A – Scope of Services**, of this RFP are invited to submit a proposal, provided they meet the following requirements. All requirements must be met at the time of the proposal due date. **If these requirements are not met, the proposal may not receive further consideration, as determined at the sole discretion of the City.**

a. The proposer must have a period of five (5) Years experience in the performance in HVAC maintenance as specified in this RFP.

b. The proposer must possess a valid C20, C4, C38 Licenses

c. The proposer must be registered with the "DIR" Department of Industrial Relations.

d. The proposer must have a planning/project Manager/Supervisor assigned to the contract with minimum of (5) Five years' experience within the last 8 years providing services equivalent or similar to services identified in this RFP.

e. Contractor will be required to abide by the prevailing wage laws as required by state law, **Appendix D.**

II. GENERAL INSTRUCTIONS AND PROVISIONS

1. **Proposal Format Guidelines:** Interested entities or contractors are to provide the City of Costa Mesa with a thorough Proposal using the following guidelines: Proposal should be typed and should contain no more than 25 typed pages using a 12-point font size, including cover letter, Index/Table of Contents, tables, charts, and graphic exhibits, but excluding resumes of key people and pricing forms. Each Proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments,

lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following Proposal sections are to be included in the Proposer's response:

- **Cover Letter:** A cover letter, not to exceed two pages in length, should summarize key elements of the Proposal. An individual authorized to bind the Contractor must sign the letter. Indicate the address and telephone number of the contractor's office located nearest to Costa Mesa, California, and the office from which the project will be managed. And include proposed working relationship among the offering agency and subcontractors, if applicable.
- **Background and Project Summary Section:** The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to **Scope of Services, Appendix A** of this RFP.
- **Project Approach and Methodology:** Provide a detailed description of the approach and methodology that will be used to fulfill each requirement listed in the Scope of Services of this RFP. The section should include:
 1. Describes familiarity of project and demonstrates understanding of work and project objectives moving forward.
 2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Services" section.
 3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.
 4. A proposed schedule indicating stages of work, time frames, and ability to perform the required services in a timely manner shall be included in the proposal
 5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, safe, and cost-effective operations or increased performance capabilities.
- **Qualifications & Experience of the Firm:** Describe the qualifications and experience of the organization or entity performing services/projects within the past eight years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:
 1. Relevant experience, specific qualifications, and technical expertise of the firm and sub-consultants to provide construction management services.
 2. Submit a description of the organization's qualifications, experience and abilities that make it uniquely capable of providing the services specified in the Scope of Work.
 3. If the owner is a corporation please provide Name of corporation, corporate office street address, city, state, and zip code, state where incorporated, date of incorporation, first and last name of officers, local office address, city, state & zip, and the date local office opened its doors for business.

4. If the owner is a partnership or joint venture, please provide Name of partnership or joint venture, principal office street address, city, state, and zip code, state of organization, date of organization, first and last name of general partner(s), local office address, city, state, and zip code, and date local office opened its doors for.
 5. Provide a list of current and previous contracts like the requirements for this project in Costa Mesa, including all public agencies served (if any). For each, provide a brief description of the scope of work performed, the length of time you have been providing services, and the name, title, and telephone number of the person who may be contacted regarding your organization's service record.
- **Financial Capacity:** The City is concerned about the proposers' financial capability to perform and therefore is requesting copies of audited financials from the past three years to allow an evaluation of firm's financial capabilities.
 - **Key Personnel:** It is essential that the Proposer provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Proposer must agree to assign specific individuals to the key positions.
 - Provide a project team organization chart, identifying those who will perform the work, including a list of similar types of projects in which they have been directly involved is required.
 - The Supervisors will be the primary contract person to represent your firm and shall be the person to conduct the presentation, if invited an interview during the evaluation phase of the RFP.
 - Sub-contractors, if any, shall be identified with the same requirements as the proposer. Upon award and during the contract period, if the Contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.
 - **Cost Proposal:** Provide a fee schedule/pricing information which must include hourly rates for each category of employee or sub-consultants required to perform the services, quarterly service rate, labor rate, emergency call rate, after hour rate, and overtime rate as set forth in the Scope of Work. The City shall not provide reimbursement for business or travel-related expenses, materials, fees, licensing or other costs incurred; therefore, such costs must be absorbed in the hourly rate. Proposals shall be valid for a minimum of 180 days following submission.
 - **Disclosure:** Please disclose all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. **Any past or current business relationship may not disqualify the firm from consideration.**

- **Sample Maintenance Services Agreement:** The firm selected by the City will be required to execute a Maintenance Services Agreement with the City. A sample of the Agreement is enclosed as **Appendix B** but may be modified to suit the specific services and needs of the City. **If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the Proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.**
- **Checklist of Forms to Accompany Proposal:** As a convenience to Proposers, following is a list of the forms **Appendix C** included in this RFP, which should be included with Proposals:
 1. Vendor Application Form
 2. Company Profile & References
 3. Ex Parte Communications Certificate
 4. Disclosure of Government Positions
 5. Disqualifications Questionnaire
 6. Bidder/Applicant/Contractor Campaign Contribution

2. Process for Submitting Proposals:

- **Content of Proposal:** The Proposal must be submitted using the format as indicated in the Proposal format guidelines.
- **Preparation of Proposal:** Each Proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.
- **Cost for Preparing Proposal:** The cost for developing the Proposal is the sole responsibility of the Proposer. All Proposals submitted become the property of the City. Cost proposal shall be submitted in a **separate** file. The cost proposal is confidential and will be unsealed after all proposals have been reviewed, and the most qualified consultant has been selected. Proposals shall be valid for a minimum of 180 days following submission.
- **Forms to Accompany Proposal:** **Appendix C** forms shall be attached at the end of the Proposal except for the Cost Proposal which shall be submitted in a separate file.
- **Number of Proposals:** Submit one (1) PDF file format copy of your proposal in sufficient detail for thorough evaluation and comparative analysis.
- **Submission of Proposals:** Complete written Proposals must be submitted electronically in PDF file format via the planetbids.com website not later than **2:00 p.m. (P.S.T) on May 28, 2025**. Proposals will not be accepted after this deadline. Proposals received after the scheduled closing time will not be accepted. It shall be the sole responsibility of the Proposer to see that the proposal is received in proper time. Faxed or e-mailed Proposals will not be accepted. **NO EXCEPTIONS.**
- **Inquiries:** Questions about this RFP must be posted in the Q & A tab on Planetbids no later than **May 20, 2025, at 11:00 A.M.** The City reserves the right not to answer all questions.

The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s), responses to questions received, and additional information will be posted on Planetbids.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any Proposal for violation of this provision. No questions other than posted on Planetbids will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance:** This RFP does not commit to the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all Proposals received because of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any Proposal. All Proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the Proposal, it should be clearly identified.
- **Insurance & W-9 Requirements:** Upon recommendation of contract award, Contractor will be required to submit the following documents with ten (10) days of City notification, unless otherwise specified in the solicitation:
 - **Insurance** - City requires that licensees, lessees, and vendors have an approved Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Bidder must furnish the City with the Certificates of Insurance proving coverage as specified in the sample contract.
 - **W-9** – Current signed form W-9 (Taxpayer Identification Number & Certification) which includes Contractor's legal business name(s).

3. Evaluation Criteria: The City's evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the responsive responsible proposer shall be determined based on evaluation of qualitative factors. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub-criteria that logically fit within a particular evaluation criterion may also be considered even if not specified below.

1. **Project Approach & Methodology ----- 45%**
2. **Qualifications & Experience of Firm ----- 25%**
3. **Key Personnel ---- 20%**
4. **Cost Proposal ---- 10%**

4. Evaluation of Proposals and Selection Process: In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating Proposals. An Evaluation Committee, which may include members of the City's staff and possibly one or more outside experts, will screen and review all Proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

- A. Responsiveness Screening:** Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any Proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their Proposals.
- B. Initial Proposal Review:** The Committee will initially review and score all responsive written Proposals based upon the Evaluation Criteria set forth above. The Committee may also contact the Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any Proposal in which a Proposer's approach or qualifications are not considered acceptable by the City. An unacceptable Proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the highest ranked consultant or proceed to interview the highest ranked consultants.
- C. Interviews, Presentation, Reference Checks, Revised Proposals, Discussions:** Following the initial screening and review of Proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview and make a presentation. Interviews/presentations, if held, are tentatively scheduled for **the week of June 23** and will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, CA 92626 or virtually at the discretion of the City. The dates are subject to change. The individual(s) from the Proposer's organization that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview/presentation. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the Proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a Proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following the conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point and make a recommendation for the award. Once the highest ranked consultant is identified, the City will open the Cost Proposal and enter negotiations.

Recommendation for the award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to

competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

5. Protests: Failure to comply with the rules set forth herein may result in rejection of the protest. Any proposals accepted pursuant to the formal procurement procedure set forth in the Proposal procedure may be appealed in accordance with the following procedure:

- The Proposer shall file the written notice of appeal with the Purchasing Officer at least ten (10) working days prior to proposal award date specified in the notice of recommendation to award.
- The written notice of appeal must include specifics as to the nature of the appeal.
- The Proposer must provide any and all documentation to support the appeal.
- The purchasing officer will respond in writing to the Proposer within five (5) working days.
- In the event the appeal is denied by the purchasing officer, the Proposer may appeal the purchasing officer's ruling to the City Council at the next available council meeting.

6. Accuracy of Proposals: Proposers shall take all responsibility for any errors or omissions in their Proposals. Any discrepancies in numbers or calculations shall be interpreted to reflect the cost to the City.

If prior to the contract award, a Proposer discovers a mistake in their Proposal which renders the Proposal unwilling to perform under any resulting contract, the Proposer must immediately notify the facilitator and request to withdraw the Proposal. It shall be solely within the City's discretion as to whether withdrawal will be permitted. If the solicitation contemplated evaluation and award of "all or none" of the items, then any withdrawal must be for the entire Proposal. If the solicitation provided for evaluation and award on a line item or combination of items basis, the City may consider permitting withdrawal of specific line item(s) or combination of items.

7. Responsibility of Proposers: The City shall not be liable for any expenses incurred by potential Contractors in the preparation or submission of their Proposals. Pre-contractual expenses are not to be included in the Contractor's Pricing Sheet. Pre-contractual expenses are defined as, including but not limited to, expenses incurred by Proposer in:

- Preparing Proposal in response to this RFP.
- Submitting that Proposal to the City.
- Negotiating with the City any matter related to the Proposal; and,
- Any other expenses incurred by the Proposer prior to the date of the award and execution, if any, of the contract.

8. Confidentiality: The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall

be available to the public. The City intends to release all public portions of the Proposals following the evaluation process at such a recommendation made to the City Council.

If the Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire Proposal as confidential nor designate its Price Proposal as confidential.

Submission of a Proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees and costs that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

- 9. Ex Parte Communications:** Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee, or agent of the City, including any member of the evaluation panel, except for the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's Proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications Form, **Appendix C** with their Proposals certifying that they have not had or directed prohibited communications as described in this section.

- 10. Conflict of Interest:** The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code Sections 1090 et seq., or Sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

- 11. Disclosure of Governmental Position:** In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their

Proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached Disclosure of Government Positions Form, **Appendix C**.

- 12. Conditions to Agreement:** The selected Proposer will execute a Maintenance Services Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as **Appendix B** to this RFP.

All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement. **The terms of the agreement, including insurance requirements, have been mandated by the City and can be modified only if extraordinary circumstances exist.**

Submittal of a Proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample agreement for services unless the Proposer includes with its Proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement.

- 13. Disqualification Questionnaire:** Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has **ever** been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A Proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation, **Appendix C**.

- 14. Standard Terms and Conditions:** The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s) and additional information will be posted via PlanetBids. Proposers should check this web page daily for new information.

APPENDIX A
SCOPE OF SERVICES
FOR
ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS AND MAINTENANCE
SERVICES

1.0 SCOPE OF WORK

The Contractor shall retain professional personnel who have successfully and competently provided municipal facility HVAC maintenance and repair services on projects of similar scope and complexity. It shall be the Contractor's responsibility to develop and implement a routine maintenance program to effectively maintain, to the satisfaction of the CITY representative, all aspects of HVAC systems in CITY defined facilities. Contractor shall perform air-handling unit maintenance which includes but is not limited to; all services recommended by manufacturer; replacing air filters at least quarterly, at all serviced buildings. For the purpose of this contract, routine preventative HVAC maintenance including automation maintenance, programming and troubleshooting were applicable shall be defined as scheduled routine inspection and proactive service of HVAC systems to facilitate heating/cooling with a minimal downtime. The routine maintenance and all repairs shall be provided in accordance with the highest standards of the industry, skill, workmanship, applicable trade practices, meet warranties and in conformance to all applicable laws, codes and regulations. The successful Proposer's maintenance program and repairs shall, at a minimum, include but not limited to the specifications outlined herein. Preventive maintenance services shall be provided by the Service Company on all equipment and associated devices related to the HVAC systems as outlined in this RFP referenced in "Exhibit A" "HVAC Equipment List" The Contractor shall furnish all personnel, parts, materials, test equipment, tools, and Services in conformance with the terms and conditions as outlined below in this RFP.

2.0 GENERAL REQUIREMENTS

2.1 ANNUAL MAINTENANCE

The proposer will perform at minimum, scheduled annual preventive maintenance in accordance with a Program of standard routines as determined by your experience, equipment application, and equipment operating hours that are recommended by each equipment manufacturer and location. This service is designed to optimize the reliability and efficiency of the equipment, extend the useful life of the City's equipment, and provide proactive indications of excessive wear and damage to HVAC systems before a catastrophic failure occurs during the next operating season. The proposer will also provide recommendations for additional service(s) that will better enhance equipment performance. The equipment included under this service is itemized in the HVAC Equipment List; see EXHIBIT A of this document. Preventative maintenance of all zone controls including but not limited to thermostats, VAV's, actuators, valves, relays, pneumatic control lines, switches, motors, and related equipment will be covered under Contractor's proposal. Calibration of thermostats, actuators, and velocity controllers will be performed quarterly.

2.2 QUARTERLY

The successful bidder shall check, change and supply all filters as needed on a quarterly basis during the normal operating season. Biocide tablets shall also be supplied and placed in condensate pans. Upon completion of the Quarterly Inspection a single written signed report shall be submitted to the owner noting any filters that required attention, repairs made or needed and any other potential problems or abnormalities noted.

2.3 MONTHLY

A visual walk thru inspection shall be made once per month. Any missed coils or filters that are dirty shall be cleaned or changed at the contractor's expense.

2.4 HVAC AIR FILTER CHANGING SERVICE

This service will maintain indoor air quality by changing filters quarterly and minimizing dust and particles from collecting on ductwork. This service will ensure proper flow through cooling and heating coils, thus preventing restrictions in airflow, leading to higher system and energy efficiency. In the event the air filtering material or cleaning requires different frequencies than indicated (due to experience or changes in operating conditions), the Contractor shall make the necessary adjustment at no additional cost to the CITY.

2.5 HVAC BELT INSPECTION & CHANGING SERVICE

This service will maintain the reliability and functionality of the units by inspecting drive belts quarterly and replacing belts that are worn or damaged. This service will ensure proper tension and friction on the belts, maintaining the efficiency and reliability of the equipment. In the event a belt fails between maintenance periods, it will be assumed the Contractor failed to inspect/replace it properly and the contractor will be required to replace it at no extra cost to the CITY.

2.6 AIR COOLED CONDENSER COIL CLEANING

This service will improve airflow across condenser coils, improve heat transfer and extend the life of the compressors. Coil cleaning consists of cleaning the outside surface of the condensing unit coils to remove any airborne particles, dirt build-up by using a brush, high pressure air, chemical with low pressure wash or chemical with high pressure wash based on the condition of outside environment and coil accessibility.

2.7 EVAPORATOR COIL AND CLEANING

The proposer will clean air handling unit evaporator coils that will help improve air circulation in the air distribution system, and reduce dust and dirt that is in the system. Coils will be cleaned bi-annually. Coil cleaning consists of cleaning the surface of the evaporator coil to remove dust and dirt particles that have collected on the evaporator coil. Coils will be cleaned using a vacuum cleaner and/or other devices that allow the proper cleaning of the coil.

3.0 SPECIFIC WORK REQUIREMENTS

3.1 ROOFTOP PACKAGED UNITS

Preventative maintenance service to be performed quarterly per manufacturer's recommendation. Some Examples:

- Filters changed quarterly on a minimum basis or as required.
- Lock out and tag out equipment as required.
- Check all electrical wiring & connections; tighten as required.

- Check all motor starter contactor surfaces for wear.
- Clean electrical control enclosures.
- Lubricate air handling unit motor bearings and fan bearings, if applicable.
- Check air handling unit belts for wear.
- Check belt tension and sheave alignment.
- Change belt and change as required.
- Check all mounting hardware, tighten as needed.
- Check and calibrate controls.
- Check condition of evaporator coils. Chemically clean as required.

Preventative maintenance service to be performed annually:

- Check and clean condensate drains, drain line and pan.
- Inspect air handling unit fan assembly.
- Lubricate condenser motors as required.
- Chemically clean condenser coil and fan blades.
- Check structural integrity of unit.
- Check and calibrate controls.

3.2 EXHAUST FANS

Preventative maintenance service to be performed annually per manufacturer's recommendation:

- Check all electrical wiring and connections and tighten.
- Check all motor starter contactor surfaces for wear.
- Clean starter and electrical control enclosures.
- Lubricate motor bearings and fan bearings.
- Check exhaust fan belts for wear, replace as required.
- Check belt tension and sheave alignment. Adjust as required.
- Inspect exhaust fan unit assembly.
- Check all mounting hardware. Tighten as required.

3.3 PACKAGE, GAS HEAT/ ELECTRIC COOL

Preventive maintenance: Same as Package units except add:

- Check integrity of heat exchanger
- Check and adjust burners for proper flames.
- Check for proper combustion and flue gas relief.
- Record discharge temperature, heating and cooling modes.
- Record return air temperature.
- Check and adjust operating and safety controls.

3.4 DAMPERS

- Perform maintenance quarterly.
- Clean and lubricate components.
- Check operation of dampers.
- Check and adjust operating and safety controls.

3.5 ROOFTOP MAKE-UP AIR UNITS

Preventative maintenance service to be performed quarterly per manufacturer's recommendation.

- Belt drives checked for wear, tension, alignment and dirt accumulation.

- Clean motor and lubricate if equipped with grease fittings.
- Check fan wheel for imbalance. Clean fan wheel if dirty and oily.
- Check heat exchanger for cracks.
- Check burner to see that the orifices are clear of any dirt or debris.
- Check all the sensors and safety devices.

4.0 MAINTENANCE COSTS

4.1 REGULAR MAINTENANCE WORK

The proposal shall clearly explain the scope of work included in the price for regular maintenance work and any work that is specifically excluded. All rates shall be inclusive of all charges including but not limited to the charges for overhead, profit, labor, equipment, tools, and all other costs.

4.2 WORK BEYOND SCOPE OF AGREEMENT

Bidders shall submit labor and material rates for repair and maintenance work beyond the scope of the Preventative Maintenance Agreement. Rates shall be provided for normal working hours as well as for nights, weekends and holidays.

5.0 SUPPLEMENTAL WORK

5.1 EXTRAORDINARY MAINTENANCE

Contractors be expected to be capable of repairing or replacing failed or worn moving parts (such as: bearings, motor rotors, motor starters, seals, gears, burners, actuators, controls and switches). Prior to beginning any repair or replacement, Contractor will troubleshoot the system to diagnose the system's problems and provide a written analysis of such troubleshooting. The City shall not incur any extra charge for this analysis which will include an itemized listing of the equipment/parts that are proposed to be repaired or replaced. All work beyond and in addition to the routine Maintenance scope of the contract shall be considered Extraordinary Maintenance and will require that an estimate for that proposed work be provided to the Building Maintenance Superintendent or his or her designee for consideration.

5.2 WRITTEN ESTIMATE

The Contractor shall provide a written estimate to the City for approval prior to Performing any extraordinary maintenance. All written estimates shall include labor costs as shown on bid sheet. Final invoices shall contain original estimate and actual receipts for parts, materials, and equipment. Mileage will not be reimbursable.

6.0 RESPONSIBILITIES

The CITY and the Contractor's responsibilities are as follows:

6.1 FURNISHED ITEMS

The City will supply onsite storage at the CITY's Corp Yard warehouse for storing the Contractors provided air filters.

CONTRACTOR

6.2 PROJECT MANAGER

- 6.2.1** The Contractor shall provide a full-time Project Manager with 5 years of experience in managing projects of similar size and scope as contained in this Statement of Work.
- 6.2.2** The Contractor's Project Manager shall act as a central point of contact with the Maintenance Supervisor and shall have full authority to act for the Contractor on all matters relating to the daily operation of the Contract.
- 6.2.3** The Contractor shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hour per day basis. The Project Manager must be available at all hours, 365 days per year.
- 6.2.4** The Contractor's Project Manager shall be able to effectively communicate, in English, both orally and in writing.

6.3 PERSONNEL

- 6.3.1** The Contractor must provide a minimum of two (2) certified technicians. One is required to have at least ten (10) years of refrigeration, and/or mechanical, and control experience. This is to ensure the CITY always has access to at least one (1) certified technician within 4-hour response time of the serviced facilities. Both technicians must have overall knowledge of all the equipment at each of the properties. Both technicians should be qualified to work on HVAC systems. Contractors shall maintain all equipment in accordance with the manufacturer's recommendation.
- 6.3.2** The CITY requires the Contractor, at the Contractor's expense, to conduct background security checks on their employees assigned to the Contract.

7.0 UNIFORM / IDENTIFICATION

- 7.0.1** The Contractor's employees assigned to the Contract shall always wear an appropriate uniform. The uniform must display the Contractor's company name. All uniforms, as required and approved by the CITY, will be provided by the Contractor, at the Contractor's expense. See EXHIBIT 1
- 7.0.2** The Contractor's employees must wear visible identification when working under the Contract on CITY property. The identification shall be:
- Contractor-issued photo ID
- 7.0.3** The Contractor's employees must sign in and out at the receptionist desk at the beginning and ending of each workday.

7.1 MATERIALS AND EQUIPMENT

The Contractor is responsible for the purchase of all materials/equipment to provide the needed services. The Contractor shall use materials and equipment that are safe for the environment and safe for use by the Contractor's employee.

7.2 TRAINING

The Contractor shall provide training programs for all new employees and continuing in-service training for all employees. All employees should be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to Cal-OSHA standards.

7.3 PERIODIC MEETINGS

Contractor is required to attend a periodically scheduled meeting. Failure to attend will cause an assessment of fifty dollars (\$50.00). See EXHIBIT 1

8.0 HOURS / DAYS OF WORK

CITY Maintenance office hours are from 7:00 a.m. to 4:00 p.m. CITY offices are closed on the following Holidays:

- New Years Day
- Martin Luther King Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

9.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the CITY a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the CITY for review. The plan shall include, but not be limited to the following:

The Contractor shall provide a spring and fall inspections report that will be fully documented in a written format. Each piece of equipment inspected shall have an individual work sheet denoting at a minimum the following items: Unit #, Unit Model and Brand, Unit size, the area serviced by unit, unit location, date, service technician and a complete listing of all service information checked on the unit. The completed written report shall be submitted to the owner in a 3-ring binder no later than one week after the inspection is completed.

The Contractor will provide a standard proof of work documentation, and date & time stamped photos of work in progress during preventive maintenance following completion of all work. The documents must include sufficient information to identify facility where work was performed,

purpose of work, date and timework was performed, parts used, type and amounts of chemicals/refrigerants, and name/cert # of technician(s) executing the work.

10.0 QUALITY ASSURANCE PLAN

The CITY will evaluate the Contractor's performance under this Contract using the following quality assurance procedures:

10.1 PERFORMANCE REQUIREMENTS SUMMARY (EXHIBIT 1)

The CITY shall use a Performance Requirements Summary (PRS) chart, Technical Exhibit 1, to monitor the Contractor's work performance and efforts to remedy all deficiencies throughout the term of this Contract. The chart shall contain, at a minimum, the following:

- Each section of the Contract/SOW referenced and identified.
- The standard of performance (description of the work requirement)
- The method to be used to monitor work performance
- The fees/deductions to be assessed for each service that is not satisfactory

All listings of services used in the PRS are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of the Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on the Contractor.

When the Contractor's performance does not conform to the requirements of this Contract, the CITY will have the option to apply the following non-performance remedies:

- Require the Contractor to implement a formal corrective action plan, subject to approval by the CITY. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Reduce payment to the Contractor by a computed amount based on the penalty fee(s) in the PRS.
- Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
- Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the CITY to have the service(s) performed by others. The entire cost of such work performed by others because of the Contractor's failure to

perform said service(s), as determined by the CITY, shall be credited to the CITY on the Contractor's future invoice.

10.2 PERIODIC PERFORMANCE REVIEWS

The CITY will conduct periodic reviews to evaluate the Contractor's performance.

10.3 CONTRACT DEFICIENCY NOTICE

The CITY will make verbal notification to the Contractor of a Contract deficiency as soon as the deficiency is identified. The problem should be resolved within a period mutually agreed upon by the CITY and the Contractor.

If resolution of the deficiency does not result from the verbal notification, the CITY will determine whether a formal Contract Deficiency Notice shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the CITY within five (5) workdays, acknowledging the reported deficiencies or presenting contrary evidence. A plan for the correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the CITY within ten (10) workdays.

10.4 CITY OBSERVATIONS

In addition to divisional contracting staff, other CITY personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

11.0 ADDITION/DELETION OF SERVICES

The CITY reserves the right to add or delete services during the term of the Contract. The Contractor's fees will be adjusted by negotiation between the CITY and the Contractor.

