



February 28, 2025

City of Salinas
200 Lincoln Ave
Salinas, CA 93901
Email: seans@ci.salinas.ca.us

Attention: Sean Schmidt
Reference: Sherwood Hall – Chiller tube replacement – Based on test findings
Quote: CITY-275-25

Environmental Systems, Inc. proposes to provide the labor and material to complete the following:

Proposed Work:

An Eddy Current test was performed during the chiller assurance rebuild. The test results were 13 of the 300 tubes were plugged 100% (no flow through the tube) 40 tubes were found to either still have excessive internal scale build or the tube wall thickness has decayed and is too thin which will result with a tube rupture. A tube rupture would cause a catastrophic failure of the Chiller. The testing agency and the MFG agree that the chiller needs to have the all of the tubes replaced.

The internal coatings of the tube sheets have also decayed causing rusting and scale build up on the tube sheet and end bells. The MFG recommends to epoxy coat the tube sheets and end bells.

Both above unforeseen issues were caused by long term neglect of the water treatment requirements for the cooling tower and chiller

Epoxy coating of the tube sheets and end bells.....	\$41,950.00
Partial tube replacement (43 of 300 tubes) No Warranty.....	\$68,220.00
Complete Tube replacement (300 of 300 tubes) Warranty inc.....	\$123,545.00

Exclusions:

Overtime labor, permits, service, repairs, or component replacement other than stated above

Please feel free to contact us if you have any questions or if we can be of further assistance. If you are satisfied with our proposal and would like us to proceed, please sign below and email to sdagle@esite.net. Price is valid for 30 days.

Kenneth J Filice

Senior Project Manager

Acceptance of the above proposal:

The price, specifications, and conditions of this proposal are satisfactory and hereby acceptable. I/We have read and acknowledge, and understand Environmental Systems Inc.'s General Terms and conditions attached, and hereby incorporate the same as part of this Proposal & Contract. I/We agree to make all payments as outlined above.

P.O. Number: _____ Amount: _____
Signature: _____ Date: _____
Print Name: _____

3353 DE LA CRUZ BLVD. SANTA CLARA, CA 95054 TEL: (408) 980-1711 FAX: (408) 980-0714
www.esite.net

Environmental Systems Inc – General Terms and Conditions

SECTION 1. ENTIRE AGREEMENT. The proposal on page 1, and these General Terms and Conditions represents the entire agreement. Owner may issue a Purchase order for accounting purposes, but these General terms and conditions will prevail.

SECTION 2. PAYMENT TERMS: Owner agrees to pay Environmental Systems Inc as follows: (A) 100% upon completion of project. (B) Any other payment terms must be mutually agreed to in writing between Owner and Environmental Systems Inc. (C) Progress payments based on amount of work completed each month.

SECTION 3. CHANGES IN WORK. Contractor shall not be required to make any changes in the work without a mutually agreed to written change order authorization which includes the new scope of work and agreed to price. If Owner provides verbal direction, Owner agrees to follow up in writing within 5 days, but in no event shall verbal direction preclude Environmental Systems Inc from being reimbursed for the change order work. Written changes will not be required if Contractor acts in response to an emergency situation.

SECTION 4. CLAIMS. If any dispute shall arise between Owner and Contractor regarding performance of the work, or any alleged change in the work, Contractor may perform the disputed work and shall submit a notice of a claim for additional compensation for the work within ten (10) days after commencement of the disputed work. Any and all claims shall first be addressed in an Owner/Contractor meeting for resolution. If that is unsuccessful, Contractor may request and Owner agrees to binding arbitration. SECTION 5.

GUARANTEE. Environmental Systems Inc guarantees and warrants all materials and workmanship and agrees to replace at his sole cost and expense any and all materials adjudged defective or damaged from said installation during a period of either (A) 30 days for repair work or (B) one year from completion for installation of new equipment. These specifications shall control unless a greater period of guarantee is provided by Equipment or material manufacturers.

SECTION 6. INSURANCE. Environmental Systems Inc shall, at its expense, procure limits and maintain insurance on all of its operations. The following will be considered acceptable insurance requirements on all projects. a. Workers Compensation and Employer's Liability insurance; amounts as required by statute. b. Comprehensive General Liability or Commercial General

Liability insurance covering all operations: \$1,000,000.00 c. Automobile Liability insurance, including coverage for allow owned, hired and non-owned automobiles: \$1,000,000.00

All insurance coverages shall be in amounts and for duration of the project.

SECTION 7. INDEPENDENT CONTRACTOR. Environmental Systems Inc is an independent contractor and not an agent for Owner

SECTION 8. ASBESTOS. Contractor agrees to stop work immediately and notify Owner should asbestos or asbestos related products be discovered during the course of construction. Work will continue only after the asbestos hazard has been abated by Owner and the Owner has authorized work to be restarted. Any such Asbestos remediation is not included in this contract.

SECTION 9. SEVERABILITY. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, is deemed invalid or unenforceable, then such provision shall be modified to the minimum extent necessary to make it or its application valid or enforceable, and the validity and enforceability of all other provisions of this agreement, and all other applications of such provisions, shall not be affected.

SECTION 10. JURISDICTION AND VENUE. Contractor and Owner agree that this contract shall be construed in accordance with, and governed by, the laws of the State of California. The jurisdiction and venue for any dispute arising from this contract shall be Santa Clara County, California.

SECTION 11. ATTORNEYS FEES. If any action is commenced between the parties hereto concerning the project or enforcement of this Agreement, the prevailing party in such litigation shall be entitled to, in addition to such other relief as may be granted, court costs, legal expenses, and reasonable attorneys' fees.

CONTRACTORS ARE REQUIRED, BY LAW, TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN 10 YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, and P.O. BOX 26000, SACRAMENTO, CALIFORNIA 94826.