EXHIBIT 1

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

Reference	Standard of Performance	Monitoring Method	Deductions
SOW Section 7.0.1 Uniforms	Contractor to ensure all employees wear approved uniforms	Inspection & Observation	\$50 per occurrence
SOW Section 7.3 CITY required meetings	Contractor attendance at all monthly or as required meetings	Observation of Attendance	\$50 per occurrence
SOW Section 10.1 Maintenance Reports	100% Completion of Required Services	Acceptance & Inspection of Reports	\$50 per occurrence

EXHIBIT A

HVAC EQUIPMENT LIST

Balearic Center 1975 Balearic Drive		
Package Units		
Manufacturer	Model #	Serial #
Carrier	38VMA060HDS3-1	2718V00373
	40VMW030---3	2319V00581
	40VMW030---3	2319V00582
Carrier	48VLNE600903-TP	0420F48692
Fujitsu	AOUH30PLAS1	NUQ 001534
	ASUH30PLAS	NUC000081
Communications 79 Fair Drive		
Package Units		
Manufacturer	Model #	Serial #
Carrier	48VGNA3606060	1019C41742
Carrier	48TCLA06A2A6A0A0A0	0515C56473
Carrier	48HCDD12A2D6A0A0G0	1319P37810
Carrier	48LVNB3606030TP	0215C22328
Exhaust Fan		
Lorencook	9UC10d	
Lorencook	9UC15D	
Lorencook	9UC15D	
Lorencook	10UC10D	
Lorencook Return Air	16CV	
Infrared Gas Heater app bay		
Dayton	21MK93	
Dayton	21MK93	

Dayton	21MK93	
Old Corporation Yard - 2300 Placentia Ave		
Package Units		
Manufacturer	Model #	Serial #
Carrier	48VLNA6009030TP	2614C39025
Carrier	25HCE448A500	4122E01136
	FJ4DNXC48	3223F01374
New Corporation Yard - 2310 Placentia Ave		
Package Units		
Manufacturer	Model #	Serial #
York	CZF06013CA	W1B2566351
York	YCJF24S41S1A	W1E2800649
Air handlers		
Lenox	CH602D6	6014C09825
Lenox	GS15Q3/4X-80-2	4689B02269
Exhaust Fan		B8563-01
Downtown Recreation Center - 1860 Anaheim Ave		
Package Units		
Manufacturer	Model #	Serial #
Carrier	48HJE012561	3500G30504
Carrier	48HJE006531	3200G20725
Carrier	48HJE008531	3900g34167
Carrier	48HJE004531	3300G24746
Make Up Air Units Heat		
Modine 8000 CFM	HFG400SMRLN20D2	1025200-1288
Modine 8000 CFM	HFG400SMRLN20D2	1025200-1289
Modine 1850 CFM	HFG150SMRLN20D2	1025200-1290
Modine 1870 CFM	HFG150SMRLN20D2	1025200-1291
Exhaust Fans		
Lorencook	135ACE-B	
Lorencook	135ACE-B	
Lorencook	150 ACRU 5B	
Lorencook	135ACE-B	
Lorencook	135ACE-B	
Lorencook	GEM GN-340	
Lorencook	GEM GN-340	
Lorencook	LITTLE GEM II	
Lorencook	LITTLE GEM II	
Mesa Verde Library - 2969 Mesa Verde Drive East		
Manufacturer	Model #	Serial #
York	ZH102N10N2AAA5A	N1M1414302
York	ZH102N10N4AAA5A	N1H1257787

Donald Dungan Library - 1855 Park Ave		
Manufacturer	Model #	Serial #
Daikin	RPS042D	
Boilers		
LOCHINVAR	KBN400	1813 109717160
LOCHINVAR	KBN400	1813 109717161
Boiler Pumps		
Wilo	STRATIS 3X3	
Wilo	STRATIS 3X3	
Wilo	STRATIS 1.25X3	
Wilo	STRATIS 1.25X3	
Split System Fan Coil Unit		
Daikin	FAQ24NPVJU	
Daikin	FTXN24NMVJU	
Daikin	FTXN24NMVJU	
Daikin	FTXN24NMVJU	
Daikin	FTXN18NMVJU	
Daikin	FXMQ48PBVJU	
Daikin	FXMQ72MVJU	
Daikin	FTXN24NMVJU	
Daikin	FAQ24NPVJU	
Air Cooled Condensing Unit		
Daikin	RXYQ48TAVJU	
Daikin	RXN24NMVJU	
Daikin	RXN12NMVJU	
Daikin	RXN12NMVJU	
Daikin	RXN18NMVJU	
Daikin	RXTQ48TAVJU	
Daikin	RXTQ60TAVJU	
Daikin	RXN24NMVJU	
Exhaust Fans		
Greenheck	CUE-161-VG	
Greenheck	SQ-98-VG	
Fire Station # 1 - 2803 Royal Palm Dr		
Manufacturer	Model #	Serial #
VRF heat recovery unit		
Daikin	REYQ168TTJU	1709073218
Condensing Unit		
Daikin	RXS24LVJU	E013544
Supply fan		
Greenheck	RSF-90-7-X	15161375 17J

Exhaust Fan		
GreenHeck	SWB-124	
GreenHeck	G-060-D	
GreenHeck	G-070-D	
GreenHeck	CSP-A200	
GreenHeck	CSP-A200	
GreenHeck	CSP-A125	
GreenHeck	CSP-A125	
GreenHeck	CSP-A125	
GreenHeck	CSP-1110	
Fan Coil		
Daikin	FXMQ24PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ12PBVJU	
Daikin	FXMQ18PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ15PBVJU	
Daikin	FXMQ24PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FXMQ07PBVJU	
Daikin	FTXS24LVJU	
AAON dehumidifier	256162	202501-AYCD06506
Fire Station # 2 - 800 Baker St		
Manufacturer	Model #	Serial #
Carrier	48HCLA06A0A3A0A0A0	1115C79295
Fire Station # 3 - 1865 Park Ave		
Manufacturer	Model #	Serial #
Rheem	RQNA-B024JK 000	7260F310710036
Rheem	RQNA-B024JK 000	7260F240707261
Rheem	RQNA-B024JK 000	7260F200706879
Rheem	RQNA-B036JK 000	7262F290710193
Apparatus Bay Heaters		

Reznor	XL-45	ACD3183N180
Reznor	XL-45	ACD3183N181
Hood Exhaust		
G. C. BREIDERT CO	L01512	
Fire Station # 4 - 2300 Placentia Ave		
Manufacturer	Model #	Serial #
Carrier	50VT-C30-30TP	0418C22656
Carrier	48HCLA06A0A3A0A0A0	3618C79322
Hood Exhaust		
Exhaust Fan		
Fire Station # 5- 2450 Vanguard Way		
Manufacturer	Model #	Serial #
Trane	YFH211F4L0AA	120710473D
Exhaust Fan 1		
Exhaust Fan 2		
Hood Exhaust		
Fire Station # 6 - 3350 Sakioka Drive		
Manufacturer	Model #	Serial #
Carrier	48DJD006530	4391G45269
Carrier	48DJD005510	6210500
Carrier	48hCCLA04A2A5A0A0A0	2712C50199
Carrier	48DJD005510	4691G52010
Exhaust Fan 1		
Exhaust Fan 2		
Lorencook	100C10D	
Westside Police Substation - 567 W. 18th St		
Manufacturer	Model #	Serial #
Carrier	50VT-C48-30TP	4721F48480
Rheem	RQNJ-A048JK 000	7243F050704327
Rheem	RQNJ-B060JK 000	7472F080705452
Rheem	RQNJ-B060JK 000	7472F090704112
International Comfort	PHAD60N1K3	DYMC60G2
Historical Society - 1870 Anaheim Ave		
Manufacturer	Model #	Serial #
Carrier	24AHA460A500	4521X33602
Carrier	24AHA460A500	5021X26662
	58SUA080E211220	
Neighborhood Community Center - 1845 Park Ave		
Manufacturer	Model #	Serial #
Daikin	DPS012A	

Daikin	DPS012A	
Exhaust Fan 1	SP-A110	
Exhaust Fan 2	SFD-7.5-VG	
Exhaust Fan 3	CUE-090-VG	
Fan Coil		
Daikin	FBQ36PVJU	
Daikin	FBQ42PVJU	
Daikin	FBQ42PVJU	
Daikin	FTK24NMVJU	
Daikin	FDXS12LVJU	
Daikin	FTK12NMVJU	
Daikin	FBQ36PVJU	
Air Cooled Condensing Unit		
Daikin	RZQ36PVJU9	
Daikin	RZQ42PVJU9	
Daikin	RXS12LVJU	
Daikin	RZQ42PVJU9	
Daikin	RZQ36PVJU9	
Daikin	RK12NMVJU	
Daikin	RK24NMVJU	

Bridge Shelter	3175 Airway Ave	
Carrier	48GCLM05A2C6A0A3A0	4220C88021
Carrier	48HCDD07A2C6A0A3G0	4120P85853
Carrier	48GCLM05A2C6A0A3A0	4220C88022
Carrier	48HCDD07A2C6A0A3G0	4120P85852
Carrier	48GCLM06A2C6A0A3A0	4220C88086
Carrier	48GCLM06A2C6A0A3A0	4220C88084
Carrier	48GCLM06A2C6A0A3A0	4220C88085
Toshiba	RAV-SP180AT2-UL	91220032
Restroom exhaust cook	135R5B 135 ACRU	138SL29657 00/0000701
Captive Aire	DU180HFA	
Econo-Air	Part# CD-O A2-IH-1	
Amerian Panel	FW3678.11THWNL-F	

EXHIBIT B
CONTRACTOR'S PROPOSAL

Contractor's License # 313574
(800)660-0891

231 Gemini Avenue,
FAX(714)738-0886

Brea, CA 92821
(714)738-1062

May 26, 2025

Stephanie Urueta
City of Costa Mesa
77 Fair Drive
Costa Mesa, Ca 92628

EXECUTIVE SUMMARY

City-Wide service and construction contracts require a team, including the contractor, subcontractors, and supporting staff working cooperatively. A major weakness found in these contracts is a lack of coordination and teamwork between all parties involved, especially during inconvenient, yet urgent service requests. There needs to be an establishment of trust and confidence that the contractor will support the City to maintain efficient and safe operating conditions that benefit the City and general public.

We have found the following issues with Contractors and City Staff:

1. The primary technical point of contact has other responsibilities and cannot respond to immediate service requests.
2. Voicemail and email messages for service requests go unanswered.
3. Technicians do not carry extra parts or electronic diagnostic equipment, leading to extended service times.
4. Missing keys, ladders, and rigging equipment.

Our proposed solution(s):

A complete walk-through and review of the City's operations is conducted at the beginning of the contract. This includes a job start meeting where we cover the following issues:

- Outline policies and procedures for the contract.
- Provide procedures for submitting quotes.
- Establish areas of operation and laydown for immediate service needs.
- Review process and procedures. Get keys, stash ladders, set up rigging points in mechanical rooms (if not already available)
- Complete security access procedures for technicians assigned to the account. If available, gain contractor badges for at least 3 staff
- Provide a primary and (2) backup technician who are familiar with the above procedures.

I am your administrative point of contact. I have been working for FM Thomas for 25 years and am the senior sales manager and Vice President. I handle 7 other government accounts of equal or greater size than this contract.

If you have any questions, please feel free to give me a call.

Sincerely,
Michael Feyka, Vice President
Toll Free (800) 660-0891
mfeyka@fmthomas.com

F.M. THOMAS AIR CONDITIONING, INC.

YOUR COMMERCIAL SERVICE & CONTROLS SPECIALISTS . . . Since 1974

Contractor License #313574

DIR #1000003383

Tel. 800.660.0891

Fax: 714.738.0886

www.fmthomas.com

Table of Contents

25-22 HVAC Maintenance and Repairs

➤	Executive Summary	Pg. 1
➤	Letter of Introduction	Pg. 2-3
➤	Corporate Org Chart	Pg. 4
➤	Background and Project	Pg. 5-9
➤	Method of Approach	Pg. 10-12
➤	Quality Control	Pg. 13-15
➤	Appendix C	Pg. 16-25
➤	Maintenance Schedule	Pg. 26-27
➤	Resumes	Pg. 28-37
➤	Standard documents	Pg. 38-45
➤	Financials	Pg. 46-79
➤	Training Certs	Pg. 80-123

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May 26, 2025

Stephanie Urueta
City of Costa Mesa
77 Fair Drive
Costa Mesa, Ca 92628

LETTER OF INTRODUCTION

Thank you for considering F.M. Thomas Air Conditioning for your service needs. We have been in business for over 50 years and have factory certified technicians on all makes and models.

F.M. Thomas has been the contractor of record for the City for the past 12 years. We have met and exceeded all of the expectations made of us, as well as implemented multiple procedures to maximize the efficiency of the HVAC systems operations.

Additionally, we have worked closely with the City to start moving forward with a nonproprietary controls system for City buildings. So far we have completed the Senior Center and are discussing other critical buildings such as City Hall.

Our methodology and thorough service procedures have created the following value to the City and have allowed up to maintain very positive relationships with City facilities Staff, including Nick, Tung, Howard, and Doug Lovell.

- We provide Journeyman technicians to conduct the maintenance, rather than tradesmen. These technicians have 10+ years of experience and have the knowledge to recognize issues and potential issues and resolve them immediately.
- Service issues are immediately brought to the attention of City staff; allowing for discussions and quotes to make the necessary repairs
- Other issues, outside of HVAC, are brought to the attention of City staff to minimize cost and loss of service to the City. These items include clogged roof drains, water leaks into the building, loose electrical connections, and broken doors/hatches.
- Maintenance tasks are promptly completed as scheduled
- Multiple journeymen are assigned to the City who have a broad range of qualifications, including the following certifications: NATE, NCI, Daiken, Honeywell, Johnson Controls, Siemens, Carrier and Danfoss/Yasakawa drives.
- Strong working relationship with Siemens, ensuring that controls issues we cannot resolve in house will be resolved with the same urgency as if we were doing it.
- Our long-term relationship with the City allows for our internal staff, including our dispatcher and project manager, to correctly assign technicians based upon need and to follow all of the City rules and procedures correctly the first time.

- No OSHA/safety violations or City policy violations over the past 8 years.

We are a full-service air-conditioning company with the ability to service complex systems, service DDC / pneumatic controls, replace ductwork/piping, retrofit existing systems, and replace systems with our own forces.

- Air conditioning service, repairs and planned maintenance.
- Replacement of HVAC equipment and control systems.
- Extended warranty on air conditioning equipment.

Additionally, we have service agreements with some of the largest clients in Southern California, including the Los Angeles City General Services Division, LA Unified School District, City of Downey, City of Huntington Park, City of La Mirada, El Monte Union High School District, and Anaheim Union High School District.

We are fully compliant with DIR and City certified payroll requirements.

We have the following contractor licenses: B, C-4, C-20, and C-38

We are a licensed General Contractor and can handle prime contract HVAC related work. Please see our website for more information about the company. www.fmthomas.com.

- Honeywell controls authorized Contractor.
- Carrier CCN and I-Vu Certified Integrator.
- Licensed and bonded up to \$2.5 million per job.

Our lead technicians are all Journeymen with 10+ years of experience. They have training and experience with Screw and centrifugal chillers, multi-stack chillers, VFDs, cooling towers, large packaged equipment, boilers, pumps, and variable flow split systems. Additionally, they have been full time lead technicians for the past 5 years and has managed other large public facilities, such as the City of Huntington Park, the City of La Mirada, and Huntington Beach School District.

I am your administrative point of contact. I have worked at F.M. Thomas for the past 20 years and am currently the Vice president of the company. I oversee large account management (companywide) and deal with a variety of issues, from initial kick off meetings, site walk through and surveys, billing disputes, and monthly meetings.

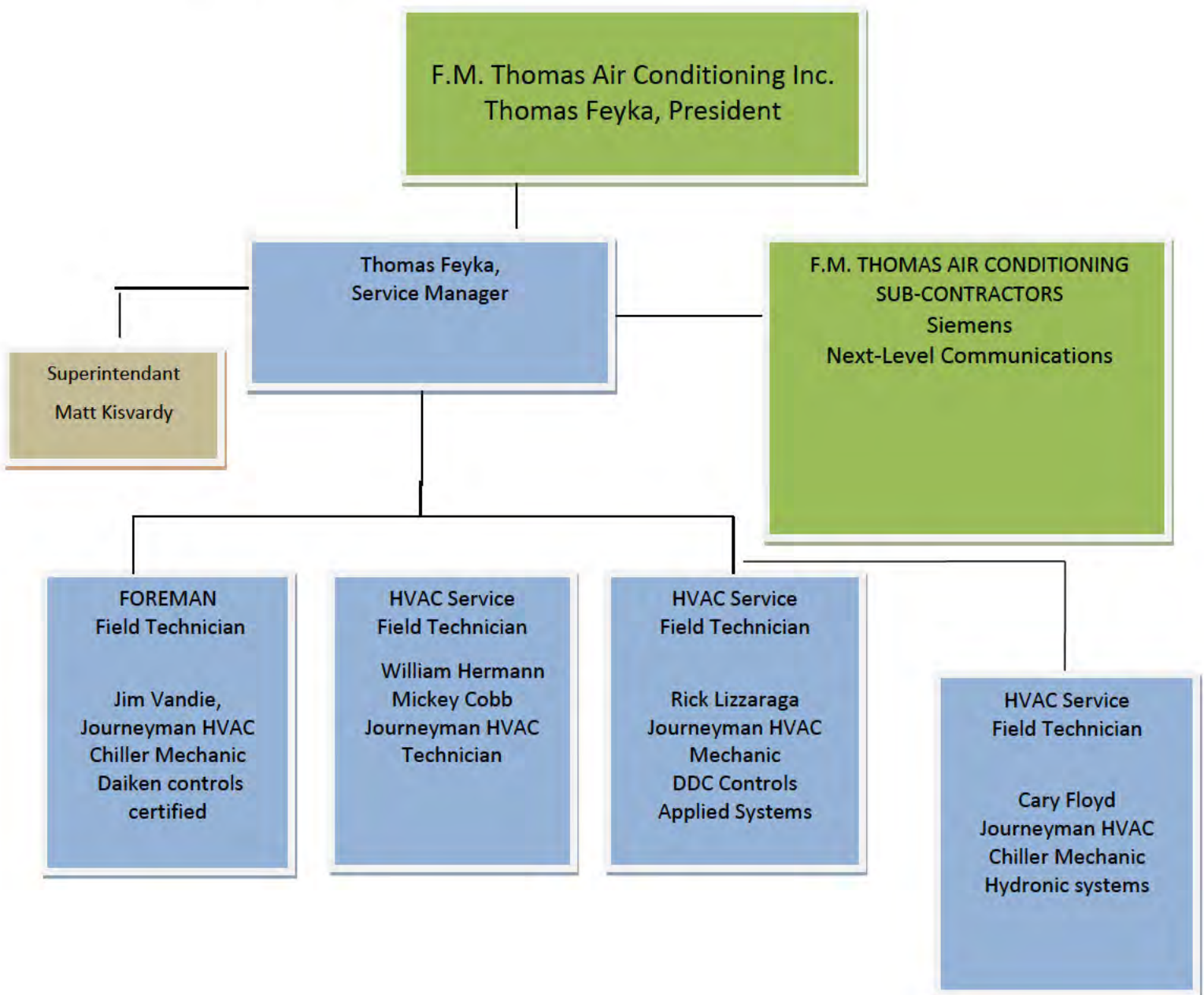
If you have any questions, please feel free to give me a call. .

Sincerely,

Michael Feyka, Vice President
Toll Free (800) 660-0891
mfeyka@fmthomas.com

5351.2 1.3 CORPORATE ORGANIZATIONAL CHART

1.3 Present an organization chart showing the key personnel for the project. Provide resumes of key personnel showing education, work experience and other credentials appropriate to performing the services.



F.M. THOMAS AIR CONDITIONING, INC.

YOUR COMMERCIAL SERVICE & CONTROLS SPECIALISTS . . . Since 1974

Contractor License #313574

Tel. 800.660.0891

Fax: 714.738.0886

www.fmthomas.com

DIR #1000003383

BACKGROUND AND PROJECT SUMMARY

City of Costa Mesa – How we do business

DATE: May 26, 2025
TO: Stephanie Urueta
FROM: Michael Feyka
RE: **RFP No. 25-22 HVAC Maintenance and Repairs**

The intent and purpose of this document is to outline our understanding of HVAC maintenance contracts, provide the City with background information on F.M. Thomas Air Conditioning, and additional qualifications that demonstrate our ability to service The City of Costa Mesa.

F.M. Thomas Air Conditioning has been a public works contractor for 50 years and has extensive experience in City wide service contracts. F.M. Thomas Air Conditioning has been the contractor of record for the past 12 years.

- Factory trained and knowledgeable Journeyman technicians capable of making all necessary repairs
- Factory level service on DDC controls and integration
- Same day response for emergencies and next day response for non-emergencies.
- Implementation of an organized and well-coordinated service plan to ensure timely and accurate service on all HVAC equipment as per the schedule
- Excellent communication between F.M. Thomas and City representatives
- Monthly meetings to discuss services completed and recommendations to maintain equipment
- Detailed service records and trending analysis
- No safety or health violations recorded.
- Strict Adherence to prevailing wages and apprenticeship requirements

Understanding of Service Agreement: We recommend monthly, quarterly, semi-annual and annual maintenance services per ASHRAE 180 and the City service standard procedures. These include common activities, such as checking pressure drops across filters, washing coils, monthly chemical treatment (closed loop), annual refrigerant leak inspections, tightening electrical connections, verifying good operation of thermostats and control devices, replacing belts annually, lubrication of bearings, dampers, and linkages, checking sight glasses, and inspection for cleanliness of condenser tubes, condenser coils, and running systems in heating and cooling modes to verify good operation. The end goal is to provide the City with factory level maintenance and to regularly report unscheduled repairs so that action can be taken to make the corrections. We routinely replace minor components as per the contract to mitigate larger scale repairs. Typical components include contactors, capacitors, belts, transformers, and fuses.

We agree with the City assessment of maintenance procedures and intend to follow them as per below:

SCOPE OF WORK

1. General Requirements

F.M. Thomas Air Conditioning shall provide all labor and materials necessary to provide four (4) Quarterly scheduled operational inspections including an annual shutdown inspection and service on each piece of equipment to be performed in April/May of each year. We will also provide (12) Monthly Walk around visits to review site conditions. All inspections and preventive maintenance service shall be performed in accordance with manufacturer recommendations and specifications. F.M. Thomas Air Conditioning shall also provide parts and labor for emergency repairs at the contract rate.

1.1.1 Equipment

F.M. Thomas Air Conditioning shall inspect all major system components quarterly (or as required) and perform scheduled preventive maintenance per manufacturer specifications and recommendations. This shall include but not be limited to the items listed in the City Attached specifications.

a. Please note that repairs recommended due to maintenance specific items shall be handled on a separate time and materials agreement.

1.1.2 Parts

Parts used in Quarterly and Annual inspections (or as required) shall be included at no additional charge

a. Please note that repairs recommended due to maintenance specific items shall be handled on a separate time and materials agreement.

1.1.3 Work Plan

F.M. Thomas Air Conditioning shall provide a complete work plan to ensure all requirements of the contract are accomplished as specified. The work plan shall include, but not be limited to monthly, Quarterly and annual checklists (or as required) and an emergency response plan including a

guaranteed response time. **(1 hours for critical systems and 2-4 hours for after-hour emergencies)**

1.1.4 Security

On site personnel shall wear a uniform bearing the company name while in the building. On site personnel shall sign the logbook located in the main lobby each time they enter or leave the building. Keys can be checked out at the main lobby desk and must be returned when leaving the premises.

1.1.5 Safety

F.M. Thomas Air Conditioning shall observe and compel its employees to observe and exercise all necessary caution and discretion to avoid injury to persons or damage to property of any kind. F.M. Thomas Air Conditioning shall be responsible for compliance with all OSHA, EPA, AQMD and other state, federal and local laws. F.M. Thomas Air Conditioning shall maintain MSDS sheets for all chemicals used.

- a) Safety procedures specific to the City, including, but not limited to, vests, hard hats, steel toed boots, gantry's, Arc flash suites, lockout/tagout, and HEPA carts shall be used/followed without exception as appropriate.

1.1.6 Damage

In the event of damage to City property as a result of F.M. Thomas Air Conditioning's operations, the City will perform the necessary repairs and deduct the cost from subsequent payments to the F.M. Thomas Air Conditioning.

1.1.7 Emergency Repairs

- a. F.M. Thomas Air Conditioning shall guarantee a maximum four (4) hour response time for emergency service calls, seven (7) days a week, twenty-four (24) hours a day, including holidays.
- b. Labor and parts shall be billed at the rate specified on the price sheet.
- c. If parts are not immediately available or the work cannot be performed at that time, F.M. Thomas Air Conditioning shall do everything possible to expedite delivery and/or discuss alternatives with the Facilities Manager.
- d. F.M. Thomas Air Conditioning shall maintain good working relationships with equipment manufacturers, suppliers and sub-contractors needed to fulfill the contract requirements.

ABOUT F.M. THOMAS AIR CONDITIONING

About F.M. Thomas Air Conditioning: F.M. Thomas Air Conditioning has been in continuous business with the same owners for 45 years. We specialize in public works HVAC service, repair, and retrofit. We have staff and systems in place to handle common issues such as administrative paperwork, certified payroll, monthly billings, and technical meetings with City staff. Our technical staff regularly participates in technical training classes and is fully versed in repair and maintenance of packaged, applied/built up, and DDC controls. Our typical response time for service calls is same day or next day. We have other accounts

in the Inland Empire and can typically respond within 2-4 hours. **Our call back rate for the past 10 years has been less than 1% of our total service volume.**

Resumes of supervisors

Tom Feyka - President

Forty-six years of industry experience. Founding owner of F.M. Thomas Air Conditioning, Inc. President for thirty-eight years.

- Education: AA degree from Los Angeles Trade Technical College, 45 class credits from business school at East Los Angeles Community college. Numerous factory technical schools.
- Business Beliefs:
Management – provide recognition of technical, sales and office staff. Create a learning opportunity to maintain technical leadership in our industry, encourage and direct policy to insure customer satisfaction, cost awareness, professional attitude, safety, quality workmanship and profitability.
- Monitor:
F.M. Thomas controller provides weekly financial performance work sheets compared to budget, bi-weekly sales/financial meetings to evaluate performance, monthly supervisor meetings to update field matters and better understand the effect of F.M. Thomas policies.
- Modify:
Objective adjustment(s) to F.M. Thomas budgets/goals when feedback indicates revision is necessary. Seek outside input from banker, bonding agent, CPA, insurance as reference data to move forward with changes as economy improves or declines.

Matt Kisvardy - Field Supervisor

Twenty-one years in commercial HVAC as field technician, overhaul mechanic and troubleshooter. Matt has attended factory training classes from McQuay, York, Carrier and Trane equipment manufacturers. He is also qualified to work on Carrier IVu Controls.

Jim Vandie – Journeyman Mechanic.

Twenty-five years in commercial HVAC as field technician, overhaul mechanic and troubleshooter. Jim is NATE certified, TAB certified (air balance), Daiken, Honeywell, Fujitsu and certified by Edison as a qualified energy services technician. He has a strong background in optimizing the energy consumption of systems through fine tuning of HVAC systems (air side and refrigeration side).

George Anthony - Controls Specialist

Thirty-nine years as a Controls Specialist, expert service, design and commissioning of Carrier DDC systems. Provides both on-site and telephone engineering support for DDC controls.

Rick Lizzaraga – Journeyman

Eighteen years in commercial HVAC as field technician, overhaul mechanic and troubleshooter. Rick has attended factory training classes from York, Carrier and Trane equipment manufacturers. He has been one of the lead technicians servicing the City and is familiar with the processes and procedures required.

Tim Lane – Manager, Sheetmetal Estimator

Twenty-two years in commercial HVAC as a sheetmetal Estimator. Tim is responsible for application and estimation of design and spec work. Tim is also familiar with large package units, fan coils and split systems for any type of installation. Don has worked in hospitals, schools, police and fire departments as well as other types of commercial and industrial buildings.

Michael Feyka – Vice President

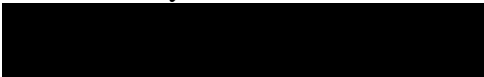
Lead project manager and Sales engineer. Michael personally manages a dozen other City accounts of similar size and scope to this project. He has a various training certificates in Honeywell DDC controls, Economizer / demand control ventilation, and Edison sponsored indoor air quality certifications.

Jeremy Truelove – Project Management

Twenty-one years in the commercial HVAC industry with extensive administrative/project management of HVAC construction projects.

Thank you again for considering F.M. Thomas Air Conditioning for your service needs. Attached are some support documents which further detail our company and abilities to service your account.

Sincerely,



Michael Feyka, Vice-President

Contractor's License # 313574
(800)660-0891

231 Gemini Avenue,
FAX(714)738-0886

Brea, CA 92821
(714)738-1062

May 26, 2025

Stephanie Urueta
City of Costa Mesa
77 Fair Drive
Costa Mesa, Ca 92628

METHOD OF APPROACH

Ref: RFQ 25-22 HVAC Maintenance and Repairs

Stephanie Urueta,

F.M. Thomas Air Conditioning, Inc. is in a unique position to provide HVAC Maintenance and Repair for The City. As the City's contractor of record for the past 12 years, we have the greatest knowledge of the specific systems of the City, as well as the history of performance of each unit. We also have established routines, service procedures, and access points. We have particular expertise in the DDC Controls and the integration of nonproprietary systems into the City's systems.

Most of our technicians have been with our company for over 20+ years and can work on equipment ranging from package units and split systems to chillers, air handlers and Daiken split systems. We currently have 20 technicians who can respond to your job sites for emergency and non-emergency service calls. We are a class B general contractor with additional licenses in C-20 Heating, Ventilation and Air Conditioning, C-4 Boilers, as well as in C-38 Refrigeration.

Our technicians are all factory certified and receive ongoing training to ensure that they perform to the highest levels of customer satisfaction. Additionally, our technicians bring their work vehicles home with them each night; our response time to emergency and non-emergency situations is outstanding because we are able to respond to calls in a timely fashion. Emergency calls are responded to within 2 hours, which is within your range of needed service.

Our dispatcher is a former service technician of 19 years and has an intimate knowledge of the types of maintenance and service issues that occur with the City. Due to his knowledge, he can evaluate the trouble call request and dispatch the proper technician to the call. During normal working hours (Monday through Friday, 7:00 am to 3:30pm), he is able to dispatch a technician to any of your job sites. During off-hours, we also have an answering service which alerts our on-call technicians to respond immediately.

All contracts and accounts are additionally serviced by an Account Manager and our Sales Manager, Tom Feyka, who has been with the company for over 40 years and has nearly 50 years of experience in the HVAC industry.

Per the scope of work, we will have the proper technician visit the job site on an as-needed basis to perform the necessary items listed to properly check your heating, ventilation and air conditioning services to keep them operating at optimal conditions. Additionally, we will abide by the scope of work and provide proper documentation noting the conditions of your units, and any repairs that may be necessary. If a written estimate for repairs is required, or the work needs to be bid on, our technician(s) will work with the Account Manager and Sales Manager to provide the District with a quotation for repairs and/or replacement.

Standard Procedures:

- 1. Implementation** – A superintendent, Foreman, and Lead technician are assigned to your account. (See Org chart). We conduct a job start meeting prior to the contract start and routine follow up meeting to ensure expectations and outcomes are being achieved. The technician are assigned primary responsibility for the outcome of the services, which provides accountability to the City and FM Thomas.
 - a. Provide supervisors with schedules, completion dates, and recommended repairs
 - b. Provide City staff with proposals for minor repairs (under \$1,000)
 - c. Identify tasks and deliverables
- 2. Defined schedule of services** - Per the City's schedule of services, our dispatcher and project manager will develop a work schedule. This schedule will be discussed and periodically reviewed with the lead technician(s)
- 3. Supervision** - A qualified journeyman will be assigned your account. He will be tasked with routinely doing supervisor walks of the properties each month as maintenance is completed. This allows us to proactively identify items of concern before they become emergencies
- 4. Client Satisfaction** – F.M. Thomas already understands the needs of the City due to our 8 years of servicing the City. We understand the schedules and expectations of different members of the City staff, including Tung, Nick, and Howard and they understand the capabilities of our lead technicians, James and Jim Vandie.
- 5. Needs from the City** – Due to our long service history, we only need a few items from the city.
 - a. Keys to all appropriate buildings
 - b. Schedules of operation
 - c. Any access restrictions per building
- 6. Proactive maintenance** – We look for key indicators of future service problems when completing maintenance. Recommendations are made to repair/replace

these items in order to prevent future down time These items include, but are not limited to, the following:

- a. Check amperages of motors
- b. Check temperature splits (should always be 20 degrees for DX equipment)
- c. Verify the system has the factory charge
- d. Check contactors
- e. Verify thermostats are calibrated and programmed correctly
- f. Check air flow across coils and wash coils if needed
- g. Verify the volume of air produced is being received at the grilles and at the correct temperatures (for example a 5 ton system produces 1950 cfm at 55 degrees)
- h. Check TXV and filter driers for obstructions and replace as needed
- i. Check for leaks (condensate, oil, lubricants)
- j. Keep the job site clean. Having an orderly and unobstructed view of the systems allows for problems to present themselves more easily and demonstrates the quality of services provided.
- k. Check belt condition, tensions and adjustment of pulleys
- l. Replace filter quarterly and check air flow across filters for obstructions

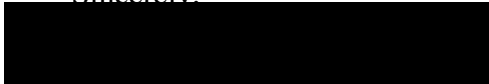
7. **Communication** – It is key to have a good relationship with the facilities manager. By having weekly discussions of current activities and monthly review meetings, the facilities manager is able to understand and justify why certain repairs need to be done.

8. **Innovative and creative approaches** – We have identified some of the cost saving measures at the City to ensure efficient operation.

- a. Salt air conditions lead to degradation and blocking of condenser coils. Ensuring the coils are clean and air flow thru the coils is accurate is key to maintaining the correct 20-degree delta T
- b. Tighten electrical connections at each service. This will mitigate nuisance calls and inefficient use of electricity
- c. Identify and repair minor water and refrigerant leaks. This will mitigate compressor/ fan motor failures and water damage issues to the roof.
- d. Replace old disconnects and contactors to reduce the potential of damage and injury to equipment and staff
- e. Clean out roof drains to minimize water leaks/damage to the roof

If you have any questions regarding our procedures or the above work plan, please do not hesitate to contact us.

Sincerely,



Michael Feyka,
Vice President

Contractor's License # 313574
(800)660-0891

231 Gemini Avenue,
FAX(714)738-0886

Brea, CA 92821
(714)738-1062

May 26, 2025

Stephanie Urueta
City of Costa Mesa
77 Fair Drive
Costa Mesa, Ca 92628

QUALITY CONTROL MANAGEMENT PLAN

Introduction: F.M. Thomas Air Conditioning is a service company by trade. This means that dealing with quality control is an integrated part of the business. We make thousands of service calls per year, and it is not uncommon that 1-2% of them lead to complaints and unsatisfactory outcomes; It is, after all, a business of dealing with problems.

Quality Assurance Program: Many companies use long and drawn out professionally written procedure manuals for Quality Assurance, and that's great, but they often fail to live up to such expectations because Quality Assurance ultimately comes down to the staff on the ground working together for a common good outcome. F.M. Thomas excels at Quality Assurance for the following reasons:

- a. **Experience:** We have 2 generations (50 years) of direct experience in customer service; in fact, we are one of the few companies in the commercial space that has a higher percentage of service revenue than construction revenue.
 - a. We currently maintain (7) other large scale maintenance accounts.
- b. **Long Term Outlook:** All of our lead technicians have been with the company for more than 20 years, all of our office staff have been with us more than 10 years, and our best accounts have been with us for more than 10 years. Stability, consistency, and reliability lead to people being invested in the best outcomes for our customers.
- c. **Investment in Fundamentals:** We have a strict policy of following factory standards in service and repair. When the technician completes the job, the system meets all of the requirements of optimal performance, including the correct amperages, temperatures, pressures, mechanical tolerances, refrigerant measurements and software accuracy. Additionally, there are no oil spots, grinding bearings, or flashing error codes.

Policies and Procedures (abbreviated): We discuss policies and procedures in greater detail on our method of approach, Business Prospectus, and Letter of Introduction

- **Subcontractors:** We mitigate performance issues with subcontractors much the same way as field staff, stability, reliability, and consistency; What this means for the County is that we use common vendors whom we develop common processes with to ensure good outcomes.

We ensure performance through the following specific procedures:

- **Annual job start meetings:**
 - Define FMT Expectations of the subs.
 - Emphasis OEM procedures to be followed.
 - Confirm they have the lead technicians' contact information.
 - Define customer on site policies and procedures (such as parking)
 - Confirm that uniforms and lettered trucks are being used.
 - Verify staff are being screened annually with background checks and drug screenings.
 - Define pricing and quoting policies and confirm existing pricing is accurate to scope of work.
 - Define lay down locations for stock and locations of available trash disposal.
- **Inspections:**
 - Our Service foreman will take pictures and inspect the performance of the equipment comparable to the customer's expected services. Deficiencies will be noted, and services will be completed.
 - Walk around inspections will be done to check for common red flags such as scale and rust build up.
 - Service Foreman will conduct routine meetings with lead technician(s) to ensure their procedures and expectations are followed.
- **Quality Control documentation:** Included in our proposal are common forms that are filled out, such as inspection checklists and work order tickets, that define who, where and when equipment was serviced.
 - Records are maintained per customer both digitally and physically at our site. Our dispatcher is a former technician of 19 years and is fully capable of reading and interpreting customer requests for clarification of records.
- **Warranty:** We have a policy of 1-year parts and labor warranties on work completed. Upon notification of a warranty, we will immediately dispatch a technician to inspect the issue and determine the warranty status. Warranty items are repaired with the same urgency as non-warranty repairs.
 - Should the issue not be a warranty, or the trouble call is a combination of warranty and non-warranty, the warranty work will be completed, and a quote will be provided for the non-warranty work.
- **Equipment:** Most of the equipment used to perform the services needed are on our trucks. **Enclosed is a list of truck stock typically carried to perform HVAC maintenance and repair.** Additionally, FMT equipment used will be the following:
 - Use of on-site storage of filters and belts
 - Hoses to be left in accessible locations on site for quick service.
 - Extra bottles of common refrigerant left on site (R134a, R410a, R22)
 - Common rigging equipment, such as come a longs, for rigging of motors and compressors.
 - Storage of extra rock salt for Annex cooling tower
 - Storage of surplus nonchemical Brine treatments for HQ water treatment (inside mechanical room)
 - Storage of 4-6 surplus in line filters for chilled water lines
 - 6' and 10' ladders

Common Problem:

1. Complaints: Customer is not satisfied with the outcome due to either administrative or production outcomes
2. Unsatisfactory outcomes: The end result does not meet expectations (ex. The boiler is not producing 180-degree water at the designated flow rate.)

Solution:

1. **Define the problem. (common)**
 - a. Set point is wrong.
 - b. Flame sensors or controllers malfunctioning
 - c. Tube bundle is rotted out / compromised.
 - d. The blower motor failed.
2. **Store common parts for emergency repairs (such as belts and fuses)**
3. **Recommend replacement of components subject to common failure on a schedule**
 - a. Contactors every 2-3 years
 - b. Fan capacitors annually
 - c. Belts annually
 - d. Wash evaporator coils annually
 - e. Replace backup batteries annually (thermostats)
 - f. Replace liquid line driers (5 years)
4. **Conduct Eddy currents every 5-7 years to verify no leaks. (chillers)**
5. **Clean fire boxes annually**
6. **Exercise valves to ensure they don't freeze up (hydronic systems)**
7. **Review weather conditions and re-evaluate startup schedules on expected cold days (pre-heat building prior to 7 am)**

If you have any questions, please feel free to give me a call. .

Sincerely,

Toll Free (800) 660-0891
mfeyka@fmthomas.com



**VENDOR APPLICATION FORM
FOR
RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMTION SYSTEM REPAIRS &
MAINTENANCE SERVICES**

TYPE OF APPLICANT: ☐ NEW ☒ CURRENT VENDOR

Legal Contractual Name of Corporation: F.M. Thomas Air Conditioning, Inc.

Contact Person for Agreement: Thomas Feyka

Title: President E-Mail Address: tfeyka@fmthomas.com

Business Telephone: 714-738-1062 Business Fax: 714-738-0886

Corporate Mailing Address: 231 Gemini Ave, Brea, Ca 92821

City, State and Zip Code: _____

Contact Person for Proposals: Thomas Feyka

Title: President E-Mail Address: tfeyka@fmthomas.com

Business Telephone: 714-738-1062 Business Fax: 714-738-0886

Is your business: (check one)

☐ NON PROFIT CORPORATION ☒ FOR PROFIT CORPORATION

Is your business: (check one)

- ☒ CORPORATION
- ☐ LIMITED LIABILITY PARTNERSHIP
- ☐ INDIVIDUAL
- ☐ SOLE PROPRIETORSHIP
- ☐ PARTNERSHIP
- ☐ UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members
(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
Thomas Feyka, President		
Carolyn Feyka, Secretary / Treasurer		

Federal Tax Identification Number:

City of Costa Mesa Business License Number: _____

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: _____

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES** at any time after **May 13, 2025**.

Signature _____

Thomas Feyka

Print

Date: May 27th, 2025

OR

I certify that Proposer or Proposer's representatives have communicated after **May 13, 2025**, with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES**. A copy of all such communications is attached to this form for public distribution.

Signature _____

Print

Date: _____

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a Federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No X

If the answer is yes, explain the circumstances in the following space.

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

NONE

CITY OF COSTA MESA HVAC MAINTENANCE SCHEDULE 2025-2026

Page 1 of 2

Maintenance Frequency	Water Treatment	Package Units	Exhaust Fans	Air Compressors	Air Handlers	Multi-zone	Chiller	VFD	Computer room ac	Boiler	Cooling Tower
WEEKLY											
2.5 hours on site supervision											
(Time spread across all sites)											
MONTHLY											
scale and corrosion chemicals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operating Inspection - cooling	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(April - October)			<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Operating Inspection - Heating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(November - March)											
QUARTERLY											
Filter changes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lockout/tagout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Check electrical connections	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
check motor starters	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Clean electrical enclosures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lube a/h motor/fan bearings	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check belt tension and sheave	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check condition of cond. Coils	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
check crankcase heater	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
check safety/cut out devices	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
check operational controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Check for rust/oil leaks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Drain tank, check auto drain	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
check motor amperage/voltage	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
check unit voltage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lubricate motors as required	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Check Burners (December)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Check combustion/flue gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discharge temperatures (seasonal)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Return air temperatures (seasonal)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check economizer dampers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check static vane (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check inlet/outlet water temp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Check site glass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check for error codes/fault hist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check manual bypass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Verify drive signal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check humidifier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check boiler flame (Nov-Feb)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Check boiler for noise/vibration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

CITY OF COSTA MESA HVAC MAINTENANCE SCHEDULE 2025-2026									
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Page 2 of 2

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F.M. Thomas Air Conditioning, Inc.

Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report



F.M. THOMAS AIR CONDITIONING, INC.

Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Table of Contents

	Page
Independent Accountant's Review Report	1
Financial Statements:	
Balance Sheet	2
Statement of Income and Retained Deficit	3
Statement of Cash Flows	4
Notes to Financial Statements	5

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
F.M. Thomas Air Conditioning, Inc.
Brea, California

We have reviewed the accompanying financial statements of F.M. Thomas Air Conditioning, Inc. (an S corporation), which are comprised of the balance sheet as of December 31, 2022, and the related statements of income and retained deficit and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of F.M. Thomas Air Conditioning, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


Brea, California
April 25, 2023

F.M. THOMAS AIR CONDITIONING, INC.**Balance Sheet**

December 31, 2022

See Independent Accountant's Review Report

ASSETS

Current Assets:

Cash	\$	856,766
Contract receivables, net of allowance for doubtful accounts of \$5,000		1,012,445
Employee retention credit receivable		211,730
Inventory		149,573
Prepaid expenses		68,915
Contract assets		22,364

Total Current Assets 2,321,793

Property and Equipment, net of accumulated depreciation	553,865
Right-of-Use Asset - Operating Lease, net of accumulated amortization	254,787
Note Receivable - Stockholder	184,911
Deposits	3,710
	<u>\$ 3,319,066</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$	124,188
Accrued expenses		315,309
Current portion of long-term debt		55,999
Current portion of Economic Injury Disaster Loan		47,425
Current portion of lease liability - operating lease		101,121
Contract liabilities		101,632

Total Current Liabilities 745,674

Economic Injury Disaster Loan, net of current portion	1,952,575
Long-Term Debt, net of current portion	215,766
Lease Liability - Operating Leases, net of current portion	153,666

Total Liabilities 3,067,681

Stockholders' Equity:

Common stock, \$10 par value, 25,000 authorized, 1,000 issued and outstanding	10,000
Additional paid-in capital	250,000
Retained deficit	(8,615)

Total Stockholders' Equity 251,385

\$ 3,319,066

F.M. THOMAS AIR CONDITIONING, INC.**Statement of Income and Retained Deficit**

Year Ended December 31, 2022

See Independent Accountant's Review Report

Contract Revenues	\$ 5,568,179
Contract Costs	<u>3,984,587</u>
Gross Profit	1,583,592
Operating Expenses	<u>1,688,713</u>
Loss from Operations	<u>(105,121)</u>
Other (Income) Expense:	
Other income	(157,837)
Interest income	(8,216)
Interest expense	<u>34,664</u>
Total Other Income	<u>(131,389)</u>
Income Before Income Taxes	26,268
Income Tax Expense	<u>800</u>
Net Income	25,468
Retained Deficit, beginning	<u>(34,083)</u>
Retained Deficit, ending	<u>\$ (8,615)</u>

F.M. THOMAS AIR CONDITIONING, INC.**Statement of Cash Flows**

Year Ended December 31, 2022

See Independent Accountant's Review Report

Cash Flows from Operating Activities:

Net income	\$ 25,468
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation	159,123
Changes in operating assets and liabilities:	
Contract receivables	(214,105)
Prepaid expenses	1,010
Contract assets	(6,413)
Accounts payable	(126,410)
Accrued expenses	35,552
Deposits	(3,710)
Contract liabilities	(97,803)

Net Cash Used by Operating Activities (227,288)

Cash Flows Used by Investing Activity:

Purchases of property and equipment	<u>(93,893)</u>
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Cash Flows from Financing Activities:

Note receivable - stockholder, net	193
Payments on note payable	(358,193)
Proceeds from Economic Injury Disaster Loan	<u>1,500,000</u>

Net Cash Provided by Financing Activities 1,142,000

Net Change in Cash 820,819

Cash, beginning 35,947

Cash, ending \$ 856,766

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for interest	\$ <u><u>34,664</u></u>
Cash paid during the year for operating leases	\$ <u><u>103,200</u></u>

Supplemental Disclosure of Noncash Investing and Financing Activities:

Property and equipment acquired under financing agreement	\$ <u><u>313,382</u></u>
Right-of-use asset - operating leases recognized with adoption of ASC 842, Leases (Note 1) under lease liability	\$ <u><u>354,862</u></u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies

Business Activity

F.M. Thomas Air Conditioning, Inc. (the "Company"), a California S corporation, incorporated in 1975, is a licensed contractor engaged in the retrofitting and servicing of air conditioning and heating systems. The Company serves governmental, industrial, and commercial agencies. In connection with its normal business activities, the Company may be required to acquire performance, bid and/or payment bonds. The surety issuing the bonds has recourse against certain assets of the Company in the event the surety is required to honor the bonds. The lengths of contracts vary, but contracts are typically completed in less than one year. For financial statement presentation, the normal operating cycle is one year.

Revenue and Cost Recognition

Construction Contracts

In the process of performing its construction contracts with customers, the Company considers each contract to be one performance obligation, unless circumstances dictate otherwise. This evaluation requires significant judgement. Payment terms and conditions in customer contracts vary. Contract payments are generally due in installments as specified in the contracts. Revenue for financial reporting purposes is recognized over time as the performance obligations are satisfied on an ongoing basis. Progress toward completion of the Company's contracts is measured by the percentage of cost incurred to date to estimated total costs for each contract. This method is used because management considers total cost to be the best available measure of progress on contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change significantly within the near term.

Changes in job performance, job conditions, and estimated profitability may result in revisions to revenues and costs, which are generally recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from variable consideration are accounted for as changes in estimates in the current period. Variable consideration may include incentives for completing a contract early or on time, penalties for not completing a contract on time, claims for which the Company has enforceable rights, or contract modifications/change orders in which the scope of modification has been approved, but the price has not been determined or approved. Recognition of variable consideration is limited to an amount that the Company estimates will not result in a significant reversal of revenue in future periods. Provisions for estimated losses on contracts in progress are made in the period in which such losses are determined. During the year ended December 31, 2022, the Company made revisions in estimates to certain contracts that were in progress at December 31, 2022. The net effect of the changes caused a \$22,064 decrease in 2022 gross profits from that which would have been reported had the revised estimates been used as the basis of recognition of contract profits in the preceding year.

Contract costs include all direct material, service cost, subcontractor, labor, and other direct costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation. Costs of abnormal inefficiencies or wasted resources (material or labor) are excluded when measuring progress and are expensed as incurred. The Company recognizes revenue for the transfer of uninstalled and unmodified materials to the customer, but only in an amount equal to the cost of the materials. Selling, general, and administrative costs are charged to expense as incurred.

The Company warrants its work to comply with both statutory and contractual requirements, therefore, the lengths of warranties vary. The Company did not incur significant warranty cost for the year ended December 31, 2022.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies, continued

Revenue and Cost Recognition, continued

Repair and Service Contracts

The Company provides repair, replacement, and emergency services to customers for air conditioning and heating systems. The Company also provides maintenance services to customers under maintenance contracts with service periods of typically twelve months. The Company considers each repair and service contract to be one performance obligation unless circumstances dictate otherwise. This evaluation requires significant judgement.

For repair and service contracts for which the Company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the performance completed to date, the Company recognizes revenue as services are performed. For these contracts, the Company typically bills the customer a fixed amount for each hour of labor provided, as well as a fixed markup on materials used. Revenue recognized on these contracts is calculated in the amount to which the Company has a right to invoice for services performed.

For repair and service contracts that do not meet the preceding criteria, the Company recognizes revenue over time using the same methodology used for construction contracts. In these circumstances, the Company utilizes the cost-based input method because management considers total cost to be the best available measure of progress.

Service contracts are typically billed upon completion of the service. Repair contracts are typically billed in advance and in installments over the service period. Payment terms and conditions for service and maintenance contracts vary.

Contract Assets and Contract Liabilities

The contract asset, "Costs and estimated earnings in excess of billings on contracts in progress," represents revenues recognized in excess of amounts billed. The contract asset, "Contract retention," represents amounts held back for payment by an owner until certain contractual obligations have been completed by the company. The contract liability, "Billings in excess of costs and estimated earnings on contracts in progress," represents billings in excess of revenues recognized. Contract assets and liability are reported on a net basis for each contract.

Contract Receivables

Contract receivables are recorded when invoices are issued. Contract receivables are written off when they are determined to be uncollectible. The Company considers historical losses, review of specific problem accounts, existing economic conditions in the construction industry, and the financial stability of its customers when estimating its allowance for doubtful accounts. The Company had an allowance for doubtful accounts of \$5,000 at December 31, 2022.

Generally, the Company considers contract receivables past due after 90 days. Contract receivables over 90 days totaled \$128,643 at December 31, 2022, of which \$24,200 was collected subsequent to December 31, 2022. When practical, the Company may file statutory liens on projects where collection problems are anticipated. The liens serve as collateral for contract receivables.

Inventory

Inventory, consisting primarily of parts and materials, is stated at the lower of cost (first-in, first-out method) and net realizable value.

Property and Equipment

The Company records property and equipment at cost. The cost of property and equipment is depreciated using the straight-line method over the estimated useful lives of the depreciable assets. Leasehold improvements are depreciated over the shorter of the remaining term of the lease or their estimated useful lives. Expenditures for maintenance and repairs are charged to expense as incurred. Major additions are capitalized. When property and equipment is sold or retired, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies, continued

Leases

Adoption of New Policy

Effective January 1, 2022, the Company adopted Accounting Standards Update (ASU) 2016-02 *Leases*, which hereinafter will be referred to as "ASC Topic 842", using the permitted modified retrospective method. The standard provides guidance on the recognition, measurement, presentation, and disclosure of leases. The new standard supersedes previous accounting principles generally accepted in the United States of America (U.S. GAAP) guidance on leases and requires substantially all leases to be reported on the balance sheet as right-of-use assets and lease liabilities, as well as additional disclosures (See Note 8). Upon adoption, the Company recognized right-of-use assets and lease liabilities of \$354,862. Management has analyzed the provisions contained in ASC Topic 842 and determined that there is no impact on retained earnings as of January 1, 2022, due to the adoption of the new policy.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, contract receivables, contract assets, note receivable – stockholder, accounts payable, contract liabilities, long-term debt, and operating lease, for which their current carrying amounts approximate fair market value as of December 31, 2022.

Income Taxes

The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporation income taxes on its taxable income. Instead, the stockholders separately account for their proportionate share of the Company's items of income, deductions, losses and credits. Income of the Company is subject to California franchise tax. The Company is subject to certain state and local taxes, which have been recorded in the financial statements.

Accounting for Uncertain Tax Positions

The Company adheres to the accounting standards regarding "Accounting for Uncertain Tax Positions." This accounting standard provides detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be substantiated under examination. The Company files income tax returns in the United States and various state and local jurisdictions. The Company had no uncertain tax positions as of April 25, 2023.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include depreciation expense and estimated cost to complete, which have a direct effect on gross profit.

Subsequent Events

The Company has evaluated subsequent events through April 25, 2023, which is the date the financial statements were available to be issued.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 2 - Contract Receivables

Contract receivables consist of the following at December 31, 2022:

Completed contracts	\$	927,171
Contracts in progress		90,274
		<u>1,017,445</u>
Less allowance for doubtful accounts		<u>(5,000)</u>
	\$	<u><u>1,012,445</u></u>

At January 1, 2022, the contract receivable balance for completed contracts and contracts in progress, net of allowance for doubtful accounts of \$5,000, was \$798,340.

Note 3 - Contract Assets and Contract Liabilities

Costs, estimated earnings and billings to date on contracts in progress are as follows at December 31, 2022:

Costs incurred on contracts in progress	\$	199,349
Estimated earnings		91,595
		<u>290,944</u>
Less billings to date		<u>(374,487)</u>
	\$	<u><u>(83,543)</u></u>

Included in the accompanying balance sheet under contract assets and contract liabilities:

Costs and estimated earnings in excess of billings on contracts in progress (underbillings)	\$	21,336
Billings in excess of costs and estimated earnings on contracts in progress (overbillings)		<u>(104,879)</u>
	\$	<u><u>(83,543)</u></u>

Contract assets and contract liabilities are presented as follows as of December 31, 2022:

Contract Assets:

Costs and estimated earnings in excess of billings on contracts in progress (underbillings)	\$	21,336
Contract retention		4,275
Less contract retention reclassified from contract liabilities		<u>(3,247)</u>
	\$	<u><u>22,364</u></u>

Contract Liabilities:

Billings in excess of costs and estimated earnings on contracts in progress (overbillings)	\$	104,879
Less contract retention reclassified to contract assets		<u>(3,247)</u>
	\$	<u><u>101,632</u></u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 3 - Contract Assets and Contract Liabilities, continued

At January 1, 2022, the balance of contract assets was \$15,951 and the balance of contract liabilities was \$199,435.

Note 4 - Property and Equipment

Property and equipment consists of the following at December 31, 2022:

	Useful Lives	
Vehicles	5 years	\$ 2,307,163
Leasehold improvements	15 - 39 years	230,767
Computers and software	5 years	148,490
Machinery and equipment	5 years	90,468
Furniture and fixtures	5 years	58,262
		<u>2,835,150</u>
Less accumulated depreciation		<u>(2,281,285)</u>
		<u>\$ 553,865</u>

Note 5 - Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides for an Employee Retention Credit (ERC), which is a refundable tax credit against certain employment taxes. The Company determined that it qualifies for the tax credit under the CARES Act in 2021. During the year ended December 31, 2021, the Company claimed \$211,730 related to the ERC. At December 31, 2022, the Company was still due refunds in the amount of \$211,730, which is recorded as a current receivable on the balance sheet as the Company expects to receive the remaining balance within the next twelve months.

Note 6 - Long-Term Debt

Long-term debt consists of the following at December 31, 2022:

Notes payable to various financial institutions, secured by vehicles, due in aggregate monthly payments ranging from \$656 to \$2,335, including interest ranging from 1.90% to 6.59%, maturing through October 2027.	\$ 271,765
Less current portion of long-term debt	<u>(55,999)</u>
	<u>\$ 215,766</u>

F.M. THOMAS AIR CONDITIONING, INC.**Notes to Financial Statements**

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 6 - Long-Term Debt, continued

Following is a summary of future principal payments at December 31, 2022:

Year Ending December 31,	
2023	\$ 55,999
2024	53,613
2025	55,846
2026	59,105
2027	47,202
	<u>\$ 271,765</u>

Note 7 - Economic Inquiry Disaster Loan Program

The Economic Inquiry Disaster Loan Program (EIDL) consists of the following at December 31, 2022:

Note payable totaling \$500,000 granted under the EIDL program approved by the Small Business Administration (SBA). In 2022, the Company received additional EIDL proceeds of \$1,500,000. The loan terms require certain use of loan proceeds. Advances accrue interest at 3.75% per annum and monthly principal and interest payments of \$10,061 beginning from January 1, 2023. All remaining unpaid principal and interest is due and payable by August 31, 2050. The loan is secured by substantially all the assets of the Company and guaranteed by the Company's stockholder.

\$ 2,000,000

Less current portion of EIDL

(47,425)\$ 1,952,575

Following is a summary of future principal payments:

Year Ending December 31,	
2023	\$ 47,425
2024	49,234
2025	51,113
2026	53,063
2027	55,087
Thereafter	1,744,078
	<u>\$ 2,000,000</u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 8 - Leasing Arrangements

The Company leases office and shop space from a related party through common ownership under a long-term operating lease agreement expiring in June 2025. Base monthly payments were \$8,600 as of December 31, 2022.

Lease expense under related party operating leases was \$103,200 for the year ended December 31, 2022, of which \$51,600 was included in contract costs.

Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees.

The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Company determines the discount rate, the lease term, and the lease payments.

When the discount rate implicit in a lease is not readily determinable, the Company calculates the lease liability using the risk-free rate.

The following summarizes the operating right-of-use asset as of December 31, 2022:

Operating lease right-of-use asset	\$	354,862
Accumulated amortization		<u>(100,075)</u>
	\$	<u>254,787</u>

The amounts contractually due on lease liabilities were as follows at December 31, 2022:

Year Ending		
<u>December 31,</u>		
2023	\$	103,200
2024		103,200
2025		<u>51,600</u>
Total lease payments		258,000
Less interest		<u>(3,213)</u>
Present value of lease liability	\$	<u>254,787</u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 8 - Leasing Arrangements, continued

Supplemental balance sheet information related to leases as of December 31, 2022 was as follows:

Weighted average remaining lease term - Operating lease	2.5
Weighted average discount rate - Operating lease	1.04%

Related party leases include the following information at December 31, 2022:

Operating lease right-of-use assets	\$	254,787
Operating lease liabilities	\$	254,787
Operating lease expense	\$	103,200
Operating cash flows from operating leases	\$	103,200

Note 9 - Employee Benefit Plan

Profit Sharing 401(k) Plan

The Company sponsors a Profit Sharing 401(k) plan covering all non-union employees who satisfy the eligibility requirements. Employees may contribute up to the annual permissible dollar limit in effect for the plan year, subject to certain federal income tax limitations. The Company may make a matching contribution based on the participant's salary deferrals with certain limitations and may make an additional discretionary profit-sharing contribution. Employee contributions are 100% vested and employer contributions vest according to a vesting schedule. The Company made \$185,033 in profit-sharing contributions and no matching contributions for the year ended December 31, 2022.

Note 10 - Related Party Transactions

The Company has made an election, available to private companies, related to the reporting of related parties that are under common control. Under this election, if specific criteria are met, the Company is not required to consolidate its commonly controlled related parties. The Company believes it has met the requirements and is not consolidating its commonly controlled related parties.

Note Receivable - Stockholder

The Company has a note receivable due from its sole stockholder. The note is unsecured and bears interest at the applicable federal rate of 4.19%. The balance outstanding on the note was \$184,911 at December 31, 2022. Unpaid principal and accrued interest are due on demand. The Company does not expect to collect the outstanding balance within one year, therefore, the balance has been classified as long term. Interest income related to the note was \$7,517 for the year ended December 31, 2022.

Leasing Arrangements

Information about related party leasing activity is included in Note 8.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Accountant's Review Report

Note 11 - Concentration of Credit Risk

Cash

The Company maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. The Company has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Major Customers

Contract receivables result from performance under contracts with various customers. A single customer represented 24% of company's contract receivables or retention for the year ended December 31, 2022. A single customer represented 31% of total revenue for the year ended December 31, 2022. The Company's credit risk related to contract receivables is minimized by the Company's rights under lien laws on construction contracts subject to those laws.

Note 12 - Backlog

Backlog represents the amount of revenue the Company expects to realize from work to be performed on contracts in progress at year-end, letters of intent, and contractual agreements on which work has not begun.

The following schedule shows a reconciliation of backlog representing signed contracts, in existence at December 31, 2022:

Balance, January 1, 2022	\$ 687,251
New contracts and contract adjustments	<u>5,200,122</u>
	5,887,373
Less contract revenue earned during the year	<u>(3,646,268)</u>
Balance, December 31, 2022	<u>\$ 2,241,105</u>

F.M. Thomas Air Conditioning, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2023

See Independent Accountant's Review Report



F.M. THOMAS AIR CONDITIONING, INC.

Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Table of Contents

	Page
Independent Accountant's Review Report	1
Financial Statements:	
Balance Sheet	2
Statement of Operations and Retained Deficit	3
Statement of Cash Flows	4
Notes to Financial Statements	5

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
F.M. Thomas Air Conditioning, Inc.
Brea, California

We have reviewed the accompanying financial statements of F.M. Thomas Air Conditioning, Inc. (an S corporation), which are comprised of the balance sheet as of December 31, 2023, and the related statements of operations and retained deficit and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.


Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of F.M. Thomas Air Conditioning, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


Brea, California
March 26, 2024

F.M. THOMAS AIR CONDITIONING, INC.**Balance Sheet**

December 31, 2023

See Independent Accountant's Review Report

ASSETS

Current Assets:

Cash	\$	563,251
Contract receivables, net of allowance for credit losses of \$5,000		1,225,620
Inventory		149,573
Prepaid expenses		92,832
Contract assets		<u>21,754</u>

Total Current Assets 2,053,030

Property and Equipment, net of accumulated depreciation	743,721
Right-of-Use Asset - Operating Lease, net of accumulated amortization	153,666
Note Receivable - Stockholder	476,437
Deposits	<u>3,710</u>

\$ 3,430,564

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities:

Accounts payable	\$	410,835
Accrued expenses		328,285
Current portion of long-term debt		93,520
Current portion of Economic Injury Disaster Loan		23,045
Current portion of lease liability - operating lease		102,178
Customer deposits		24,000
Contract liabilities		<u>101,575</u>

Total Current Liabilities 1,083,438

Long-Term Debt, net of current portion	345,827
Economic Injury Disaster Loan, net of current portion	1,976,955
Lease Liability - Operating Lease, net of current portion	<u>51,488</u>

Total Liabilities 3,457,708

Stockholders' Deficit:

Common stock, \$10 par value, 25,000 authorized, 1,000 issued and outstanding	10,000
Additional paid-in capital	250,000
Retained deficit	<u>(287,144)</u>

Total Stockholders' Deficit (27,144)

\$ 3,430,564

F.M. THOMAS AIR CONDITIONING, INC.
Statement of Operations and Retained Deficit
Year Ended December 31, 2023
See Independent Accountant's Review Report

Contract Revenues	\$ 7,213,639
Contract Costs	<u>5,435,322</u>
Gross Profit	1,778,317
Operating Expenses	1,937,260
Gain on Sale of Property and Equipment	<u>(15,800)</u>
Loss from Operations	(143,143)
Other (Income) Expense:	
Interest income	(19,978)
Other income	(64)
Interest expense	<u>153,624</u>
Total Other Expense	<u>133,582</u>
Loss Before Income Taxes	(276,725)
Income Tax Expense	<u>804</u>
Net Loss	(277,529)
Retained Deficit, beginning	(8,615)
Stockholder Distributions	<u>(1,000)</u>
Retained Deficit, ending	\$ <u><u>(287,144)</u></u>

F.M. THOMAS AIR CONDITIONING, INC.**Statement of Cash Flows**

Year Ended December 31, 2023

See Independent Accountant's Review Report

Cash Flows from Operating Activities:

Net loss	\$ (277,529)
Adjustments to reconcile net loss to net cash from operating activities	
Depreciation	185,692
Gain on sale of property and equipment	(15,800)
Changes in operating assets and liabilities:	
Contract receivables	(213,175)
Employee Retention Credit receivable	211,730
Prepaid expenses	(23,917)
Contract assets	610
Accounts payable	286,647
Accrued expenses	12,976
Customer deposits	24,000
Contract liabilities	(57)
Net Cash Provided by Operating Activities	<u>191,177</u>

Cash Flows from Investing Activities:

Proceeds from sale of property and equipment	15,800
Purchases of property and equipment	<u>(21,342)</u>
Net Cash Used by Investing Activities	<u>(5,542)</u>

Cash Flows from Financing Activities:

Note receivable - stockholder, net	(291,526)
Payments on note payable	(186,624)
Stockholder distributions paid	<u>(1,000)</u>
Net Cash Used by Financing Activities	<u>(479,150)</u>

Net Change in Cash (293,515)

Cash, beginning 856,766

Cash, ending \$ 563,251

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for interest	\$ <u><u>153,624</u></u>
Cash paid during the year for income taxes	\$ <u><u>804</u></u>
Cash paid during the year for operating leases	\$ <u><u>111,000</u></u>

Supplemental Disclosure of Noncash Investing and Financing Activity:

Property and equipment acquired under financing agreement	\$ <u><u>354,206</u></u>
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F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies

Business Activity

F.M. Thomas Air Conditioning, Inc. (the Company), a California S corporation, incorporated in 1975, is a licensed contractor engaged in the retrofitting and servicing of air conditioning and heating systems. The Company serves governmental, industrial, and commercial agencies. In connection with its normal business activities, the Company may be required to acquire performance, bid and/or payment bonds. The surety issuing the bonds has recourse against certain assets of the Company in the event the surety is required to honor the bonds. The lengths of contracts vary, but contracts are typically completed in less than one year. For financial statement presentation, the normal operating cycle is one year.

Revenue and Cost Recognition

Construction Contracts

In the process of performing its construction contracts with customers, the Company considers each contract to be one performance obligation, unless circumstances dictate otherwise. This evaluation requires significant judgement. Payment terms and conditions in customer contracts vary. Contract payments are generally due in installments as specified in the contracts. Revenue for financial reporting purposes is recognized over time as the performance obligations are satisfied on an ongoing basis. Progress toward completion of the Company's contracts is measured by the percentage of cost incurred to date to estimated total costs for each contract. This method is used because management considers total cost to be the best available measure of progress on contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change significantly within the near term.

Changes in job performance, job conditions, and estimated profitability may result in revisions to revenues and costs, which are generally recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from variable consideration are accounted for as changes in estimates in the current period. Variable consideration may include incentives for completing a contract early or on time, penalties for not completing a contract on time, claims for which the Company has enforceable rights, or contract modifications/change orders in which the scope of modification has been approved, but the price has not been determined or approved. Recognition of variable consideration is limited to an amount that the Company estimates will not result in a significant reversal of revenue in future periods. Provisions for estimated losses on contracts in progress are made in the period in which such losses are determined. During the year ended December 31, 2023, the Company made revisions in estimates to certain contracts that were in progress at December 31, 2022. The net effect of the changes caused a \$18,648 increase in 2023 gross profits from that which would have been reported had the revised estimates been used as the basis of recognition of contract profits in the preceding year.

Contract costs include all service cost, labor, direct material, subcontractor and other direct costs and those indirect costs related to contract performance, such as insurance, tools, depreciation, payroll tax expense, employee benefits, supplies, repairs and indirect labor cost applied. Costs of abnormal inefficiencies or wasted resources (material or labor) are excluded when measuring progress and are expensed as incurred. The Company recognizes revenue for the transfer of uninstalled and unmodified materials to the customer, but only in an amount equal to the cost of the materials. Selling, general, and administrative costs are charged to expense as incurred.

The Company warrants its work to comply with both statutory and contractual requirements, therefore, the lengths of warranties vary. The Company did not incur significant warranty cost for the year ended December 31, 2023.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies, continued

Revenue and Cost Recognition, continued

Repair and Service Contracts

The Company provides repair, replacement, and emergency services to customers for air conditioning and heating systems. The Company also provides maintenance services to customers under maintenance contracts with service periods of typically twelve months. The Company considers each repair and service contract to be one performance obligation unless circumstances dictate otherwise. This evaluation requires significant judgement.

For repair and service contracts for which the Company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the performance completed to date, the Company recognizes revenue as services are performed. For these contracts, the Company typically bills the customer a fixed amount for each hour of labor provided, as well as a fixed markup on materials used. Revenue recognized on these contracts is calculated in the amount to which the Company has a right to invoice for services performed.

For repair and service contracts that do not meet the preceding criteria, the Company recognizes revenue over time using the same methodology used for construction contracts. In these circumstances, the Company utilizes the cost-based input method because management considers total cost to be the best available measure of progress.

Service contracts are typically billed upon completion of the service. Repair contracts are typically billed in advance and in installments over the service period. Payment terms and conditions for service and maintenance contracts vary.

Contract Assets and Contract Liabilities

The contract asset, "Costs and estimated earnings in excess of billings on contracts in progress," represents revenues recognized in excess of amounts billed. The contract asset, "Contract retention," represents amounts held back for payment by an owner until certain contractual obligations have been completed by the company. The contract liability, "Billings in excess of costs and estimated earnings on contracts in progress," represents billings in excess of revenues recognized. Contract assets and liability are reported on a net basis for each contract.

Contract Receivables

Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including contract receivables and contract retention, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed the provisions contained in Topic 326 and determined that there is no impact on retained earnings as of January 1, 2023, due to the adoption of the new policy.

Contract receivables are recorded when invoices are issued and are presented in the balance sheet net of the allowance for credit losses. Contract receivables are written off against the allowance when they are determined to be uncollectible. The allowance for credit losses is estimated based on expected credit losses considering the Company's historical losses, existing economic conditions in the construction industry, and the financial stability of its customers. Based on these factors, the Company had an allowance for credit losses of \$5,000 at December 31, 2023.

Generally, the Company considers contract receivables past due after 90 days. Contract receivables over 90 days totaled \$58,468 at December 31, 2023, of which \$35,130 was collected subsequent to December 31, 2023. When practical, the Company may file statutory liens on projects where collection problems are anticipated. The liens serve as collateral for contract receivables.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 1 - Business Activity and Summary of Significant Accounting Policies, continued

Inventory

The Company maintains parts and materials on revolving basis for its fleet of vehicles. Inventory is valued based on management's estimate. Management has determined inventory recorded reflects net realizable value.

Property and Equipment

The Company records property and equipment at cost. The cost of property and equipment is depreciated using the straight-line method over the estimated useful lives of the depreciable assets. Leasehold improvements are depreciated over the shorter of the remaining term of the lease or their estimated useful lives. Expenditures for maintenance and repairs are charged to expense as incurred. Major additions are capitalized. When property and equipment is sold or retired, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized.

Leases

The Company adheres to the accounting standard for leases, which provides detailed guidance for financial statement recognition, measurement, and disclosure of leases. The significant policies used by the Company to assist in determining the financial statement treatment of leasing arrangements are described in Note 7.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, contract receivables, contract retention, note receivable - stockholder, accounts payable, contract liabilities, long-term debt, and lease liability, for which their current carrying amounts approximate fair market value as of December 31, 2023.

Income Taxes

The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporation income taxes on its taxable income. Instead, the stockholders separately account for their proportionate share of the Company's items of income, deductions, losses and credits. Income of the Company is subject to California franchise tax. The Company is subject to certain state and local taxes, which have been recorded in the financial statements.

Accounting for Uncertain Tax Positions

The Company adheres to the accounting standards regarding "Accounting for Uncertain Tax Positions." This accounting standard provides detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be substantiated under examination. The Company files income tax returns in the United States and various state and local jurisdictions. The Company had no uncertain tax positions as of December 31, 2023.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include depreciation expense and estimated cost to complete, which have a direct effect on gross profit.

Subsequent Events

The Company has evaluated subsequent events through March 26, 2024, which is the date the financial statements were available to be issued.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 2 - Contract Receivables

Contract receivables consist of the following at December 31, 2023:

Completed contracts	\$	599,152
Contracts in progress		631,468
		<u>1,230,620</u>
Less allowance for credit losses		(5,000)
	\$	<u><u>1,225,620</u></u>

At January 1, 2023, the contract receivable balance for completed contracts and contracts in progress, net of allowance for credit losses of \$5,000, was \$1,012,445.

Note 3 - Contract Assets and Contract Liabilities

Costs, estimated earnings and billings to date on contracts in progress are as follows at December 31, 2023:

Costs incurred on contracts in progress	\$	477,622
Estimated earnings		170,793
		<u>648,415</u>
Less billings to date		(733,990)
	\$	<u><u>(85,575)</u></u>

Included in the accompanying balance sheet under contract assets and contract liabilities:

Costs and estimated earnings in excess of billings on contracts in progress (underbillings)	\$	21,754
Billings in excess of costs and estimated earnings on contracts in progress (overbillings)		(107,329)
	\$	<u><u>(85,575)</u></u>

Contract assets and contract liabilities are presented as follows as of December 31, 2023:

Contract Assets:

Costs and estimated earnings in excess of billings on contracts in progress (underbillings)	\$	21,754
Contract retention		5,754
Less contract retention reclassified from contract liabilities		(5,754)
	\$	<u><u>21,754</u></u>

Contract Liabilities:

Billings in excess of costs and estimated earnings on contracts in progress (overbillings)	\$	107,329
Less contract retention reclassified to contract assets		(5,754)
	\$	<u><u>101,575</u></u>

At January 1, 2023, the balance of contract assets was \$22,364 and the balance of contract liabilities was \$101,632.

F.M. THOMAS AIR CONDITIONING, INC.**Notes to Financial Statements**

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 4 - Property and Equipment

Property and equipment consists of the following at December 31, 2023:

	Useful Lives	
Vehicles	5 years	\$ 2,611,151
Leasehold improvements	15 - 39 years	230,767
Computers and software	5 years	148,490
Machinery and equipment	5 years	90,468
Furniture and fixtures	5 years	58,262
		<u>3,139,138</u>
Less accumulated depreciation		<u>(2,395,417)</u>
		<u>\$ 743,721</u>

Note 5 - Long-Term Debt

Long-term debt consists of the following at December 31, 2023:

Notes payable to various financial institutions, secured by vehicles, due in aggregate monthly payments of \$9,642, including interest ranging from 0.90% to 7.99%, maturing through October 2029.	\$ 439,347
Less current portion of long-term debt	<u>(93,520)</u>
	<u>\$ 345,827</u>

Following is a summary of future principal payments at December 31, 2023:

Year Ending December 31,	
2024	\$ 93,520
2025	97,807
2026	103,209
2027	87,337
2028	28,891
Thereafter	28,583
	<u>\$ 439,347</u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 6 - Economic Inquiry Disaster Loan Program

The Economic Inquiry Disaster Loan Program (EIDL) consists of the following at December 31, 2023:

Note payable totaling \$500,000 granted under the EIDL program approved by the Small Business Administration (SBA). In 2022, the Company received additional EIDL proceeds of \$1,500,000. The loan terms require certain use of loan proceeds. Advances accrue interest at 3.75% per annum and monthly principal and interest payments of \$10,061 beginning from July 1, 2024. All remaining unpaid principal and interest is due and payable by August 31, 2050. The loan is secured by substantially all the assets of the Company and guaranteed by the Company's stockholder.	\$ 2,000,000
Less current portion of EIDL	<u>(23,045)</u>
	<u>\$ 1,976,955</u>

Following is a summary of future principal payments:

Year Ending December 31,	
2024	\$ 23,045
2025	47,405
2026	49,214
2027	51,092
2028	53,041
Thereafter	<u>1,776,203</u>
	<u>\$ 2,000,000</u>

Note 7 - Leasing Arrangements

The Company leases office and shop space from a related party through common ownership under a long-term operating lease agreement expiring in June 2025. Base monthly payments were \$8,600 as of December 31, 2023. Lease expense under related party operating leases was \$111,000 for the year ended December 31, 2023. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees.

The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Company determines the discount rate, the lease term, and the lease payments.

When the discount rate implicit in a lease is not readily determinable, the Company calculates the lease liability using the risk-free rate.

F.M. THOMAS AIR CONDITIONING, INC.**Notes to Financial Statements**

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 7 - Leasing Arrangements, continued

The following summarizes the operating right-of-use asset as of December 31, 2023:

Operating lease right-of-use asset	\$	354,862
Accumulated amortization		(201,196)
	\$	<u>153,666</u>

The amounts contractually due on operating lease liability were as follows at December 31, 2023:

Year Ending		
<u>December 31,</u>		
2024	\$	103,200
2025		51,600
Total lease payments		<u>154,800</u>
Less interest		(1,134)
Present value of lease liability	\$	<u>153,666</u>

The following summarizes the line items in the income statement which include the components of lease expense for the year ended December 31, 2023:

Operating lease expense		
Operating lease costs, included in indirect contract costs	\$	51,600
Operating lease costs, included in operating expenses		51,600
Short-term lease costs, included in contract costs		3,900
Short term-lease costs, included in operating expenses		3,900
Total lease cost	\$	<u>111,000</u>

Supplemental balance sheet information related to leases as of December 31, 2023, was as follows:

Weighted average remaining lease term - Operating lease	1.5
Weighted average discount rate - Operating lease	1.04%

Related party lease include the following information at December 31, 2023:

Operating lease right-of-use asset	\$	<u>153,666</u>
Operating lease liability	\$	<u>153,666</u>
Operating lease expense	\$	<u>111,000</u>
Operating cash flows from operating lease	\$	<u>111,000</u>

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 8 - Employee Benefit Plan

Profit Sharing 401(k) Plan

The Company sponsors a Profit Sharing 401(k) plan covering all non-union employees who satisfy the eligibility requirements. Employees may contribute up to the annual permissible dollar limit in effect for the plan year, subject to certain federal income tax limitations. The Company may make a matching contribution based on the participant's salary deferrals with certain limitations and may make an additional discretionary profit-sharing contribution. Employee contributions are 100% vested and employer contributions vest according to a vesting schedule. The Company made \$225,396 in profit-sharing contributions and no matching contributions for the year ended December 31, 2023.

Note 9 - Related Party Transactions

The Company has made an election, available to private companies, related to the reporting of related parties that are under common control. Under this election, if specific criteria are met, the Company is not required to consolidate its commonly controlled related parties. The Company believes it has met the requirements and is not consolidating its commonly controlled related parties.

Note Receivable - Stockholder

The Company has a note receivable due from its sole stockholder. The note is unsecured and bears interest at the applicable federal rate of 4.71%. The balance outstanding on the note was \$476,437 at December 31, 2023. Unpaid principal and accrued interest are due on demand. The Company does not expect to collect the outstanding balance within one year, therefore, the balance has been classified as long-term. Interest income related to the note was \$15,043 for the year ended December 31, 2023.

Leasing Arrangements

Information about related party leasing activity is included in Note 7.

Note 10 - Concentration of Credit Risk

Cash

The Company maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. The Company has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Major Customers

Contract receivables result from performance under contracts with various customers. A single customer represented 36% of company's contract receivables or retention for the year ended December 31, 2023. No single customer represented more than 20% of total revenue for the year ended December 31, 2023. The Company's credit risk related to contract receivables is minimized by the Company's rights under lien laws on construction contracts subject to those laws.

F.M. THOMAS AIR CONDITIONING, INC.

Notes to Financial Statements

Year Ended December 31, 2023

See Independent Accountant's Review Report

Note 11 - Backlog

Backlog represents the amount of revenue the Company expects to realize from work to be performed on contracts in progress at year-end, letters of intent, and contractual agreements on which work has not begun.

The following schedule shows a reconciliation of backlog representing signed contracts, in existence at December 31, 2023:

Balance, January 1, 2023	\$	2,241,105
New contracts and contract adjustments		4,286,131
		<u>6,527,236</u>
Less contract revenue earned during the year, less service revenue of \$2,333,286		<u>(4,880,353)</u>
Balance, December 31, 2023	\$	<u><u>1,646,883</u></u>

Balance Sheet
As of 12/31/24

Assets**Current Assets**

100 - Petty Cash	1,300.00
101 - Pacific Premier Bank - General	80,611.11
103 - Pacific Premier Bank - EIDL	203,047.68
104 - Pacific Premier Bank - Payroll	39,738.60
110 - Accrued Interest	7,517.00
111 - Accounts Receivable	994,340.92
114 - Accts Receivable- Other	28,201.70
116 - Accts Receiv- Retentions	27,662.70
119 - Allowance for bad debt	(5,000.00)
125 - Inventory	149,573.19
149 - Costs in Excess of Billings	245,365.82
150 - Ret Rcvble reclas to Contract	(3,247.00)
154 - Prepaid Insurance	117,120.04
159 - Prepaid Other	(0.21)
266 - Ret Recvble reclas fr Contract	3,247.00

Total Current Assets

1,889,478.55

Fixed Assets

167 - Furniture Fixtures	58,262.02
171 - Shop Equipment	90,468.00
173 - Autos Trucks	2,616,204.95
174 - Accum Depr- Autos Trucks	47,652.00
177 - Computer Equipment	148,490.00
178 - Accum Depr- All	(2,596,284.90)
180 - Leasehold Improvements	230,766.78

Total Fixed Assets

595,558.85

Other Assets

194 - Other Assets	397,510.89
195 - Deposits	3,710.45
197 - ROU Asset - Operating Lease	354,862.00
198 - Amortization - Operating Lease	(100,075.00)

Total Other Assets

656,008.34

Total Assets

3,141,045.74

Liabilities**Current Liabilities**

201 - Salaries & Wages Payable	13,282.00
203 - Vacation Pay Payable	6,475.36
212 - Accts Payable- Trade	243,752.58
230 - 401K Payable	59.68
231 - Medical Insurance Payable	110,010.39
232 - PW Wage Benefits Payable	56,362.58
240 - Sales Tax Payable	3,240.19
245 - Current Portion LTD	138,529.00
250 - Payroll Tax Pay - FIT	(9,500.24)
251 - Payroll Tax Pay - FICA	5,182.24
252 - Payroll Tax Pay - FUTA	560.24

Balance Sheet
As of 12/31/24

253 - Payroll Tax Pay - SIT	8,639.21
254 - Payroll Tax Pay - SDI	615.03
255 - Payroll Tax Pay - SUI	(6,405.63)
262 - Garnishment-Oscar	1,178.02
263 - Garnishment-Corey	390.00
270 - Billings in Excess of Cost	127,604.90
272 - Warranty Reserve	499.91
274 - Deferred Revenue	19,730.00
282 - Operating Lease Liability - LT	153,666.00
283 - Operating Lease Liability - ST	101,121.00
Total Current Liabilities	974,992.46
Long-Term Liabilities	
290 - Note Payable Shareholders	(143,882.83)
293 - MB Finance Auto Loan	174,106.56
294 - PPP stimulus loan	1,618.61
295 - Notes Payable	(83,579.55)
296 - EIDL (SBA) Loan	1,839,015.00
299 - A/P Suspense	2,320.98
Total Long-Term Liabilities	1,789,598.77
Total Liabilities	2,764,591.23
<u>Capital</u>	
310 - Capital Stock	10,000.00
312 - Paid In Capital	250,000.00
320 - Retained Earnings	(124,548.75)
Net Profit (Loss)	241,003.26
Total Capital	376,454.51
Total Liabilities & Capital	3,141,045.74

Income Statement
01/01/24 To 12/31/24

	Current Year				Prior Year			
	Current Period	%	YTD	%	Current Period	%	YTD	%
Income								
400 - Contract Job Sales	4,816,363.18	59.2	4,816,363.18	59.2	4,870,191.46	67.6	4,870,191.46	67.6
420 - Discounts Allowed - A/R	(25.73)	0.0	(25.73)	0.0	(62.51)	0.0	(62.51)	0.0
440 - WIP Adjustment to Jobs	217,005.08	2.7	217,005.08	2.7	(3,369.81)	-0.1	(3,369.81)	-0.1
450 - Repair Service Sales	2,256,158.05	27.7	2,256,158.05	27.7	1,719,479.69	23.9	1,719,479.69	23.9
455 - Service Agreement Sales	850,726.14	10.5	850,726.14	10.5	613,868.54	8.5	613,868.54	8.5
Total Income	8,140,226.72	100.0	8,140,226.72	100.0	7,200,107.37	100.0	7,200,107.37	100.0
Direct Job Expenses								
541 - Cost of Contracts- Labor	1,650,940.26	20.3	1,650,940.26	20.3	1,686,300.03	23.4	1,686,300.03	23.4
542 - Cost of Contracts- Mat'l	1,543,898.43	19.0	1,543,898.43	19.0	1,501,160.17	20.9	1,501,160.17	20.9
543 - Cost of Contracts- Subco	467,164.38	5.7	467,164.38	5.7	522,070.63	7.3	522,070.63	7.3
545 - Cost of Contracts- Other	199,240.41	2.5	199,240.41	2.5	81,279.05	1.1	81,279.05	1.1
551 - Service Cost- Labor	1,285,498.40	15.8	1,285,498.40	15.8	1,271,871.71	17.7	1,271,871.71	17.7
552 - Service Cost- Material	256,364.40	3.2	256,364.40	3.2	232,779.05	3.2	232,779.05	3.2
553 - Service Cost- Subcon	0.00	0.0	0.00	0.0	605.00	0.0	605.00	0.0
555 - Service Cost- Other	8,612.08	0.1	8,612.08	0.1	24,998.68	0.4	24,998.68	0.4
556 - PM materials - Not taxed	97,092.01	1.2	97,092.01	1.2	81,842.66	1.1	81,842.66	1.1
Total Direct Job Expenses	5,508,810.37	67.7	5,508,810.37	67.7	5,402,906.98	75.0	5,402,906.98	75.0
Gross Profit	2,631,416.35	32.3	2,631,416.35	32.3	1,797,200.39	25.0	1,797,200.39	25.0
Indirect Expenses								
601 - Vacation/Holiday/Personal Time	142,884.47	1.8	142,884.47	1.8	123,078.40	1.7	123,078.40	1.7
603 - Payroll Tax Expense	137,637.67	1.7	137,637.67	1.7	133,993.68	1.9	133,993.68	1.9
604 - Insurance- Workers' Comp	61,739.63	0.8	61,739.63	0.8	59,544.10	0.8	59,544.10	0.8
606 - PW Benefits	(3,598.26)	-0.0	(3,598.26)	-0.0	(4,170.61)	-0.1	(4,170.61)	-0.1
615 - Insurance - Medical	241,392.83	3.0	241,392.83	3.0	198,271.74	2.8	198,271.74	2.8
620 - Small Tools	14,974.70	0.2	14,974.70	0.2	41,827.31	0.6	41,827.31	0.6
621 - Uniforms	34,777.28	0.4	34,777.28	0.4	30,822.74	0.4	30,822.74	0.4
622 - Service Supplies	541.31	0.0	541.31	0.0	81,608.39	1.1	81,608.39	1.1
623 - Shipping Costs	0.00	0.0	0.00	0.0	154.45	0.0	154.45	0.0
624 - Plans and blueprints	2,546.29	0.0	2,546.29	0.0	3,061.40	0.0	3,061.40	0.0
643 - Fleet Maintenance Costs	91,881.20	1.1	91,881.20	1.1	95,674.03	1.3	95,674.03	1.3
657 - Less: Admin Vehicle Maint.	830.21	0.0	830.21	0.0	705.54	0.0	705.54	0.0
660 - Gas & Oil	152,288.33	1.9	152,288.33	1.9	152,489.56	2.1	152,489.56	2.1
680 - Depreciation- Indirect	120,000.00	1.5	120,000.00	1.5	120,000.00	1.7	120,000.00	1.7
690 - Shop Rent	50,000.00	0.6	50,000.00	0.6	55,500.00	0.8	55,500.00	0.8
696 - Indir Labor Cost Applied	(1,047,895.66)	-12.9	(1,047,895.66)	-12.9	(1,092,560.73)	-15.2	(1,092,560.73)	-15.2
Total Indirect Expenses	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0
G & A Expenses								
700 - Salaries - Sales	367,610.35	4.5	367,610.35	4.5	254,294.09	3.5	254,294.09	3.5
701 - Salaries & Wages-Officer	153,309.92	1.9	153,309.92	1.9	38,401.67	0.5	38,401.67	0.5
702 - Salaries & Wages- Other	694,977.54	8.5	694,977.54	8.5	677,702.50	9.4	677,702.50	9.4
703 - Payroll Tax Expense	99,897.51	1.2	99,897.51	1.2	77,692.11	1.1	77,692.11	1.1
704 - Insurance- Workers' Comp	4,053.60	0.1	4,053.60	0.1	4,139.29	0.1	4,139.29	0.1
706 - Employee Benefits	72,948.45	0.9	72,948.45	0.9	56,777.97	0.8	56,777.97	0.8

Income Statement
01/01/24 To 12/31/24

	Current Year				Prior Year			
	Current Period	%	YTD	%	Current Period	%	YTD	%
708 - Life Insurance	4,809.18	0.1	4,809.18	0.1	6,412.24	0.1	6,412.24	0.1
709 - Insurance Medical	183,598.87	2.3	183,598.87	2.3	111,202.62	1.5	111,202.62	1.5
710 - Insurance-Gen Liability	185,314.00	2.3	185,314.00	2.3	151,532.75	2.1	151,532.75	2.1
712 - Dues and Subscriptions	14,184.54	0.2	14,184.54	0.2	11,262.03	0.2	11,262.03	0.2
720 - Office Supplies	29,284.43	0.4	29,284.43	0.4	27,887.35	0.4	27,887.35	0.4
725 - Office Equipment	6,865.65	0.1	6,865.65	0.1	5,682.12	0.1	5,682.12	0.1
730 - Telephone	31,660.33	0.4	31,660.33	0.4	33,204.84	0.5	33,204.84	0.5
732 - Utilities	17,620.08	0.2	17,620.08	0.2	17,811.30	0.3	17,811.30	0.3
740 - Rent	50,000.00	0.6	50,000.00	0.6	55,500.00	0.8	55,500.00	0.8
743 - Legal and Accounting	137,159.00	1.7	137,159.00	1.7	113,151.71	1.6	113,151.71	1.6
749 - Entertainment	1,685.31	0.0	1,685.31	0.0	0.00	0.0	0.00	0.0
750 - Business Promotion	14,457.81	0.2	14,457.81	0.2	19,641.08	0.3	19,641.08	0.3
754 - Professional Development	3,978.17	0.1	3,978.17	0.1	4,420.15	0.1	4,420.15	0.1
758 - Sales Dept Promotions	50,942.68	0.6	50,942.68	0.6	54,985.18	0.8	54,985.18	0.8
760 - Repair & Maintain- Autos	647.85	0.0	647.85	0.0	2,975.52	0.0	2,975.52	0.0
764 - Rep & Main- Building	104,087.94	1.3	104,087.94	1.3	54,425.21	0.8	54,425.21	0.8
766 - Gas and Oil	24,429.93	0.3	24,429.93	0.3	24,092.89	0.3	24,092.89	0.3
772 - Outside Services	9,489.54	0.1	9,489.54	0.1	210.00	0.0	210.00	0.0
780 - Taxes and Licenses	11,844.37	0.2	11,844.37	0.2	5,201.77	0.1	5,201.77	0.1
782 - Bank Charges	28,677.80	0.4	28,677.80	0.4	24,618.87	0.3	24,618.87	0.3
783 - Computer Maintenance	50,702.22	0.6	50,702.22	0.6	50,743.74	0.7	50,743.74	0.7
786 - Bad Debt	0.00	0.0	0.00	0.0	15,867.00	0.2	15,867.00	0.2
788 - Interest	5,421.11	0.1	5,421.11	0.1	6,735.43	0.1	6,735.43	0.1
790 - Depreciation	42,000.00	0.5	42,000.00	0.5	33,000.00	0.5	33,000.00	0.5
982 - State Income Taxes	800.00	0.0	800.00	0.0	1,804.00	0.0	1,804.00	0.0
Total G & A Expenses	2,402,458.18	29.5	2,402,458.18	29.5	1,941,375.43	27.0	1,941,375.43	27.0
Income from Operations	228,958.17	2.8	228,958.17	2.8	(144,175.04)	-2.0	(144,175.04)	-2.0
Other Income (Expenses)								
800 - Interest Income	12,045.09	0.2	12,045.09	0.2	12,452.02	0.2	12,452.02	0.2
810 - Gain/Loss-Sale Fix Asset	0.00	0.0	0.00	0.0	(12,512.00)	-0.2	(12,512.00)	-0.2
820 - Other Income	0.00	0.0	0.00	0.0	28,266.47	0.4	28,266.47	0.4
Total Other Income (Expenses)	12,045.09	0.2	12,045.09	0.2	28,206.49	0.4	28,206.49	0.4
Net Profit (Loss)	241,003.26	3.0	241,003.26	3.0	(115,968.55)	-1.6	(115,968.55)	-1.6

EXHIBIT C
FEE SCHEDULE



F.M. Thomas Air Conditioning

Honeywell

MAINTENANCE AGREEMENT

Proposal Date	Proposal Number
May 26, 2025	MF10803

By and Between:

F.M. Thomas Air Conditioning
231 Gemini Ave, Brea, Ca 92821
Hereinafter CONTRACTOR

AND

City of Costa Mesa
77 Fair Drive, Costa Mesa, Ca 92628
Hereinafter CUSTOMER

Contractor will provide the services described in the F.M. Thomas Air Conditioning Maintenance Program indicated below, which are attached hereto and made a part of this Agreement, in accordance with the terms and conditions set forth in the Maintenance Agreement.

F.M. Thomas Air Conditioning Services will be provided at the following location(s):
City of Costa Mesa – Exhibit A

Attn: Stephanie Urueta
Purchasing

MAINTENANCE AGREEMENT

1st Year AGREEMENT coverage will commence on **July 1st, 2025**, The AGREEMENT price is **\$54,876.00**
Per year, payable **\$4,573.00** per MONTH or payable **\$13,719.00** per QUARTER. This AGREEMENT will be in effect from **July 1st, 2025**, through **June 30th, 2026**.

2ND Year AGREEMENT coverage will commence on **July 1st, 2026**, The AGREEMENT price is **\$56,520.00**
Per year, payable **\$4,710.00** per MONTH or payable **\$14,130.00** per QUARTER. This AGREEMENT will be in effect from **July 1st, 2026**, through **June 30th, 2027**.

3RD Year AGREEMENT coverage will commence on **July 1st, 2027**, The AGREEMENT price is **\$58,212.00**
Per year, payable **\$4,851.00** per MONTH or payable **\$14,553.00** per QUARTER. This AGREEMENT will be in effect from **July 1st, 2027**, through **June 30th, 2028**.

4TH Year AGREEMENT coverage will commence on **July 1st, 2028**, The AGREEMENT price is **\$59,952.00**
Per year, payable **\$4,996.00** per MONTH or payable **\$14,988.00** per QUARTER. This AGREEMENT will be in effect from **July 1st, 2028**, through **June 30th, 2029**.

1st Year AGREEMENT coverage will commence on **July 1st, 2029**, The AGREEMENT price is **\$61,740.00**
Per year, payable **\$5,145.00** per MONTH or payable **\$15,435.00** per QUARTER. This AGREEMENT will be in effect from **July 1st, 2029**, through **June 30th, 2030**.

CONTRACTOR		CUSTOMER	
<div></div>			
Signature (Sales Rep.) Michael Feyka, Vice President		Signature (Authorized Rep.)	
May 26, 2025			
Print Name & Title	Date	Print Name & Title	Date

PREVENTATIVE MAINTENANCE PROGRAM

The benefits of using F.M. Thomas Air Conditioning include:

- Longevity in the commercial HVAC industry – since 1974.
- Services provided 24/7
- Continuing education for technicians
- Use of quality parts and materials
- Efficiency: lowers utility costs, waste and administrative issues
- On-site project management and support services
- Warranty for 1 year parts and Labor
- Extended life of equipment

Bi-Monthly Maintenance plan (June, September, December, March)

Package Units / Heat Pumps

- **Replace air filters BI-ANNUALLY**
- Check: refrigerant charge, belts, sheaves, coils, drains, drain pans, motor operation, (Annual)
- Replace belts (Annual)
- Refrigerant leak check (Annual)
 - o Provide a quote for repairs if needed.
- Check: compressor oil, crankcase heater, coupling alignment, vibration eliminators, auxiliary equipment, operating and safety controls, refrigerant charge, oil level and pressure.
- Inspect: leak potential
- Lubricate fan and motor bearings per manufacturer recommendation. Lubricate linkages and dampers.
- Inspect: filters, unit panels, roof curb flashing, electrical connections, relays, contactors, operational controls, temperate, equipment safety.
- Replace air Filters (Bi-Monthly)
- Check blower housing and clean as needed.
- Check operation in heating and cooling modes.
- Check all system pressures.
- Check voltage supply.
- Inspect and clean condenser coil as needed. **(Annual)**
 - o Includes blowing out and/or exterior water. If the coil is plugged through too deeply, we will provide customer a quote to fix.
- Inspect evaporative coil **(Annual)**
 - o If coil is excessively sweating or has poor air flow, a quote will be provided to repair or replace
- Verify operation of Reversing valve
- Verify integrity of mechanical and electrical connections

- Verify operation of thermostat.
- Blow out condensate traps with CO2 (Annual)
- Wash out / clean and Disinfect condensate pan (Annual)

Exhaust Fans

- Inspect: belts, starters, disconnects and contacts.
- Inspect: motors and bearings.
- Replace belts (annually)

Central Fan Systems – Air Handlers (**QUARTERLY**)

- Check: heating and cooling coils, strainers, drains and drain pans, fan operation, air intake screen, motor mounts and vibration pads, motor operation, nuts, bolts, belts and sheaves, fan assembly.
- Inspect: filters, electrical connections, contactors.
- Lubricate: motor and fan bearings, dampers and linkage.
- **Replace air filters QUARTERLY**
- Replace belts (Annual)
- Blow out condensate traps (Annual)
- Wash out / clean condensate pans (Annual)
- Visually inspect exposed ductwork and external piping for insulation and vapor barrier for integrity.
- Check fan belt tension. Check for belt wear and replace if necessary to ensure proper operation. (Annually)
Check sheaves for evidence of improper alignment or evidence of wear
- Check for proper operation of cooling or heating coil for damage or evidence of leaks. Clean as required.
- Check air filter fit and housing seal integrity.
- Check the control box for dirt, debris and/or loose terminations. Clean and tighten as needed.
- Check motor contactor for pitting or other signs of damage.
- Check fan blades and fan housing. Clean as needed to ensure proper operation.
- Check for proper damper operation.
- Visually inspect areas of moisture accumulation for biological growth.
- Check condensate pump. (if applicable)

Water Source Heat pumps

- Replace filters **QUARTERLY** at each service.
- Check fan and motor bearings per manufacturer recommendation. Check linkages and dampers.
- Inspect: filters, unit panels, roof curb flashing, electrical connections, relays, contactors, operational controls, temperate, equipment safety.
- Check belts – Replace (annually)
- Wash coils (annually)
- Check temperature splits.
- Check coils for water leaks. Quote repairs as needed.
- Check thermostats for proper operation. Calibrate annually.
- Check amperage draws on compressors and fan motors.
- Check drain pans / drain lines for blockages / leaks. Blow out drain lines with compressed air.
- Check strainers and P-trap; cleanout **QUARTERLY** as needed.
- Exercise ball valves (annually)
- Check pneumatic / Electric controls and tighten wire nuts / terminations as needed.
- Check UV lamp (if applicable.) quote replacement if needed.
- Check air filter housing for integrity.
- Check fan blades and fan housings. Replace fasteners to ensure integrity and fit/function of equipment.
- Check controls panels. Tighten loose connections and blow out panel with compressed air (annually)

- Check drive alignment, wear, seating, and operation.
- Check motor contactors for pitting or other signs of damage.
- Check refrigerant system for refrigerant leaks (annually).
- Check for evidence of buildup or fouling of coils and drain pans. Provide quotes as needed for extensive cleaning.
- Provide routine cleaning and disinfecting of drain pans (Annually)
- Check coil fins. Brush fins with comb if possible. Report damaged coils as needed.
- Check pressure drop and GPM through coils (annually).
- Check insulation for sweating or rust. Provide report of findings with quote
- Check condensate pump for proper operation.
- Check: compressor oil, crankcase heater, coupling alignment, vibration eliminators, auxiliary equipment, operating and safety controls, refrigerant charge, oil level and pressure.
- Check amperage across crankcase heaters, compressors, and fan motors

***** See additional Scope of work as noted in in Appendix A**

EQUIPMENT LIST

A/C Unit	MODEL # DESCRIPTION	MANUFACTURER	SIZE
See Exhibit A			

**Notes: Filter sizes will be confirmed on first service. Filters shall be stored on site.
Unit model numbers and sizes will be verified prior to first visit.**

NOTE: *THE GENERAL CONDITIONS ARE A PART OF THIS AGREEMENT*

F.M. Thomas Air Conditioning, Inc. herein FMT

- A. ALL SERVICES OUTLINED IN THIS PROPOSAL WILL BE PERFORMED DURING REGULAR WORKING HOURS, 8:00 A.M. TO 4:30 P.M., MONDAY THRU FRIDAY. IF THE CUSTOMER REQUIRES OVERTIME, FMT WILL BE REIMBURSED FOR THE PREMIUM PORTION OF WAGES PAID (INCLUDING PAYROLL TAXES AND INSURANCE), PLUS A REASONABLE ALLOWANCE FOR LOSS OF PRODUCTIVITY CAUSED BY THE OVERTIME.
- B. ADDITIONAL WORK: F MT AGREES TO SUPPLY THE MATERIAL, LABOR, TRUCK CHARGES, AS SPECIFICALLY LISTED HEREIN. IF ADDITIONAL WORK IS REQUIRED BY THE CUSTOMER OR ADDITIONAL WORK IS REQUIRED TO MEET EQUIPMENT MANUFACTURER'S SPECIFICATION(S) OR CUSTOMER REQUIRED DESIGN AND/OR PREFERENCE CRITERIA, PREVENT DAMAGE TO THE STRUCTURE, PERSON(S) OR CONTENTS, INCLUDING THE WORK PROVIDED BY THIS PROPOSAL AND CONTRACT, SATISFY GOVERNMENTAL HEALTH, SAFETY AND BUILDING CODES, RULES AND LAWS OF A.Q.M.D. AND/OR EPA, OR OTHER GOVERNMENTAL AUTHORITY(S) SUCH WORK WILL BE AT ADDITIONAL COST.
- C. WARRANTY: 1) F.M. THOMAS AIR CONDITIONING, INC., AGREES TO WARRANT THE LABOR FOR A PERIOD OF (1) YEAR AND MATERIALS FOR A PERIOD OF ONE YEAR FROM DATE OF LAST WORKORDER, AND THAT ALL PARTS REPLACED, MATERIALS FURNISHED, AND WORK ACCOMPLISHED, IS FREE FROM DEFECT IN MATERIAL AND WORKMANSHIP. 2) REFRIGERANT REPLACEMENT WARRANTY INCLUDING LABOR INVOLVING NEW EQUIPMENT SOLD, INSTALLED AND MAINTAINED BY FMT IS ONE YEAR. 3) REFRIGERANT REPLACEMENT WARRANTY INCLUDING LABOR INVOLVING SERVICE /REPAIR /MODIFICATIONS /RETROFIT AND MAINTENANCE WORK IS LIMITED TO 30 DAYS FROM LAST WORKORDER DATE.

- D. ACCEPTANCE: THIS PROPOSAL IS SUBJECT TO ACCEPTANCE WITHIN 30 DAYS FROM QUOTATION OF ABOVE LISTED WORK.
- E. TERMS: TIME IS OF THE ESSENCE, PAYMENT IN FULL, 10 DAYS FROM INVOICE DATE OF ABOVE LISTED WORK.
- F. PAYMENTS: FOR WORK COMMENCED AND COMPLETED IN ANY ONE CALENDAR MONTH, CUSTOMER WILL PAY THE CONTRACT PRICE IN FULL IN CASH UPON COMPLETION OF THE WORK. OTHERWISE, CUSTOMER WILL PAY THE PRICE IN CASH IN PROGRESS PAYMENTS FOR WORK COMPLETED THRU THE END OF EACH MONTH.
- G. ATTORNEY'S FEES: IF EITHER PARTY HERETO COMMENCES AN ACTION AGAINST THE OTHER ARISING OUT OF, OR IN CONNECTION WITH THIS PROPOSAL AND CONTRACT, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE LOSING PARTY, REASONABLE ATTORNEY'S FEES AND COSTS OF SUIT. THE VENUE FOR LEGAL ACTION(S) SHALL BE THE NORTH ORANGE COUNTY MUNICIPAL/SUPERIOR COURT, OR THE FEDERAL DISTRICT COURT OF LOS ANGELES.
- H. INSURANCE: FMT WILL SUPPLY WORKER'S COMPENSATION INSURANCE IN THE FORMS AND AMOUNT REQUIRED BY LAW. IN ADDITION, FMT SHALL SUPPLY THE LIABILITY INSURANCE DESCRIBED IN A CERTIFICATE OF INSURANCE WHICH IS ATTACHED TO THIS PROPOSAL, OR WHICH IN THE ABSENCE OF SUCH ATTACHMENT WILL BE SUPPLIED THE CUSTOMER ON REQUEST.
- I. RIGHT TO STOP WORK: FMT SHALL HAVE THE RIGHT TO STOP WORK IF PAYMENTS ARE NOT MADE WHEN DUE UNDER THIS CONTRACT AND MAY KEEP THE JOB IDLE UNTIL ALL PAYMENTS HAVE BEEN RECEIVED.
- J. INDEMNITY: FMT WILL INDEMNIFY AND HOLD HARMLESS CUSTOMER FROM LOSS OR DAMAGE TO PERSONS OR PROPERTY ARISING DIRECTLY FROM FMT PERFORMANCE OF THE WORK AND CAUSED BY ANY NEGLIGENT ACTS OF FMT OR IT'S EMPLOYEES.
- A. CUSTOMER TO MAKE AVAILABLE TO CONTRACTOR'S PERSONNEL PERTINENT MATERIAL SAFETY DATA SHEETS (MSDS) AS SPECIFIED BY OSHA'S HAZARD COMMUNICATIONS STANDARD REGULATIONS.
- B. HAZARDOUS SUBSTANCES: FMT'S IMPLIED OBLIGATION UNDER THIS PROPOSAL AND AGREEMENT DOES NOT INCLUDE IDENTIFICATION OF, REMOVAL/ABATEMENT/DISPOSAL/STUDIES OR TESTS OF ANY ASBESTOS PRODUCT(S) OR OTHER HAZARDOUS SUBSTANCE(S). UPON THE EVENT OR ENCOUNTER OF ANY SAID PRODUCT(S) AND/OR SUBSTANCE(S). FMT RESERVES THE RIGHT TO SUSPEND IT'S WORK UNTIL SAID SUBSTANCE(S) OR PRODUCT(S) ARE REMOVED.
- C. DIFFERING SITE CONDITIONS: IF FMT ENCOUNTERS SUBSURFACE OR LATENT PHYSICAL CONDITIONS AT THE SITE, DIFFERING MATERIALLY FROM THOSE INDICATED IN THE BID DOCUMENTS, OR FOUND DURING THE SITE JOB WALK, OR UNKNOWN PHYSICAL CONDITIONS, OF AN UNUSUAL NATURE, DIFFERING MATERIALLY FROM THE CONDITION(S) RELIED UPON IN THIS PROPOSAL AND CONTRACT, FMT WILL PROMPTLY NOTIFY THE CUSTOMER IF SUCH CONDITIONS CAUSE AN INCREASE OR DECREASE IN THE COST OF, OR THE TIME REQUIRED FOR PERFORMANCE OF ANY PART OF THE WORK, AN EQUITABLE ADJUSTMENT IN PRICE SHALL BE MADE AND THE CONTRACT TIME MODIFIED ACCORDINGLY.
- D. FORCE MAJEURE: FMT SHALL NOT BE DEEMED IN DEFAULT NOR BE LIABLE FOR DAMAGES FOR ANY FAILURE OR DELAY IN PERFORMANCE OF IT'S WORK WHICH ARISE OUT OF CAUSE BEYOND IT'S REASONABLE CONTROL. SUCH CAUSES MAY INCLUDE, WITHOUT LIMITATION, ACTS OF GOD OR OF THE PUBLIC ENEMY, ACTS OF THE GOVERNMENT EITHER IN IT'S SOVEREIGN OR CONTRACTUAL CAPACITY, FIRES, FLOODS, EPIDEMICS, QUARANTINE RESTRICTIONS, STRIKES, FREIGHT EMBARGOES, MATERIAL SHORTAGES, OR UNUSUALLY SEVERE WEATHER. IN THE EVENT THE WORK IS DELAYED BY SUCH CAUSES, THE TIME FOR PERFORMANCE WILL BE EXTENDED ACCORDINGLY.
- E. SHOULD GOVERNMENTAL "PLAN CHECK" DEPARTMENT(S) REQUIRE ADDITIONAL WORK BEYOND THE SPECIFIED WORK DEFINED IN THIS PROPOSAL, SUCH WORK REQUIRED BY "PLAN CHECK" DEPARTMENT SHALL REQUIRE AN EQUITABLE PRICE ADJUSTMENT TO COVER FMT'S COSTS, LABOR, OVERHEAD, TIME ALLOWED AND PROFIT.
- F. UNLESS SPECIFICALLY LISTED IN THIS PROPOSAL, INSTALLATION OR REPAIR OF VIEW SCREEN(S), STRUCTURAL ENGINEERING OR WORK, PATCH, REPAIR AND PAINTING, ACCESS LADDER(S) OR ROOF HATCH(S), ROOF PATH WAYS, REPAIRS TO LAWN AND(OR) LANDSCAPE SPRINKLERS OR DAMAGE TO SIDE WALKS, CURBS AND PARKING LOTS ARE EXCLUDED.
- G. THE WITHIN DESIGN IS EXCLUSIVELY OWNED BY F.M. THOMAS AIR CONDITIONING, INC. AND IS NOT INTENDED FOR PUBLICATION. EXHIBITION HEREIN IS SOLELY FOR THE PURPOSE OF AFFECTING A SALE, OR TRANSFER, OF THE DELINEATED AIR CONDITIONING, TEMPERATURE CONTROLS AND OR REFRIGERATION INSTALLATION.
- H. CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTOR'S STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THE BOARD WHOSE ADDRESS IS: CONTRACTOR'S STATE LICENSE BOARD, 9835 GEOTHE ROAD, SACRAMENTO, CALIFORNIA 95821.
- I. INTEGRATION OF OLD AND NEW EQUIPMENT: BUYER RECOGNIZES THAT THE OPERATION OF THE BUILDING SYSTEMS WILL NECESSARILY DEPEND UPON NEW EQUIPMENT INSTALLED BY F.M. THOMAS, OPERATING IN CONJUNCTION WITH EXISTING EQUIPMENT PART(S). SUCH OLDER EQUIPMENT/PART(S) MAY BE IN POOR CONDITION, AND IN NEED OF REPAIR, AND/OR LACKS STATE OF THE ART TECHNOLOGY. F.M. THOMAS HAS NOT BEEN REQUESTED, NOR PAID, TO REPLACE CERTAIN EXISTING EQUIPMENT, PIPING AND SIMILAR ITEMS. SOME OF THIS EQUIPMENT MAY SUFFER FROM DEFERRED MAINTENANCE PROBLEMS. BUYER AGREES TO ACCEPT THE WORK IN ACCORDANCE WITH F.M. THOMAS' PROPOSAL IN LIGHT OF THE FACT THAT THE BUILDING SYSTEMS WILL HAVE A MIXTURE OF OLD AND NEW EQUIPMENT AFTER F.M. THOMAS HAS COMPLETED ITS WORK.
- J. FMT WILL NOT MAKE WARRANTY REPAIRS OR REPLACEMENT OF DAMAGES NECESSITATED BY REASON OF NEGLIGENCE OR MISUSE OF EQUIPMENT OR SYSTEM COMPONENT(S) BY OTHER PERSON(S) OR PARTY(S), INCLUDING OWNERS AGENTS AND EMPLOYEES OR OWNERS SUBCONTRACTOR(S).

RATE SCHEDULE 2025

F.M. THOMAS CERTIFIES BELOW THAT ALL RATES INCLUDE THE CURRENT CA DIR PREVAILING WAGE FOR JOURNEY-LEVEL CLASSIFICATIONS AND PROPOSED TECHNICIANS ARE FULL-TIME, PERMANENT STAFF OF F.M. THOMAS AIR CONDITIONING

F.M. THOMAS AIR CONDITIONING

Thomas Feyka, President

Billing Rate Form

hourly billing rates for Technicians and Material/Rental mark-ups.

Line Item No.	Service Request/Work Orders – 24-hour on-site response	Hourly Rate
MARKET RATES		
1	Journeyman Technician Regular hourly rate (M-F) 7am 3.30 pm (1 st 8 hours)	\$185.00
2	Journeyman Technician Overtime hourly rate	\$210.00
3	Journeyman Technician Holiday hourly rate	\$240.00
4	Controls Regular hourly rate	\$185.00
5	Controls Overtime hourly rate	\$210.00
6	Controls Holiday hourly rate	\$240.00
	For informational purposes only:	Percentage
7	Material Mark-up	20%
8	Rental Mark-up / Subcontractors	20%
Special Charges		
9	refrigerant waste disposal	\$97.50
10	acid test kit	\$21.50
11	truck charge (per service call)	\$45.00
12	A-frame	\$250.00
13	Rodding machine	\$250.00
14	welding (silver sodder)	\$85.00
15	welding	\$102.00
16	Mapp gas	\$29.50
17	Nitrogen	\$74.00
18	CO2	\$48.75
19	Refrigerant recovery 31# and over	\$375.00
20	Refrigerant recovery 30# and under	\$250.00
21	computer access	\$117.00
22	Emergency On-Call Fee	\$300.00

*** Rates subject to revision each calendar year.

**CITY OF COSTA MESA
MAINTENANCE SERVICES AGREEMENT
WITH
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, INC.**

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into this 2nd day of September, 2025 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, INC., a California corporation. ("Contractor").

W I T N E S S E T H :

A. City proposes to utilize the services of Contractor as an independent contractor to provide on-call HVAC mechanical automation system repairs and maintenance services of City property, as more fully described herein; and

B. Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

C. City and Contractor desire to contract for the services and desire to set forth their rights, duties and liabilities in connection with the performance of such services; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONTRACTOR

1.1. Scope of Services. Contractor shall provide the services described in the City's Request for Proposal, RFP No. 25-22 ("RFP"), attached hereto as Exhibit "A," and Contractor's response to City's RFP (the "Proposal") attached hereto as Exhibit "B," both incorporated herein (the "Services").

1.2. Prevailing Wage Requirements.

- (a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720, *et seq.*) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000, *et seq.* of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This project is a "maintenance" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

- (b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations, Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).
- (c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810, *et seq.*, eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.
- (d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.
- (e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.
- (f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor

Code Section 1725.5 requiring registration with the DIR.

1.3. Performance to Satisfaction of City. Contractor agrees to perform all the work to the complete satisfaction of City. Evaluations of the work will be done by City's Maintenance Services Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Contractor to review the quality of the work and resolve the matters of concern;
- (b) Require Contractor to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Compliance with Applicable Law. Contractor warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to harassment, workplace violence, discrimination, minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Contractor shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Contractor acknowledges that City may enter into agreements with other contractors for services similar to the Services in this Agreement or may have its own employees perform services similar to those Services contemplated by this Agreement.

1.7. Delegation and Assignment. Contractor may not delegate or assign this Agreement, in whole or in part, to any person or entity without the prior written consent of City. Contractor may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Contractor's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City, or confidential information relating to the City's computer and security systems and programs. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed

confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit C. Contractor's total annual compensation shall not exceed Two Hundred Thousand Dollars (\$200,000.00).

2.2. Additional Services. Contractor shall not receive compensation for any services provided outside the Scope of Services set forth in this Agreement without amending this Agreement as provided herein. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Contractor may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Contractor's services which have been completed to City's sole satisfaction. City shall pay Contractor's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Services performed, the date of performance, and the associated time for completion.

2.4. Records and Audits. Records of Contractor's Services shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times throughout the term of this Agreement through three (3) years after its termination.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The Services shall be performed in strict compliance with Exhibits A and B. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, pandemics (excluding COVID-19) or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of two (2) years, ending on September 1, 2027, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. The Agreement may be extended by three (3) additional one (1) year periods upon mutual written agreement of both parties.

4.2. Notice of Termination. City reserves and has the right and privilege of canceling,

suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Contractor. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Contractor shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Contractor for reasonable costs incurred and Services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Contractor shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of Contractor pursuant to its contract with City; products and completed operations of Contractor; premises owned, occupied or used by

Contractor; automobiles owned, leased, hired, or borrowed by Contractor.”

- (b) Notice: “Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City.”
- (c) Other insurance: “Contractor’s insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy.”
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting. The insurance provisions contained in this Agreement shall not be construed as limiting in any way, the indemnification provisions contained in this Agreement, or the extent to which Contractor may be held responsible for payments of damages to persons or property.

5.6. Excess Coverage. To the extent that Contractor maintains any insurance coverage(s) in amounts or types which are not expressly called out in this Agreement, such additional coverage(s) shall be deemed to be required by this Agreement.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Contractor shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Contractor in the performance of this Agreement.

Contractor shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Contractor or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONTRACTOR:

Harbor Pointe Air Conditioning
720 South Richfield Road
Placentia, CA 92870
Tel: (657) 275-9188
Attn: Gregory S. Perez, President/CEO

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5289
Attn: Daniel Jojola

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-free Workplace Policy. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the

exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Contractor shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Contractor's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Contractor of Contractor's obligation to perform all other obligations to be performed by Contractor hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Contractor agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Contractor's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Contractor is and shall be acting at all times as an independent contractor and not as an employee of City. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Contractor shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Contractor and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Contractor shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the

independent contractor relationship created by this Agreement. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

6.13. Conflict of Interest. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractors shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.14. Prohibited Employment. Contractor will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.16. Costs. Each party shall bear its own costs and fees incurred in the preparation

and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this

Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONTRACTOR

Signature

Date: _____

Gregory S. Perez, President/CEO

CITY OF COSTA MESA

Cecilia Gallardo-Daly
Interim City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Daniel Jojola
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Director of Public Works

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT B
CONTRACTOR'S PROPOSAL



May 26, 2025

City of Costa Mesa – Public Works Department
77 Fair Drive, Costa Mesa, CA 92626
RFP No. 25-22
On-Call HVAC Mechanical Automation System Repairs and Maintenance Services
Due: May 28, 2025, at 2:00pm

Dear City of Costa Mesa,

Harbor Pointe Air Conditioning & Control Systems, Inc., located at 720 South Richfield Road, Placentia, CA 92870, is pleased to submit our bid for On-Call HVAC Mechanical Automation System Repair and Maintenance Services for the City of Costa Mesa, CA. Our Office phone number is 657-275-9188, which also provides access to our on-call after-hour services 24 hours a day/ 7 days a week.

In 1993, Harbor Pointe began with three Service Agreements, a Union certified Journeyman and a background in Institutional and Commercial HVAC controls, having been employed by the HVAC industry leaders of the day: Honeywell, Barber Coleman and MCC Powers as well as experience in HVAC problem solving dating back to 1974. We have grown steadily to sixteen carefully selected service and maintenance mechanics who value our clients and the approximately 150 account sites where we provide service and maintain HVAC and Refrigeration equipment in Orange County and the surrounding area.

Harbor Pointe works in all aspects of the HVAC industry. All our journeymen are trained and educated by the JJATC Local 250, and factory certified classes in controls, chillers, and boilers. Our Apprentices receive a five-year education and a minimum of 8,000 hours of on-the-job training before turning out as a Journeyman.

Harbor Pointe does its best to minimize the downtime by responding to a service call within two hours. We understand there are buildings that are occupied continuously, so comfort is always needed, and we respond 24/7/365.

Harbor Pointe holds a C-20, C-38, and C-4 license with the State of California. We are a trusted business in the HVAC industry providing Service, Installations, Energy Management, Retrofitting, and Maintenance with our success is through building

professional relationships with integrity, our responsiveness tailored to the individual needs of each client and the skill level of our mechanics. We are a prevailing wage corporation registered with the DIR (1000009292) as well as a certified Disabled Veteran Business Enterprise, and Minority Business Enterprise registered with the State and Federal government. As a business oriented towards serving others, we regard the mechanics on our team as the most important asset. We perform all aspects of HVAC work, we do not sub-contract our work unless there is proprietary licensing involved, such as Siemens controls. Our Senior Mechanics have been with Harbor Pointe for ten or more years. We strive to provide a healthy work environment and value each member of the organization.

Harbor Pointe primarily services commercial, medical, institutional, and municipal buildings. We serve local, state, and federal government agencies. We have expertise in large systems including Central Plant Chiller operations and Control Systems. Our Service Department is computerized for dispatch, equipment history and maintenance schedules on each piece of equipment. Prevailing wages, certified payroll, safety compliance, and background checks are a part of our everyday business.

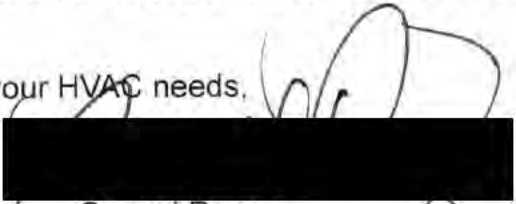
Response is what to expect from Harbor Pointe. Our team responds quickly and effectively, ensuring client comfort, quality service, communication and fair pricing are the primary goals we strive for each day. Our Project Supervisor works with each facility in tailoring and implementing their maintenance program to increase efficiency and extend the life of the equipment. This includes scheduling as outlined in the bid packet, meetings, walk-throughs of facilities, reports and pictures prepared. Our Installation Department manages both new and retrofit installations from start to finish with professionalism and prompt completion of each job. We also offer alternate support such as water treatment, piping insulation and rental of portable air conditioning equipment from one ton to temporary chillers.

Harbor Pointe provides safe working conditions for all employees and promotes safety awareness at all levels. Harbor Pointe recognizes its responsibility to offer a place of employment safe for all employees, to provide safety devices and equipment, mechanical safeguards and to maintain and enforce a program to fulfill this responsibility. Harbor Pointe carries liability and workers compensation insurance that meets or exceeds the requirements.

We thank you for considering Harbor Pointe for your HVAC needs.


Greg Perez

President/CEO


Sammi Perez

Chief Financial Officer

Table of Content

City Forms

Vendor Application	4-6
Ex Parte Communications Certification	6
Disqualifications Questionnaire	7
Disclosure of Government Positions	8
Company Profile and References	9-11
Bidder/Applicant/Contractor Campaign Contribution	11-12

Background and Project Summary

Scope of Work	13
General Requirements	14
Specific Requirements	15
Periodic Meetings with City	15
Quality Control Plan	15
Project Approach	16
Qualifications and Experience	17
Financials 2021-2023	18-20
Key Personnel	21-23
Organizational Chart	
Supervisors - Resumes	
Sub-contractors – Proprietary Controls	
Scheduling – Charts	24-26
Sample Maintenance Service – Work Order with Documentation	27-31
Disclosure	32
Resumes of Key Mechanics and Technicians	33-37



**VENDOR APPLICATION FORM
FOR
RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMTION SYSTEM REPAIRS &
MAINTENANCE SERVICES**

TYPE OF APPLICANT:

☒ NEW☐ CURRENT VENDORLegal Contractual Name of Corporation: HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, Inc.Contact Person for Agreement: GREG & SAMMI PEREZTitle: CEO / CFO E-Mail Address: sdperez@harborpointe.comBusiness Telephone: (657)-275-9188 Business Fax: -Corporate Mailing Address: 720 SOUTH RICHFIELD ROADCity, State and Zip Code: PLACENTIA CA 92870Contact Person for Proposals: Gregory PerezTitle: Project Manager E-Mail Address: gsperez@harborpointe.comBusiness Telephone: (657)-275-9188 Business Fax: -

Is your business: (check one)

☐ NON PROFIT CORPORATION☒ FOR PROFIT CORPORATION

Is your business: (check one)


☒ CORPORATION☐ LIMITED LIABILITY PARTNERSHIP☐ INDIVIDUAL☐ SOLE PROPRIETORSHIP☐ PARTNERSHIP☐ UNINCORPORATED ASSOCIATION**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
GREGORY H PEREZ	PRESIDENT	[REDACTED]
SAMMI D PEREZ	CFO	[REDACTED]

Federal Tax Identification Number:

[REDACTED]

City of Costa Mesa Business License Number: 

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: May 31, 2026**EX PARTE COMMUNICATIONS CERTIFICATION**Please indicate by signing below one of the following two statements. **Only sign one statement.**I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES** at any time after **May 13, 2025**.Date: 5/28/2025

Signature

SAMMI D PEREZ

Print

OR

I certify that Proposer or Proposer's representatives have communicated after **May 13, 2025**, with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES**. A copy of all such communications is attached to this form for public distribution.

Signature

N/A

Date: _____

Print

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a Federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No ☒ _____

If the answer is yes, explain the circumstances in the following space.


DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

NONE

Except as described above, I/we have not made any campaign contribution in the amount of \$250 or more to any Costa Mesa City Council Member in the twelve months preceding this Application/Proposal.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.


Bidder/Applicant/Proposer

5/26/2025
Date

APPENDIX D

PREVAILING WAGE

1. This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

2. This is public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

3. Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

4. Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

Background and Project Summary

Scope of Work:

The City of Costa Mesa is looking to contract with a HVAC company that values their HVAC equipment maintenance as much as they do. Attention to the details when performing inspections is necessary. Visual inspections and checking for brittle, loose or rubbing wire, loose belts, missing screws, dirty evaporator and condensing coils, clogged drains, unusual noises and vibrations but most of all dirty filters are all the beginning of problems that a quarterly maintenance on the mechanical equipment should prevent when performed properly. Because the Eyes of the City cannot be everywhere, picture documentation semi annually is required, check off lists on each piece of HVAC equipment at each location with monthly walk-throughs at each facility by the Contractor and meetings with City representatives to ensure the satisfaction of the city representative in all services provided.

It is the responsibility of the Contractor to develop and implement the routine maintenance program to be effective as described in the Scope of Work taking into account the City's needs given Costa Mesa is in relative proximity to the ocean air which does extensive damage to metals in a short period of time as well as the Manufacturer's recommended services which includes quarterly filter changes.

The automation system throughout each building is to be inspected for operations maintenance, programming and troubleshooting where needed are the responsibility of the Contractor and the necessary subs where proprietary controls are in use.

The City of Costa Mesa has set the highest standards of the HVAC industry as the focus of this requested proposal. Within this response Harbor Pointe is to display our understanding and evidence our ability to achieve the standards set through our highly skilled fully equipped Union trained mechanics, the quality of the mechanics knowledge and workmanship along with the skills of the support staff and supervisor of the account to provide the city assurance that their valuable equipment is well care for and maintained with a standard of excellence. We work in support and service of the City of Costa Mesa following all trade practices, meeting the warranties of the equipment and to follow all applicable laws, codes and regulations.

General Requirements:

Annual maintenance is performed during the Spring in preparation for the summer heat and humidity and the Fall in preparation for the heating equipment to perform at its optimum efficiency and reliability. Inspecting, cleaning and making proactive recommendations as signs of excessive wear or damage present themselves are part of the goal which is to prevent failure during the next season when the equipment demands are highly needed. This includes annual belt changes. It is also the responsibility of the mechanics to make recommendations based on what they are seeing to provide better performance.

Annual maintenance on zone controls at each facility consists of calibrating thermostats, inspecting and exercising VAV operations, actuators, valves, relays, and pneumatic control lines, switches, motors and related equipment is to be performed.

Quarterly maintenance begins with the Contractor supplying and changing all filters and performing inspection of equipment including belt conditions including tightening verses changing the belt based on signs of wear. Filter material or frequency or other modifications may be required based on location and use of building. Biocide tablets provided by Contractor and placed in condensate pans quarterly. Coils cleaned via brush, vacuum, or water quarterly based on ability of tool use and location.

Quarterly maintenance for controls includes thermostat calibration and confirming operations of actuators and velocity controls. There are several different control manufacturers used within the city including:

Senior Center I-Vu Pro 32 Version 8.0,

Bridge Shetler Clima Vision Version 3.0.21

Fire Station 1 Siemen Desigo Optic Version 5.1,

Donald Dungan Library Siemens Talon Launch Pad-Niagara 4 Framework Version 4.6.96.28

Norma Hertzog Community Center Siemens Talon Launch Pad, Niagara 4 Framework Version 4.6.96.28

Biannually the evaporator coils are to be cleaned of dust and debris and particles. Cleaning can consist of vacuum and/or other devices that allow for proper cleaning of the coil including washing with chemicals.

Biannually each piece of equipment will be checklist documented, photographed and presented in a three-ring binder. This report will be presented one week after the maintenance is performed.

Monthly a visual deficiency walk thru inspection shall be made by the Contractor of each facility. A monthly meeting with City representatives to review maintenance findings and the meeting of goals.

Specific Requirements:

Each quarter the specific maintenance requirements for the rooftop packaged units, exhaust fans, gas heat/electric cool package units, dampers, and roof top make up air units will be met with inspecting all electrical wiring, connections and tighten as needed. Inspect all motor starter contractor surfaces for wear, clean electrical control enclosures, lubricate where applicable motor bearings and fan bearings. Inspect belts and tighten as necessary as well as the alignment. As needed, the belts will be changed if in a questionable state as in showing signs of failure. Minimally belts are changed once a year. Inspect all mounting hardware, tighten as needed. Inspect and calibrate controls. Inspect the evaporator coils chemically clean as required. Inspect and run check operations of all components including sensors and safety controls. Our guidelines are clearly established on page 12-15 for each type of equipment in the request for proposal.

Periodic Meetings with City:

Harbor Pointe would be required to attend a periodically scheduled meeting. Failure to attend will cause an assessment of fifty (\$50.00).

Quality Control Plan:

Harbor Pointe shall provide a Spring and Fall inspections report that will be fully documented in a written format. Each piece of equipment inspected shall have an individual work sheet denoting at a minimum the following items: Unit #, Unit Model and Brand, Unit size, the area serviced by unit, unit location, date, service technician and a complete listing of all service information checked on the unit. The completed written report shall be submitted to the owner in a 3-ring binder no later than one week after the inspection is completed.

Harbor Pointe will provide a standard proof of work documentation with a written service order with the mechanics description of work performed, and date & time stamped photos of work in progress during preventive maintenance following completion of all work. The documents will include sufficient information to identify facility where work was performed, purpose of work, date and time the work was performed, parts used, type and amounts of chemicals/refrigerants, and name of technician(s) performing the work.

A monthly walk through of all facilities to inspect work quality, control satisfaction and check for any inefficiencies to the maintenance program will be conducted by Harbor Pointe management.

Project Approach and Methodology:

1. Harbor Pointe understands the city's desire for oversight throughout the contract. Internal auditing of performance servicing and maintaining each piece of equipment is going to be the priority. The mechanics assigned to this contract will be expected to meet the city's standards for maintenance. The city is looking to build a solid relationship with a project manager who will provide reporting on all ongoing work and uphold the maintenance schedule.
2. Harbor Pointe has had several new mechanics join us in the last year that reside in Orange County. Our crew is ready to provide a response in a timely manner. Our mechanics have undergone factory training with VRF systems to build a stronger background in system operations. Our journeymen are encouraged to seek additional factory training to be of better service to a client should the account dictate.
3. As called out in the bid packet, each time a mechanic is onsite, they will be following the maintenance schedule for each service. Mechanics will be documenting their work on each piece of equipment to allow the office staff to compile a binder to provide for the city as proof of work documentation.
4. A maintenance schedule has been constructed within our bid packet for the entire year showing which months mechanics will be onsite to perform quarterly and annual maintenance. Our office staff will set monthly maintenance schedules weeks before and email a preliminary schedule to the city staff to review before we assign mechanics. The building locations have been broken into three routes to be assigned each month. Our goal is to operate on a rotating schedule that allows mechanics to stay present for the city's needs.
5. Should Harbor Pointe be awarded the contract, we believe there is an opportunity to enhance the reports we provide to the city to show proof of work. Exploring different software to group photos and providing reports for work on the equipment could enhance the auditing and oversight for both the city and the contractor.

Qualifications & Experience

Harbor Pointe is dedicated to serving its clients by providing professional quality workmanship in every facet of HVAC. We have served major hospitals throughout Southern California over the last thirty years. No problem is too large. Harbor Pointe many years' experience problem solving within chiller plants and large equipment failures in order to provide comfortable air quality within the facility. Understanding the operations of the equipment and providing cost effective solutions to air cooled, chilled water and steam/boilers operations has been a focus of our larger projects. We solve problems other companies do not want to be involved in.

There is so much more to HVAC than a roof top unit and a thermostat. For many buildings we service, their equipment and controls have aged, and the internal workings of the systems are no longer able to function as designed or worked as designed. Harbor Pointe is brought in to retrofit or replace control components within a building floor by floor or in plant operation systems.

Our commercial air conditioning services are designed to have hvac equipment perform at optimal efficiency to keep people comfortable and technical equipment operating properly ensuring a productive and enjoyable environment. From the equipment of past generations to today's current technology, Harbor Pointe has the knowledge, capability, and skills to handle all situations. We guarantee efficient and reliable cooling systems tailored to meet each client's needs.

Energy management is a focus for every building. Controlling air flow for more consistent temperatures throughout the building is always the goal.

We have decades of experience with diagnosing and repairing breakdowns of all manufacturers' machinery from mini splits to central plant operations including controls, VVT, VAV VFD, humidification systems, dehumidification systems, built-ups, computer room equipment, air dryers, ventilation systems, including air balancing.

Maintenance is the most important service we take pride in. Every mechanic at Harbor Pointe has started with maintenance in order to hone their skills in recognizing potential problems and prevent unnecessary failures in equipment. Maintenance is the foundational base to grow in skill as mechanics are developed. Our business relationships have been long-lasting due to the service we provide. Many of our clients have allowed us to maintain and service their equipment for over twenty years.

CITY OF COSTA MESA HVAC MAINTENANCE WORK REQUIREMENT SCHEDULE

EQUIPMENT	ROOFTOP PACKAGED UNITS	EXHAUST FANS	PACKAGE, GAS HEAT/ ELECTRIC COOL	DAMPERS	ROOFTOP MAKE-UP AIR UNITS
MONTHLY					
ONSITE INSPECTION OF HVAC EQUIPMENT AND CONTROLS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
QUARTERLY TASK					
FILTERS CHANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LOCKOUT / TAGOUT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ELECTRICAL COMPONENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK MOTOR STARTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN ELECTRICAL ENCLOSURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE MOTOR BEARINGS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT BELT FOR WEAR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CONFIRM BELT TENSION AND SHEAVE ALIGNMENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHANGE BELT AS REQUIRED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT MOUNTING HARDWARE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CALIBRATE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT AND CLEAN EVAPORATOR COIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT HEAT EXCHANGER	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADJUST BURNERS FOR PROPER FLAMES	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK FOR PROPER COMBUSTION AND FLUE GAS RELIEF	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD DISCHARGE TEMPERATURE, IN HEATING AND COOLING	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD RETURN AIR TEMPERATURE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CONFIRM OPERATION AND SAFETY CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN AND LUBRICATE COMPONENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHECK OPERATION OF DAMPERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHECK AND ADJUST OPERATING AND SAFETY CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BELT DRIVES CHECKED FOR WEAR, TENSION, ALIGNMENT, AND DIRT ACCUMULATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CLEAN MOTOR AND LUBRICATE IF EQUIPPED WITH GREASE FITTINGS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHECK FAN WHEEL FOR INBALANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
INSPECT FOR DIRT AND OIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHECK HEAT EXCHANGER FOR CRACKS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHECK BURNER TO SEE THAT THE ORIFICES ARE CLEAN OF ANY DIRT OR DEBRIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHECK ALL SENSORS AND SAFETY DEVICES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ANNUAL TASK					
CLEAN CONDENSATE DRAINS, DRAIN LINE, AND PAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT FAN ASSEMBLY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE CONDENSER MOTORS AS REQUIRED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHEMICALLY CLEAN CONDENSER COILS AND FAN BLADES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK STRUCTURAL INTEGRITY OF UNIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND CALIBRATE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ELECTRICAL WIRING COMPONENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT MOTOR STARTER CONTACTOR SURFACES FOR WEAR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN STARTER AND ELECTRICAL CONTROL ENCLOSURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

LUBRICATE MOTOR BEARINGS AND FAN BEARINGS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK EXHAUST FAN BELTS FOR WEAR, CHANGE AS REQUIRED	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK BELT TENSION AND SHEAVE ALIGNMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT EXHAUST FAN UNIT ASSEMBLY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ALL MOUNTING HARDWARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

HARBOR POINTE MAINTENANCE SCHEDULE FOR THE CITY OF COSTA MESA

LOCATION	QUARTERLY PM			ANNUAL PM			QUARTERLY PM			QUARTERLY PM		
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1 Balearic Center 1975 Balearic Drive	3.5	1	1	3.5	1	1	3.5	1	1	3.5	1	1
2 Communications 79 Fair Drive	1	3.5	1	1	4	1	1	3.5	1	1	3.5	1
3 Old Corporation Yard - 2300 Placentia Ave	3	1	1	3	1	1	3	1	1	3	1	1
4 New Corporation Yard - 2310 Placentia Ave	3.5	1	1	3.5	1	1	3.5	1	1	3.5	1	1
5 Downtown Recreation Center - 1860 Anaheim Ave	1	1	5.5	1	1	9.5	1	1	5.5	1	1	5.5
6 Mesa Verde Library - 2969 Mesa Verde Drive East	3	1	1	3.5	1	1	3	1	1	3	1	1
7 Donald Dungan Library - 1855 Park Ave	1	1	24	1	1	24	1	1	24	1	1	24
8 Fire Station # 1 - 2803 Royal Palm Dr	24	1	1	24	1	1	24	1	1	24	1	1
9 Fire Station # 2 - 800 Baker St	1	3	1	1	3	1	1	3	1	1	3	1
10 Fire Station # 3 - 1865 Park Ave	1	1	4	1	1	4	1	1	4	1	1	4
11 Fire Station # 4 - 2300 Placentia Ave	3	1	1	3	1	1	3	1	1	3	1	1
12 Fire Station # 5- 2450 Vanguard Way	1	4	1	1	4	1	1	4	1	1	4	1
13 Fire Station # 6 - 3350 Sakioka Drive	1	4	1	1	4	1	1	4	1	1	4	1
14 Westside Police Substation - 567 W. 18th St	1	1	4.5	1	1	4.5	1	1	4.5	1	1	4.5
15 Historical Society - 1870 Anaheim Ave	1	1	3	1	1	3	1	1	3	1	1	3
16 Neighborhood Community Center - 1845 Park Ave	1	1	16	1	1	16	1	1	16	1	1	16
17 Bridge Shelter - 3175 Airway Ave	1	12	1	1	12	1	1	12	1	1	12	1
TOTAL HOURS	51	38.5	68	51.5	39	72	51	38.5	68	51	38.5	68

HARBOR POINTE'S ROUTING SCHEDULE FOR QUARTERLY AND ANNUAL MAINTENANCE OUTSIDE OF THE MONTHLY SITE INSPECTIONS

ROUTE # 1

Balearic Center 1975 Balearic Drive
 Old Corporation Yard - 2300 Placentia Ave
 New Corporation Yard - 2310 Placentia Ave
 Mesa Verde Library - 2969 Mesa Verde Drive East
 Fire Station # 1 - 2803 Royal Palm Dr
 Fire Station # 4 - 2300 Placentia Ave

ROUTE #2

Communications 79 Fair Drive
 Fire Station # 2 - 800 Baker St
 Fire Station # 5- 2450 Vanguard Way
 Fire Station # 6 - 3350 Sakioka Drive
 Bridge Shelter - 3175 Airway Ave

ROUTE #3

Downtown Recreation Center - 1860 Anaheim Ave
 Donald Dungan Library - 1855 Park Ave
 Fire Station # 3 - 1865 Park Ave
 Westside Police Substation - 567 W. 18th St
 Historical Society - 1870 Anaheim Ave
 Neighborhood Community Center - 1845 Park Ave

MONTHLY INSPECTIONS

1 HOUR

EXHIBIT C
FEE SCHEDULE

HARBOR POINTE 2025 MAINTENANCE CONTRACT PRICING

LOCATION	QUARTERLY PRICE	ANNUAL PRICE
Balearic Center 1975 Balearic Drive	1288.75	5155.00
Communications 79 Fair Drive	1570.03	6280.13
Old Corporation Yard - 2300 Placentia Ave	1220.37	4881.46
New Corporation Yard - 2310 Placentia Ave	1299.22	5196.86
Downtown Recreation Center - 1860 Anaheim Ave	2202.40	8809.58
Mesa Verde Library - 2969 Mesa Verde Drive East	1220.91	4883.63
Donald Dungan Library - 1855 Park Ave	5262.29	21049.15
Fire Station # 1 - 2803 Royal Palm Dr	5509.35	22037.38
Fire Station # 2 - 800 Baker St	1233.10	4932.38
Fire Station # 3 - 1865 Park Ave	1505.99	6023.94
Fire Station # 4 - 2300 Placentia Ave	1246.59	4986.34
Fire Station # 5- 2450 Vanguard Way	1475.76	5903.05
Fire Station # 6 - 3350 Sakioka Drive	1545.36	6181.44
Westside Police Substation - 567 W. 18th St	1493.41	5973.64
Historical Society - 1870 Anaheim Ave	1332.30	5329.18
Neighborhood Community Center - 1845 Park Ave	3972.75	15891.00
Bridge Shelter - 3175 Airway Ave	3086.96	12347.82
TOTAL	36465.49	145861.97

2025 BILLING RATES FOR MECHANIC, MATERIAL, AND SUBCONTRACTOR / RENTAL EQUIPMENT

DESCRIPTION	HOURLY RATE
MECHANIC REGULAR TIME (M-F) 7AM TO 4 PM	180
MECHANIC OVERTIME	270
MECHANIC HOLIDAY	360
CONTROLS LABOR - REGULAR TIME	195
CONTROLS LABOR - OVERTIME	292.50
CONTROLS LABOR - HOLIDAY	390
DESCRIPTION	RATE
MATERIAL MARK UP	20%
RENTAL EQUIPMENT MARK UP	20%
PROPRIETARY CONTROLS SUBCONTRACTOR	20%

HARBOR POINTE 2026 MAINTENANCE CONTRACT PRICING

LOCATION	QUARTERLY PRICE	ANNUAL PRICE
Balearic Center 1975 Balearic Drive	1333.86	5335.43
Communications 79 Fair Drive	1624.98	6499.93
Old Corporation Yard - 2300 Placentia Ave	1263.08	5052.31
New Corporation Yard - 2310 Placentia Ave	1344.69	5378.75
Downtown Recreation Center - 1860 Anaheim Ave	2279.48	9117.92
Mesa Verde Library - 2969 Mesa Verde Drive East	1263.64	5054.55
Donald Dungan Library - 1855 Park Ave	5446.47	21785.87
Fire Station # 1 - 2803 Royal Palm Dr	5702.17	22808.69
Fire Station # 2 - 800 Baker St	1276.25	5105.01
Fire Station # 3 - 1865 Park Ave	1558.70	6234.78
Fire Station # 4 - 2300 Placentia Ave	1290.22	5160.86
Fire Station # 5- 2450 Vanguard Way	1527.42	6109.66
Fire Station # 6 - 3350 Sakioka Drive	1599.45	6397.79
Westside Police Substation - 567 W. 18th St	1545.68	6182.72
Historical Society - 1870 Anaheim Ave	1378.93	5515.70
Neighborhood Community Center - 1845 Park Ave	4111.80	16447.19
Bridge Shelter - 3175 Airway Ave	3195.00	12779.99
TOTAL	37741.79	150967.15

2026 BILLING RATES FOR MECHANIC, MATERIAL, AND SUBCONTRACTOR / RENTAL EQUIPMENT

DESCRIPTION	HOURLY RATE
MECHANIC REGULAR TIME (M-F) 7AM TO 4 PM	186.30
MECHANIC OVERTIME	279.45
MECHANIC HOLIDAY	372.60
CONTROLS LABOR - REGULAR TIME	201.83
CONTROLS LABOR - OVERTIME	302.74
CONTROLS LABOR - HOLIDAY	403.65
DESCRIPTION	RATE
MATERIAL MARK UP	20%
RENTAL EQUIPMENT MARK UP	20%
PROPRIETARY CONTROLS SUBCONTRACTOR	20%

HARBOR POINTE 2027 MAINTENANCE CONTRACT PRICING

LOCATION	QUARTERLY PRICE	ANNUAL PRICE
Balearic Center 1975 Balearic Drive	1380.54	5522.17
Communications 79 Fair Drive	1681.86	6727.43
Old Corporation Yard - 2300 Placentia Ave	1307.29	5229.14
New Corporation Yard - 2310 Placentia Ave	1391.75	5567.01
Downtown Recreation Center - 1860 Anaheim Ave	2359.26	9437.05
Mesa Verde Library - 2969 Mesa Verde Drive East	1307.87	5231.46
Donald Dungan Library - 1855 Park Ave	5637.10	22548.38
Fire Station # 1 - 2803 Royal Palm Dr	5901.75	23606.99
Fire Station # 2 - 800 Baker St	1320.92	5283.69
Fire Station # 3 - 1865 Park Ave	1613.25	6453.00
Fire Station # 4 - 2300 Placentia Ave	1335.37	5341.49
Fire Station # 5- 2450 Vanguard Way	1580.88	6323.50
Fire Station # 6 - 3350 Sakioka Drive	1655.43	6621.71
Westside Police Substation - 567 W. 18th St	1599.78	6399.12
Historical Society - 1870 Anaheim Ave	1427.19	5708.75
Neighborhood Community Center - 1845 Park Ave	4255.71	17022.84
Bridge Shelter - 3175 Airway Ave	3306.82	13227.29
TOTAL	39062.76	156251.02

2027 BILLING RATES FOR MECHANIC, MATERIAL, AND SUBCONTRACTOR / RENTAL EQUIPMENT

DESCRIPTION	HOURLY RATE
MECHANIC REGULAR TIME (M-F) 7AM TO 4 PM	192.82
MECHANIC OVERTIME	289.23
MECHANIC HOLIDAY	385.64
CONTROLS LABOR - REGULAR TIME	208.89
CONTROLS LABOR - OVERTIME	313.34
CONTROLS LABOR - HOLIDAY	417.78
DESCRIPTION	RATE
MATERIAL MARK UP	20%
RENTAL EQUIPMENT MARK UP	20%
PROPRIETARY CONTROLS SUBCONTRACTOR	20%

HARBOR POINTE 2028 MAINTENANCE CONTRACT PRICING

LOCATION	QUARTERLY PRICE	ANNUAL PRICE
Balearic Center 1975 Balearic Drive	1428.86	5715.45
Communications 79 Fair Drive	1740.72	6962.89
Old Corporation Yard - 2300 Placentia Ave	1353.04	5412.16
New Corporation Yard - 2310 Placentia Ave	1440.47	5761.86
Downtown Recreation Center - 1860 Anaheim Ave	2441.84	9767.35
Mesa Verde Library - 2969 Mesa Verde Drive East	1353.64	5414.56
Donald Dungan Library - 1855 Park Ave	5834.39	23337.57
Fire Station # 1 - 2803 Royal Palm Dr	6108.31	24433.23
Fire Station # 2 - 800 Baker St	1367.16	5468.62
Fire Station # 3 - 1865 Park Ave	1669.72	6678.86
Fire Station # 4 - 2300 Placentia Ave	1382.11	5528.44
Fire Station # 5- 2450 Vanguard Way	1636.21	6544.82
Fire Station # 6 - 3350 Sakioka Drive	1713.37	6853.47
Westside Police Substation - 567 W. 18th St	1655.77	1623.09
Historical Society - 1870 Anaheim Ave	1477.14	5908.56
Neighborhood Community Center - 1845 Park Ave	4404.66	17618.64
Bridge Shelter - 3175 Airway Ave	3422.56	13690.25
TOTAL	40429.96	161719.82

2028 BILLING RATES FOR MECHANIC, MATERIAL, AND SUBCONTRACTOR / RENTAL EQUIPMENT

DESCRIPTION	HOURLY RATE
MECHANIC REGULAR TIME (M-F) 7AM TO 4 PM	199.57
MECHANIC OVERTIME	299.35
MECHANIC HOLIDAY	399.14
CONTROLS LABOR - REGULAR TIME	216.20
CONTROLS LABOR - OVERTIME	324.31
CONTROLS LABOR - HOLIDAY	432.40
DESCRIPTION	RATE
MATERIAL MARK UP	20%
RENTAL EQUIPMENT MARK UP	20%
PROPRIETARY CONTROLS SUBCONTRACTOR	20%

HARBOR POINTE 2029 MAINTENANCE CONTRACT PRICING

LOCATION	QUARTERLY PRICE	ANNUAL PRICE
Balearic Center 1975 Balearic Drive	1478.87	5915.49
Communications 79 Fair Drive	1801.65	7206.59
Old Corporation Yard - 2300 Placentia Ave	1400.40	5601.59
New Corporation Yard - 2310 Placentia Ave	1490.88	5963.53
Downtown Recreation Center - 1860 Anaheim Ave	2527.30	10109.21
Mesa Verde Library - 2969 Mesa Verde Drive East	1401.02	5604.07
Donald Dungan Library - 1855 Park Ave	6038.60	24154.38
Fire Station # 1 - 2803 Royal Palm Dr	6322.10	25288.39
Fire Station # 2 - 800 Baker St	1415.01	5660.02
Fire Station # 3 - 1865 Park Ave	1728.16	6912.62
Fire Station # 4 - 2300 Placentia Ave	1430.49	5721.94
Fire Station # 5- 2450 Vanguard Way	1693.47	6773.89
Fire Station # 6 - 3350 Sakioka Drive	1773.34	7093.34
Westside Police Substation - 567 W. 18th St	1713.73	6854.90
Historical Society - 1870 Anaheim Ave	1528.84	6115.36
Neighborhood Community Center - 1845 Park Ave	4558.82	18235.29
Bridge Shelter - 3175 Airway Ave	3542.35	14169.14
TOTAL	41845.01	167380.02

2029 BILLING RATES FOR MECHANIC, MATERIAL, AND SUBCONTRACTOR / RENTAL EQUIPMENT

DESCRIPTION	HOURLY RATE
MECHANIC REGULAR TIME (M-F) 7AM TO 4 PM	206.55
MECHANIC OVERTIME	309.83
MECHANIC HOLIDAY	413.11
CONTROLS LABOR - REGULAR TIME	223.77
CONTROLS LABOR - OVERTIME	335.66
CONTROLS LABOR - HOLIDAY	447.53
DESCRIPTION	RATE
MATERIAL MARK UP	20%
RENTAL EQUIPMENT MARK UP	20%
PROPRIETARY CONTROLS SUBCONTRACTOR	20%

**CITY OF COSTA MESA
MAINTENANCE SERVICES AGREEMENT
WITH
SOUTHLAND INDUSTRIES**

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into this 2nd day of September, 2025 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and SOUTHLAND INDUSTRIES, a California corporation ("Contractor").

W I T N E S S E T H :

A. City proposes to utilize the services of Contractor as an independent contractor to provide on-call HVAC mechanical automation system repairs and maintenance services, as more fully described herein; and

B. Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

C. City and Contractor desire to contract for the services and desire to set forth their rights, duties and liabilities in connection with the performance of such services; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONTRACTOR

1.1. Scope of Services. Contractor shall provide the services described in the City's Request for Proposal, RFP No. 25-22 ("RFP"), attached hereto as Exhibit "A," and Contractor's response to City's RFP (the "Proposal") attached hereto as Exhibit "B," both incorporated herein (the "Services").

1.2. Prevailing Wage Requirements.

- (a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720, *et seq.*) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000, *et seq.* of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This project is a "maintenance" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

- (b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations, Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).
- (c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810, *et seq.*, eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.
- (d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.
- (e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.
- (f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor

Code Section 1725.5 requiring registration with the DIR.

1.3. Performance to Satisfaction of City. Contractor agrees to perform all the work to the complete satisfaction of City. Evaluations of the work will be done by City's Maintenance Services Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Contractor to review the quality of the work and resolve the matters of concern;
- (b) Require Contractor to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Compliance with Applicable Law. Contractor warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to harassment, workplace violence, discrimination, minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Contractor shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Contractor acknowledges that City may enter into agreements with other contractors for services similar to the Services in this Agreement or may have its own employees perform services similar to those Services contemplated by this Agreement.

1.7. Delegation and Assignment. Contractor may not delegate or assign this Agreement, in whole or in part, to any person or entity without the prior written consent of City. Contractor may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Contractor's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City, or confidential information relating to the City's computer and security systems and programs. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed

confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit C. Contractor's total annual compensation shall not exceed Two Hundred Thousand Dollars (\$200,000.00).

2.2. Additional Services. Contractor shall not receive compensation for any services provided outside the Scope of Services set forth in this Agreement without amending this Agreement as provided herein. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Contractor may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Contractor's services which have been completed to City's sole satisfaction. City shall pay Contractor's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Services performed, the date of performance, and the associated time for completion.

2.4. Records and Audits. Records of Contractor's Services shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times throughout the term of this Agreement through three (3) years after its termination.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The Services shall be performed in strict compliance with Exhibits A and B. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, pandemics (excluding COVID-19) or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of two (2) years, ending on September 1, 2027, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. The Agreement may be extended by three (3) additional one (1) year periods upon mutual written agreement of both parties.

4.2. Notice of Termination. City reserves and has the right and privilege of canceling,

suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Contractor. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Contractor shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Contractor for reasonable costs incurred and Services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Contractor shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of Contractor pursuant to its contract with City; products and completed operations of Contractor; premises owned, occupied or used by

Contractor; automobiles owned, leased, hired, or borrowed by Contractor.”

- (b) Notice: “Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City.”
- (c) Other insurance: “Contractor’s insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy.”
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting. The insurance provisions contained in this Agreement shall not be construed as limiting in any way, the indemnification provisions contained in this Agreement, or the extent to which Contractor may be held responsible for payments of damages to persons or property.

5.6. Excess Coverage. To the extent that Contractor maintains any insurance coverage(s) in amounts or types which are not expressly called out in this Agreement, such additional coverage(s) shall be deemed to be required by this Agreement.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Contractor shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Contractor in the performance of this Agreement.

Contractor shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Contractor or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONTRACTOR:

Southland Industries
12131 Western Avenue
Garden Grove, CA 92841
Tel: (657) 533-4122
Attn: Abbie Fletcher

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5289
Attn: Daniel Jojola

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-free Workplace Policy. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the

exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Contractor shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Contractor's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Contractor of Contractor's obligation to perform all other obligations to be performed by Contractor hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Contractor agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Contractor's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Contractor is and shall be acting at all times as an independent contractor and not as an employee of City. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Contractor shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Contractor and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Contractor shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the

independent contractor relationship created by this Agreement. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

6.13. Conflict of Interest. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractors shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.14. Prohibited Employment. Contractor will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.16. Costs. Each party shall bear its own costs and fees incurred in the preparation

and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this

Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONTRACTOR

Signature

Date: _____

Craig Gonzalez, General Service Manager

CITY OF COSTA MESA

Cecilia Gallardo-Daly
Interim City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Daniel Jojola
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Public Works Director

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT B
CONTRACTOR'S PROPOSAL



Southland Industries
12131 Western Avenue
Garden Grove, CA 92841
562.244.7836
Lic #: 114040

PROPOSAL TO PROVIDE ON-CALL HVAC ME-
CHANICAL AUTOMATION SYSTEM REPAIRS
AND MAINTENANCE SERVICE FOR:

**CITY OF COSTA MESA - PUBLIC WORKS
DEPARTMENT
RFP NO. 25-22**



PROPOSAL
Prepared for:
City of Costa Mesa – Public Works
Department
RFP No. 25-22
Attn: Stephanie Urueta

Southland Industries
12131 Western Avenue
Garden Grove, CA 92841
Lic #: 114040

Proposal to provide On-Call HVAC mechanical automation system repairs and maintenance service for:

City of Costa Mesa - Public Works Department

CONTENTS

A. COVER LETTER..... 3

B. BACKGROUND AND PROJECT SUMMARY 5

C. PROJECT APPROACH AND METHODOLOGY..... 6

D. QUALIFICATIONS AND EXPERIENCE11

E. FINANCIAL CAPACITY..... 12

F. KEY PERSONNEL..... 13

G. PROPOSED MAINTENANCE SCHEDULE.....18

APPENDIX C: FORMS.....19

A. COVER LETTER

May 28, 2025
City of Costa Mesa- Public Works Department
RFP NO. 25-22
Stephanie Urueta
77 Fair Drive
Costa Mesa, CA 92626

RE: City of Costa Mesa | On-Call HVAC Mechanical Automation System Repairs and Maintenance Services RFP

Southland Industries is pleased to present this Request for Proposal (RFP) response to the City of Costa Mesa for HVAC Mechanical Automation System Repairs and Maintenance Services. It is Southland's hope our response clearly communicates our 76 years of HVAC service expertise, our experience working with municipalities and our dedication to service excellence.

We understand the City of Costa Mesa is seeking a partner with HVAC expertise to perform HVAC maintenance and repair, as well as automation maintenance services as part of a comprehensive routine maintenance program to be developed by the selected firm.

Southland Industries is a client-first mechanical and controls service organization that has been a fixture in Southern California since its founding in 1949. We are a national leader in HVAC design, construction, and maintenance; and are expert providers of HVAC maintenance, repair and installation services to municipal and public works clients with complex systems.

Southland will support the City of Costa Mesa from our Garden Grove, CA facility located at 12131 Western Avenue, Garden Grove, CA 92841.

Our resources are robust in Southern California and include a 160,900 SF fabrication shop in Southland's Garden Grove, CA, location. Our efforts to improve fabrication details, knowledge, material handling, and installation methods ensure that we consistently deliver innovative solutions to our clients. The Garden Grove, CA location also houses our service team and our 24/7 service dispatch center. Southland will wholly support all of the City of Costa Mesa HVAC maintenance needs without the need to subcontract any tasks.

The Southland service team that supporting the City of Costa Mesa will be based in Garden Grove, CA. It will include a project manager with 26 years of experience developing HVAC programs and providing said services to clients. The service technicians assigned to the City of Costa Mesa have more than 10 years of experience and include supervisors, foremen and journeymen with a range of certifications. Although Southland service technicians must respond within a four-hour window to emergency service requests, typically they respond to an emergency service request within two hours.

In addition to performing scheduled Southland monthly, quarterly, and annual HVAC and controls maintenance, upon engagement Southland will conduct a comprehensive inspection of all equipment and make recommendations to the City of Costa Mesa to enhance equipment performance.

Southland holds the following contractor licenses: C-20, C-4, C-38, C-16, C-36, C-43 and B. We are also fully compliant with the Department of Industrial Relations (DIR). Southland's DIR number is 1000000657.

We have provided our Cost Proposal as a separate file, as requested in the RFP. The file name is **City of Costa Mesa Cost Proposal for On Call HVAC Services RFP 25_22**.

In closing, we want to express our genuine understanding of the City of Costa Mesa's commitment to maintaining its community buildings—facilities that serve as vital hubs for essential services and public engagement. As a team in nearby Garden Grove, just a few miles away, we are both familiar with the regional landscape and aligned with the City's values. We recognize the pride Costa Mesa takes in these critical assets, and if chosen we are fully committed to delivering the high-quality service and attention to detail to these important city buildings.

If we can be of any further assistance, please feel free to contact me at 562.244.7836.

Sincerely,



Craig Gonzalez (Authorized Representative)

Southland Industries

Sales & Service Manager

CGonzalez@southlandind.com

12131 Western Avenue

Garden Grove, CA 92841

B. BACKGROUND AND PROJECT SUMMARY

Southland welcomes the opportunity to describe to the City of Costa Mesa our understanding of HVAC maintenance and of the work to be done to support the City's HVAC maintenance needs.

Southland has provided HVAC services, among other trades, for 76 years. We have extensive experience supporting municipal and public works clients service maintenance needs.

We work closely with our service clients from award of contract to develop a strong transparent relationship that will facilitate seamless and transparent communication to ensure mutually successful partnership. Southland and the City of Costa Mesa will work closely to implement a service plan and schedule that will leverage our trained and certified service team members, our ability to respond to emergencies in under four hours (typically within two hours), and monthly meetings to discuss service needs and equipment performance improvements.

UNDERSTANDING OF SCOPE OF SERVICES

Southland Industries has reviewed the sample service agreement provided as Appendix B and we do concur with the City's assessment of necessary maintenance procedures. We are aligned with your expectations.

In fact, Southland Industries recommends a comprehensive HVAC maintenance program that includes monthly, quarterly, and annual services in accordance with ASHRAE 180 and the City of Costa Mesa's service standards. Typical tasks include inspecting pressure drops across filters, washing coils, performing monthly chemical treatments (closed loop), conducting annual refrigerant leak inspections, tightening electrical connections, verifying thermostat and control functionality, replacing belts annually, and lubricating bearings, dampers, and linkages, and other tasks as outlined in our proposed schedule.

Southland will deliver high-quality service maintenance and repairs while proactively identifying and reporting unscheduled repairs and correct the issue(s) to mitigate their risk. In our Project Approach and Methodology section we will further discuss the procedures Southland will engage to successfully meet and exceed the City's scope of services requested as outlined in this RFP.

C. PROJECT APPROACH AND METHODOLOGY

Southland views HVAC Maintenance as the cornerstone of efficient facility operation. As a controls and mechanical service company, Southland looks at systems and root causes rather than just individual components. This allows us to understand the facility holistically by evaluating, troubleshooting, and repairing mechanical issues accordingly. We believe that this proposal offers a comprehensive method in achieving the desired results and goals for the City of Costa Mesa. Our team has customized a very thorough maintenance approach to significantly reduce the costs of maintenance, while still delivering the highest quality maintenance and customer service.

Southland understands that properly maintained systems extend the expected life cycle of equipment and can significantly reduce ongoing operating costs. When this is done consistently year after year, our clients can use these cost savings to invest in their businesses. Southland approaches maintenance as a proactive and preventative solution. We work to get ahead of the unforeseen emergencies that ruin budgets and demand sacrifices to planned projects or investments.

Our clients expect us to protect some of their most valuable assets. To do this properly requires a lot of experience, expertise, foresight, and a deep understanding for how all the various parts and pieces of a system work together. Our team of experts look to identify the vulnerable and troublesome areas of those systems. This analysis takes into account the type of facility the equipment is serving, the age and condition of the equipment and components, our client's masterplan, and their financial budgets to accomplish their stated objectives. We analyze all this data to design a solution tailored to fit the needs of the individual client. Then, based on our decades of industry experience we collaborate with our clients to generate a multiyear plan to prevent, address, and repair equipment deficiencies. These predictions allow us to schedule repairs or shutdowns that don't disrupt business operations or budgets.

CAPACITY

With a field staff of 27 technicians and a dedicated 24-hour dispatch team Southland is extremely confident in our ability to complete the HVAC Responsibilities outlined in the City of Costa Mesa's RFP. Our Southern California office houses the largest sheet metal prefabrication shop on the West Coast, dozens of mechanical, electrical, and HVAC controls engineers and an entire Energy division focused on implementing energy reduction strategies for our clients. All of these services are available to the City of Costa Mesa and are executed within the Southland organization.

Our team's vast experience and dedication to providing multifaceted solutions and excellent customer service means we will successfully execute any service request by the City of Costa Mesa in a timely manner.

RESPONDING TO NON-EMERGENCY AND EMERGENCY ISSUES

Southland employs a fully staffed Service and Dispatch team to ensure your on-call requests and repairs are completed in a timely manner. Other than reaching out to your primary representative, Southland has our Dispatch team standing by 24/7 to provide support. Once our Dispatch team receives the request, we dispatch the appropriate technician immediately. The technician's first objective is to get the system back online and educate the client on what failed and how we fixed it so it can be prevented from happening again in the future. If the repair requires additional visits, the technician gathers all the necessary information needed to provide an estimate for the repair. The technician does not leave without our client's satisfaction and a clear path forward.

For non-emergency service, clients may also use our service dispatch email. This email is monitored during business hours and is an efficient way to communicate and document any follow up or questions with our team. This email includes multiple members of our team, ensuring that the City of Costa Mesa receives the most up to date and informed response possible. This is a perfect way to get hold of our service dispatch team throughout the day for those non-urgent needs.

However, for those who prefer to call us for an immediate conversation our dispatch team is only a phone call away. Once our technician arrives at the facility, he will troubleshoot the problem reported using our “Root Cause Analysis” methodology and diagnose the best way to proceed.

If the problem can be resolved while onsite, we will do so and check out with your on-site contact to debrief them before leaving the facility. If additional parts or labor are needed to complete the repair, our technician will leave the unit in the safest possible condition, report our findings to your facility contact, and explain our plan of action before leaving your facility. Our technician will share his findings with our Proposal Specialist who will prepare a quote and a detailed scope of work for your consideration. Our primary representative will then work with the appropriate contact at Montclair Place to determine how best to proceed.

Emergency telephone numbers of management level supervisory personnel:

Craig Gonzalez, Sale and Service Manager, Mobile: 562.244.7836

COMMUNICATION

To Southland, communication is the most important part of any service program. We enter into each client partnership understanding that we are being invited to a very important role to support our client’s goals. To achieve this, it is critical to quickly and effectively communicate issues, possible solutions and plans for quick implementation.

Effective communication begins with our service technicians and the City of Costa Mesa’s on-site point of contact. Our service technicians are our day-to-day representatives and take the lead in building partnerships with the appropriate contacts within your organization, beginning with your dedicated onsite personnel.

Although there is constant communication between our technicians and your key personnel, we also utilize technology and administrative support resources to keep detailed archives of our maintenance logs, proposals, and continuous updates to our ongoing outlook for scheduled repairs and upgrades. Our team will create a dedicated OneHub platform as your one-stop, cloud-based data storage that keeps all records of equipment information, repair orders, invoices, and service reports. The documentation available on this platform will help the City of Costa Mesa keep track of our performance to ensure we are meeting expectations, identify equipment trends, analyze the amount of repairs, and serve as a historical reference for system performance. The City of Costa Mesa will have full access to this software and will receive email notifications each time a document is uploaded. The benefit of keeping an electronic log assures standardization of procedures for your facility and becomes a management tool for our clients to review with their owners and peers. This guarantees the coordination and prioritization of service procedures for your listed equipment.

In tandem with the OneHub platform, we utilize the MobileTec system, which provides our technicians with specific tasking for each individual piece of equipment to ensure proper maintenance is always completed on all equipment. MobileTec is used to sign in and out of service visits and provides an emailed report at the end of each maintenance service, service call, or equipment installation. Additionally, you will receive a follow-up phone call or email after each service performed to ensure that Southland executed our responsibilities to your great satisfaction.

OBJECTIVES AND TECHNIQUES

ROOT CAUSE ANALYSIS

Southland has adopted a methodology of “Root Cause Analysis” and believes the proper method of service is based on three items: Determine the problem, Identify the Cause, and Develop and implement a solution.

Determine the Problem

The first step is to determine the **problem** of the system, or in other words, if a zone is too hot or cold, or the central plant has an alarm. The key word is system. Rather than view the controls as

individual components, Southland views the components and each piece of equipment is part of the system. It is important for us to provide our services based on this concept. Adjustments or failures of components impact the overall system. Adjusting a thermostat because it is hot or cold does not necessarily address the root cause of the problem. It may be a dirty condenser coil or a worn belt, creating the original hot or cold complaint, adjusting the thermostat will only require a second call which may annoy the tenant.

Southland believes in understanding the system process. In doing this we will help to identify the specific problem of the actual component. In many cases, Southland will use the capacity of our in-house resources to assure we truly understand what the problem is. By taking these extra steps, Southland can get down to the root cause of the problem.

Identify the Cause

Once the problem has been identified, the next step is to determine the **cause** of the problem, or in other words what part of your system has failed. Southland will investigate the cause for deficiencies, document those items, and then review them with our client and provide multiple solutions, if warranted.

Determining the root cause of the problem is essential in developing the correct solution. Making repairs without determining the root cause of the problem will only leave an avenue for repeat failures and service calls.

Develop and Implement a Solution

Once the problem is identified and the cause reviewed, the solution can then be implemented. These solutions may be multifaceted and if needed, Southland will provide multiple solution approaches or recommendations.

The solution can be as simple as adjusting a system controller, or as complicated as solving a design deficiency. Again, Southland will utilize the resources of our experienced staff, along with our in-house engineering capabilities to develop the final solution. Providing the right solution prevents repeat calls on the same problems.

APPROACH TO THE SCOPE OF WORK

The core of our maintenance approach is building a relationship with the City of Costa Mesa personnel to ensure we establish a consistent schedule that can be relied upon. Not only is a consistent and predictable schedule a key to success, but consistent and predictable service technicians are equally important. The more our service technicians continue to become familiar with your staff and the equipment, the better we can service your facilities.

Southland Maintenance Start-Up Process

One of Southland's Standards of Service is our Maintenance Start-Up Process. During this process, our Although Southland service technicians must respond within a four-hour window to emergency service requests, typically they respond to an emergency service request within two hours. Upon completion of the Maintenance Start-Up Process, our Service Department compiles all findings and meet with your team to discuss the report and collaborate on the best plan moving forward. To perform this process correctly requires a considerable investment in time and resources, but it has proven time after time to provide clients with the best return on their investment as quickly as possible.

Account Manager

Your dedicated Account Manager is responsible for ensuring all of our in-house documentation, OneHub archive, MobileTec service reports, invoices, service orders, maintenance visits, and all of your expectations are being met. Assigning an Account Manager has been extremely valuable for both our clients and our service teams. Your account manager will be your regular point of contact and will manage documentation and quality assurance processes.

Quarterly Maintenance

During our quarterly maintenance visits, we will expand our team even further to include two HVAC technicians. During this service, we will provide a detailed service tasking report for every piece of equipment and upload them to the OneHub archive. We plan to perform the quarterly maintenance over a two-week period. During these thorough maintenance visits, we will document each task performed and record any recommended repairs. This documentation will be shared with you upon completion of maintenance so that we can then collaborate with you on the best path forward.

Annual Maintenance

During Annual Maintenance, we will deploy the largest team of technicians to your facilities. We plan to dispatch three HVAC technicians. We estimate it will take a total of three weeks to perform proper annual maintenance on all equipment. As with the quarterly maintenance visits we will be thoroughly servicing, documenting, and reporting everything we perform or find to be deficient. To continue our quality assurance strategy, we will focus on verifying the equipment is back in great working order and the areas around the equipment are clean and orderly, subsequent to the conclusion of the annual maintenance visit.

Southland has found that planning regular meetings for focused and organized conversations around performance and our partnership is a small investment of time that provides a great deal of continued value to the relationship.

Quality Control Plan

Southland's approach to work includes a thorough quality control plan that is customized to each client's specific maintenance program. When Southland works with the City of Costa Mesa to establish your maintenance schedule, we will establish a comprehensive quality control plan that includes Spring and Fall inspections. After each quality control inspection, we will document our findings in a written condition report that we will submit to the City of Costa Mesa one week after the inspection is conducted.

The graphic below provides a high-level overview of Southland's proposed equipment maintenance schedule for the City of Costa Mesa. On the following page is a proposed schedule indicating all tasks and deliverables to be performed.

PROPOSED PROJECT MAINTENANCE SCHEDULE FOR EQUIPMENT

The graphic below illustrates at a high-level the quarterly and annual tasks Southland will perform during our visits. Our service technicians will maintain the City's equipment such that you will feel our presence in between our quarterly onsite sessions.

- Pre-winter start up
- Annual boilers, furnaces, heat pumps, heaters
- Annual coil condenser washing
- Annual Evaporator Coil Cleaning
- Quarterly Maintenance on all other equipment

- Quarterly maintenance visit
- Filters
- Belts

- Pre-summer start up
- Annual AC
- Annual Evaporator Coil Cleaning
- Quarterly Maintenance on all other equipment

- Quarterly maintenance meeting
- Filters
- Belts

D. QUALIFICATIONS AND EXPERIENCE



- **Company Ownership.** Southland Industries is a California Corporation, incorporated June 17, 1949.
- **Location of Office Servicing California Accounts.** The City of Costa Mesa will be serviced by Southland's Garden Grove office, located at 12131 Western Avenue, Garden Grove, CA 92841.
- **Number of Employees Both Locally and Nationally.** Southland Industries, combined with its subsidiary, The Brandt Companies, currently employ 6,480 employees nationally and 416 in Southern California.
- **Location from Which Service Team will be Assigned.** Employees will be assigned solely from the Garden Grove office.
- **Name, Address and Phone Number of Contractor's Point of Contact.** Craig Gonzalez | 12131 Western Avenue, Garden Grove, CA 92841 | 714.657.1473
- **Company Background/History.** Founded in Southern California in 1949, Southland Industries is an MEP building systems expert, providing integrated, full lifecycle solutions that optimize the design, construction, operation, and efficiency of buildings.

Through collaborative partnerships with our clients and the collective expertise of our people, we create premier built environments and future-ready spaces where communities and businesses can thrive.

Our Garden Grove campus also includes a 160,900 SF fabrication shop where we prefabricate and preassemble sheet metal, piping, and plumbing. Please scan the QR code to the right for more information.

- **Length of Time Contractor has been providing services described in this RFP.** Southland Industries has been providing HVAC maintenance services since 1949.

Trades

Mechanical, pipefitting, sheet metal, plumbing, sprinkler-fitting, process piping, and Controls

Market Sectors

Municipal/state, commercial, data center, education, federal, healthcare, hospitality, industrial, life sciences, sports & entertainment,

- **Resumes for key staff.** See Section F, "Key Personnel," for resumes for key staff that will perform the services outlined in this RFP.



E. FINANCIAL CAPACITY

Southland Industries requires a completed NDA agreement for the release of our audited financial statements. To request an NDA for your company, please contact Paige Semeja, Corporate Proposal Coordinator, at paige.semeja@southlandind.com.

For more information, please contact Kim Sandiego, Southland Corporate Controller, at ksanddiegoind.com.

Southland understands the importance of transparency at all times when dealing with clients and potential clients. While we undergo the NDA process, in the table below Southland is sharing our fiscal year revenue for the past three years; and our projected revenue for FY 2025.

Southland Industries Revenue

FISCAL YEAR	REVENUE
FY 2022	1,400,000,000
FY 2023	2,000,000,000
FY 2024	2,800,000,000
FY 2025	Est. 3.5B

We look forward to sharing our audited financial statements after we have executed mutual NDAs.

F. KEY PERSONNEL

The organization chart below and resumes on the following pages detail the experience and certifications of our fully-trained and qualified personnel that will be assigned to the City of Costa Mesa. Southland does not intend to contract subcontractors to support the City. All training completed by our staff is documented and available for review upon request. We will establish an identification system for personnel assigned to the buildings that clearly identify our team as Southland representatives. Our staff will wear uniforms and display proper identification at all times.

An outline of the task requirements, schedule, and timelines for each building shall be kept with each crew. Southland will establish an identification system for personnel assigned to the buildings that will clearly notify the public and City of Costa Mesa employees of their contractor status.

Southland’s team has vast experience and dedication to providing multifaceted solutions and excellent customer service means we will execute any project assigned to us by the City of Costa Mesa successfully and in a timely manner.

Craig Gonzalez, Sales and Services Manager, who will function as the project manager has over eight years of experience managing projects of similar size and scope as described in your statement of work. Craig has provided a 24/7 contact number in the Project Approach and Methodology section of this response (page 6).

Our team assigned to the City of Costa Mesa will also include a minimum of two certified technicians with at least 10 years of experience and qualified to work on HVAC systems. The City of Costa Mesa will always have, at minimum, one certified technician available within the four-hour response time of the serviced facilities.

Team Organization Chart



Project Profiles

The following project profiles provide examples of HVAC maintenance, repairs, and other various projects completed within the public sector.

City of Newport Beach – Various Service, Maintenance, and Repairs

Southland was awarded a three-year HVAC maintenance contract with the City of Newport Beach in the spring of 2020. The contract includes maintenance and repair services for the Newport Beach Civic Center as well as on-call services. The City of Newport Beach is an influential, progressive city here in Orange County, making their decision to look for a quality maintenance contractor a leading example in Orange County.

Our Southland team focused on building a thorough and specific maintenance program to ensure the City of Newport Beach met their stated facility goals. Throughout the process, Southland used innovative solutions to overcome all the added challenges created by COVID-19 restrictions. In a testament to our quality performance and customer service, our contract was expanded just six months later to include a service contract to maintain the city's Controls system. The controls contract also includes upgrades to the control system's sequence of operations. We are excited to continue growing our partnership with Newport Beach over the course of our three-year contract term and beyond.

City of Lakewood – Various Service, Maintenance, and Repairs

Southland was awarded a contract in 2023 with the City of Lakewood to perform maintenance at 23 of the City's office and administrative buildings, including mechanical equipment rooms and the City Council chambers.

Long Beach Utilities District – HVAC Maintenance Services

Southland was awarded a contract in 2021 with Long Beach Utilities to perform maintenance at the Long Beach Utilities District. The maintenance now includes the addition of the gas buildings in 2023. Southland performs maintenance and repairs on the administration building, water treatment plant, pump station, and gas buildings. Southland's scope includes on-call maintenance, weekly site surveys, monthly tasked visits, and quarterly and annual maintenance on over two hundred pieces of varied equipment.

Compton Unified School District – Various Service, Maintenance and Repairs

Southland performed demolition and installation work to replace four split systems, 41 package units, and 20 wall mount heat pumps between two Compton Unified School District campuses. Southland provided all Carrier and Bard equipment to comply with District standards, in addition to the installation of brand new thermostats in each unit. All work was performed at two separate high school campuses.

Southland had been proudly providing maintenance service to the District since 2013, several years before the start of this project. After this project was completed, in the wake of the COVID-19 pandemic, the District initiated a maintenance and filter change program with Southland in support of their re-opening plans. Southland is currently servicing over 1,500 units throughout the District.

Orange Coast College – Chiller Preventative Maintenance Program in Costa Mesa, CA

In 2011, OCC began its partnership with Southland with a preventative maintenance program for chillers located at their Costa Mesa campus. We have continued our relationship with the College and District to become a valued vendor providing repair and replacement services. Recently, we completed a ventilation assessment, surveying all equipment and parts in the system and making recommendations to improve indoor air quality across the campus.

City of Garden Grove – Various Service, Maintenance and Repairs

\$9.6 M, design build HVAC, plumbing, and controls project for upgrades to the Garden Grove Civic Center. Project includes the construction of a three-story, 105K SF public safety facility.

G. PROPOSED MAINTENANCE SCHEDULE

Costa Mesa Maintenance Tasks and Schedule								
Maintenance Frequency								
Each task per asset where applicable.	Water Treatment	Package Units	Boiler	Exhaust Fan/Return Fan/Supply Fan	Split Systems/Multi Zone	Cooling Tower	Chiller	VFD
QUARTERLY TASKS								
INSPECT UNIT CONTROL PANEL.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT MOTOR CONTACTORS FOR PITTING OR SIGNS OF DAMAGE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF HOT WATER COIL, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPLACE AIR FILTERS, PER CONTRACT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF CHILLED WATER COIL.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT DRAIN PAN AND DRAIN LINE AND CLEAN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF FAN, MOTOR, PULLEYS, BELTS, AND ADJUST AS NEEDED.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE FAN & MOTOR BEARINGS, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT AND CLEAN VFD CONTROL CABINET AND FILTER, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide inspection report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION AND OPERATION OF ECONOMIZER SECTION, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OBSERVE CONDITION OF FLAME.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LOG SUPPLY WATER TEMPERATURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LOG RETURN WATER TEMPERATURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VERIFY OPERATION OF WATER MAKE-UP AND EXPANSION TANK.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROVIDE TEST OF ALL SAFETY CONTROLS INCLUDING VERIFYING OPERATING TEMPERATURE CONTROLS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TEST LOW WATER CUT OFF.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TEST LEVER SAFETY RELIEF VALVE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CHECK BOILER ROOM FOR UNOBSTRUCTED FLOOR DRAINS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN AND TIGHTEN ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide inspection report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PERFORM PROPER LOCK-OUT/TAG-OUT SAFETY PROCEDURES TO PERFORM SERVICE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT MOTOR CONTACTORS FOR PITTING OR SIGNS OF DAMAGE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF FAN, MOTOR, PULLEYS, BELTS, AND ADJUST AS NEEDED.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE FAN & MOTOR BEARINGS, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT AND CLEAN VFD CONTROL CABINET AND FILTER, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND TIGHTEN VFD ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RETURN UNIT TO SCHEDULED OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PERFORM PROPER LOCK-OUT/TAG-OUT SAFETY PROCEDURES TO PERFORM SERVICE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF SUPPLY FAN AND MOTOR BEARINGS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE SUPPLY FAN AND MOTOR BEARINGS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPLACE PRE-FILTERS, PER CONTRACT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPLACE FINAL FILTERS, PER CONTRACT, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT AND CLEAN VFD ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RETURN UNIT TO SCHEDULED OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide inspection report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PERFORM PROPER LOCK-OUT/TAG-OUT SAFETY PROCEDURES TO PERFORM SERVICE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT UNIT CONTROL PANEL AND CLEAN/TIGHTEN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT MOTOR CONTACTORS FOR PITTING OR SIGNS OF DAMAGE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECT ELECTRICAL CONNECTIONS OF UNIT AND TIGHTEN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK REVERSING VALVE OPERATION, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDENSER COILS FOR SIGNS OF LEAKS AND CLEAN ANNUALLY, PER CONTRACT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDENSER FAN BLADES, MOTOR, AND BEARINGS FOR SMOOTH OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK COMPRESSOR AND COILS FOR SIGNS OF REFRIGERANT OIL AND LEAKS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RETURN UNIT TO SCHEDULED OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide inspection report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PERFORM PROPER LOCK-OUT/TAG-OUT SAFETY PROCEDURES TO PERFORM SERVICE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ALL STRUCTURAL ELEMENTS FOR CORROSION AND DAMAGE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT FOR SCALE BUILD-UP ON ELIMINATORS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VERIFY FLOAT OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VERIFY OPERATION OF DUMP VALVE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VERIFY OPERATION OF FAN CONTROLS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK VFD ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUBRICATE FAN AND MOTOR BEARINGS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT PULLEY GROOVES AND BELTS FOR ALIGNMENT, WEAR, AND TENSION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT FAN WHEEL FOR FREE ROTATION, CRACKS, AND ALIGNMENT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT AND TIGHTEN ELECTRICAL CONNECTIONS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDITION OF SAND FILTER OPERATION, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK WATER TREATMENT EQUIPMENT AND OPERATION, IF APPLICABLE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RETURN UNIT TO SCHEDULED OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide inspection report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RUN UNIT AND CHECK OPERATION. ADVISE ON CONDITION OF UNIT BEFORE STARTING SHUTDOWN INSPECTION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PERFORM PROPER LOCK-OUT/TAG-OUT SAFETY PROCEDURES TO PERFORM SERVICE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD COMPRESSOR STARTS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD COMPRESSOR RUN HOURS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD OIL TEMPERATURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD OIL DIFFERENTIAL PRESSURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD OUTLET CHILLED WATER TEMPERATURES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD INLET CHILLED WATER TEMPERATURES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD EVAPORATOR APPROACH TEMPERATURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD OUTLET CONDENSER WATER TEMPERATURES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AND RECORD INLET CONDENSER WATER TEMPERATURES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD CONDENSER APPROACH TEMPERATURE.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT CONDENSER AND EVAPORATOR FLOW SWITCHES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD PURGE MINUTES PER 24 HOURS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD TOTAL PURGE MINUTES.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSPECT ALL ELECTRICAL CONNECTIONS IN CONTROL AND STARTER PANELS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK OPERATION OF CONTROL PANEL.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD CHILLED WATER SET POINT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORD DEMAND LIMIT SET POINT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RETURN UNIT TO SCHEDULED OPERATION.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROVIDE INSPECTION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LOCKOUT/TAGOUT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN ELECTRICAL ENCLOSURES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK SAFETY/CUT OUT DEVICES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK OPERATIONAL CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK FOR RUST/OIL LEAKS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRAIN TANK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AUTO DRAIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK MOTOR AMPERAGE/VOLTAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CHECK FOR ERROR CODES/FAULT HIST CHECK								
MANUAL BYPASS VERIFY DRIVE SIGNAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL TASKS								
ALL OF THE ABOVE, INCLUDING:								
REPLACE BELTS BENCHMARK PERFORMANCE								
ANAYLSIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WASH CONDENSER COILS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEAK CHECK COILS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AQMD ANNUAL REPORTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEAN OUT/BLOW OUT DRAINS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OIL SAMPLES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRAIN TANK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHECK AUTO DRAIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL EFFICIENCY ASSESSMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX C FORMS

Vendor Application Form

RFP25.22.C06221



**VENDOR APPLICATION FORM
FOR
RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMTION SYSTEM REPAIRS &
MAINTENANCE SERVICES**

TYPE OF APPLICANT: ☒ NEW ☐ CURRENT VENDOR

Legal Contractual Name of Corporation: Southland Industries

Contact Person for Agreement: Craig Gonzalez

Title: Sales & Service Manager E-Mail Address: CGonzalez@southlandind.com

Business Telephone: 714.657.1473 Business Fax: 714.901.5811

Corporate Mailing Address: 12131 Western Avenue

City, State and Zip Code: Garden Grove, CA 92841

Contact Person for Proposals: Craig Gonzalez

Title: Sales & Service Manager

E-Mail Address: CGonzalez@southlandind.com

Business Telephone: 714.657.1697 Business Fax: 714.901.5811

Is your business: (check one)

☐ NON PROFIT CORPORATION ☒ FOR PROFIT CORPORATION

Is your business: (check one)

RFP25.22-008221

☒ CORPORATION☐ LIMITED LIABILITY PARTNERSHIP☐ INDIVIDUAL☐ SOLE PROPRIETORSHIP☐ PARTNERSHIP☐ UNINCORPORATED ASSOCIATION**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names

Title

Phone

Craig GonzalezSales and Service Manager 714.657.1473

Southland is an employee-owned privately-held company. Employee ownership is strictly confidential.

RFP25.22.C08221

Federal Tax Identification Number: [REDACTED]

City of Costa Mesa Business License Number: Southland Industries has a City of Costa Mesa Business License. We are in the process of renewing our license.

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: Southland Industries has a City of Costa Mesa Business License. We are in the process of renewing our license.

Ex Parte Communications Certification**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES** at any time after **May 13, 2025**.

Date: May, 28, 2025

Signature

Craig Gonzalez
Print

OR

I certify that Proposer or Proposer's representatives have communicated after **May 13, 2025**, with a City Councilmember concerning informal **RFP No. 25-22 ON-CALL HVAC MECHANICAL AUTOMATION SYSTEM REPAIRS & MAINTENANCE SERVICES**. A copy of all such communications is attached to this form for public distribution.

Date: _____

Signature

Print

Disqualification Questionnaire

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a Federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No ✓

If the answer is yes, explain the circumstances in the following space.

Disclosure of Government Positions

DISCLOSURE OF GOVERNMENT POSITIONS


Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

None

EXHIBIT C
FEE SCHEDULE



Southland Industries
12131 Western Avenue
Garden Grove, CA 92841
562.244.7836
Lic #: 114040

 **COST PROPOSAL FOR ON-CALL HVAC
MECHANICAL AUTOMATION SYSTEM REPAIRS
AND MAINTENANCE SERVICE:**

**CITY OF COSTA MESA - PUBLIC WORKS
DEPARTMENT
RFP NO. 25-22**



SOUTHLAND INDUSTRIES COST PROPOSAL

Southland is pleased to provide the City of Costa Mesa with our Cost Proposal for On-Call HVAC Mechanical Automation System Repairs and Maintenance Services relevant to RFP No. 25.22.

Year Over Year Contract Price

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$108,113.00	\$111,356.00	\$114,697.00	\$118,137.00	\$121,682.00

- HVAC Preventative Maintenance Services, which described in this RFP, will be bid at an annual total amount.
- Start date to be determined by the City of Costa Mesa.
- Year 1 is 2025 - 2026
- Year 2 is 2026 -2027
- Year 3 is 2027 - 2028
- Year 4 is 2028 - 2029
- Year 5 is 2029 - 2030

Preferred Maintenance Agreement Client Mechanical T&M Rates*

2-hour minimum for normal business days, 4-hour minimum for overtime or holidays

Straight time (M-F 7:00 a.m.–4:00 p.m)	\$165.00 per hour
Over time (M-F 4:00 p.m.–7:00 a.m, Saturday & Sunday)	\$247.50 per hour
Holidays	\$330.00 per hour
Vehicle Charge	\$80.00 per truck, per day
Fuel Surcharge	\$25.00 per truck, per day

* T&M labor rates are subject to change based upon Union negotiations and Southland's field operating costs.

Preferred Maintenance Agreement Client Controls T&M Rates*

2-hour minimum for normal business days, 4-hour minimum for overtime or holidays

Straight time (M-F 7:00 a.m.–4:00 p.m)	\$190.00 per hour
Over time (M-F 4:00 p.m.–7:00 a.m, Saturday & Sunday)	\$285.00 per hour
Holidays	\$380.00 per hour
Vehicle Charge	\$80.00 per truck, per day
Fuel Surcharge	\$25.00 per truck, per day

* T&M labor rates are subject to change based upon Union negotiations and Southland's field operating costs.

FOR INFORMATIONAL PURPOSES ONLY	PERCENTAGE
Material Mark Up	20%
Rental Mark Up	20%