



# Service Agreement

## The *DIVCO* Advantage

Proposed by DIVCO, Inc.  
715 N. Madelia St.  
Spokane, WA 99220-3245

Date: December 1, 2021  
Agreement No., 966012

Client Name Mark Schuller  
City Administrator  
609 2<sup>nd</sup>  
Cheney, WA 99004

City of Cheney  
Recycling Center  
112 Anderson Road  
Cheney, WA 99004

Service shall be provided at **Recycling Center**, as per attached equipment list.

DIVCO shall provide the services listed below, in accordance with attached schedules.

The duration of this agreement shall remain in effect for an original term of one year, commencing **January 1, 2022** and from year to year thereafter.

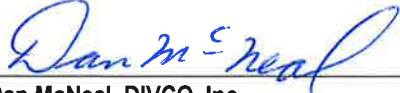
Charges: DIVCO's **Premium Preventive Maintenance Service**: The annual sum will be **\$518.00** plus tax billed quarterly at \$129.50 plus tax.

Semi-annual maintenance visits (2 times per year)

*The Terms and Conditions of Sale on the reverse are a part thereof.*

This proposal is the proprietary property of DIVCO and is provided for the customer's use only. DIVCO guarantees the price stated in this agreement for thirty (30) days from the proposal date. This proposal will become a binding agreement only after acceptance by the customer and approval by an officer to DIVCO as evidence by their signatures below.

This Proposal Submitted by

  
\_\_\_\_\_  
Dan McNeal, DIVCO, Inc.  
Account Manager

Proposal Accepted by

\_\_\_\_\_  
Representative of the City of Cheney  
Chris Grover, Mayor

\_\_\_\_\_  
Date

## List of Maintained Equipment

Qty	Equipment	Manufacturer	Serial/Model No.	Size
1	Split System A/C	Carrier	1593E03460	
4	Radiant Heaters	Co Ray Vac	Various	

All thermostats and controls will be tested and inspected during the maintenance visits.

## Mechanical Systems Service

DIVCO will maintain the mechanical equipment described on the attached List of Maintained Equipment:

### **Programmed Preventive Maintenance**

**Maintenance Schedule.** An equipment analysis will be performed to determine the optimum maintenance schedule based on run time, application, system location and the manufacturer's suggested service interval.

**Preventive Maintenance.** Preventive Maintenance shall be performed in accordance with a program of standardized maintenance routines. Each preventive maintenance work order will list the inspection date, individual to report to, equipment identification, equipment location, work to be performed and any special instructions.

**Call Documentation.** After each service calls, a completed copy of the work order will be left with the client.

**Repair and Replacement.**           ( ) Applicable   ( x ) Not Applicable

**Component Replacement.** DIVCO will repair and replace, at no additional charge, failed or worn components with new or reconditioned components of compatible design to minimize obsolescence and maintain the system in good operating condition. Components that are suspected of being faulty may be repaired or replaced in advance to prevent system failure. Exchanged parts become the property of DIVCO.

**Call Documentation.** After each service call, a completed copy of the work order will be left with the client.

**Emergency Service**       ( ) Applicable   ( x ) Not Applicable

All labor, parts procurement labor (locating, ordering, expediting and transporting) and travel including overtime or unscheduled service calls resulting from an equipment or systems malfunction, required to repair or remove and replace worn, broken and/or doubtful components and/or parts.

**Computerized Energy and Monitoring Systems**           ( ) Applicable ( x ) Not Applicable

DIVCO will design, engineer, install and monitor the critical environmental systems temperatures, pressures, status (on/off) and alarms. This will be accomplished through the use of microprocessors via telephone lines to our office. The customer will provide the phone line and be responsible for the monthly costs. DIVCO will design, engineer, install and program the required energy management systems to your facilities financial and operating needs. Typical functions include time of day, duty cycling, demand limiting, optimum start, economizers and sequencing. Concerning energy, operation and the maintenance review, DIVCO will, on an annual basis, tour your facility to evaluate the effect of your operating procedures, our maintenance program and any further energy cost reduction possibilities. A report of our findings will be provided with a summary of the current status and any recommendations for the future. The customer will provide the phone line and be responsible for the monthly costs. Typical functions include time of day, duty cycling, demand limiting, optimum start, economizers and sequencing.



## SPECIAL SERVICES

### DIVCO's Preventive Maintenance Services

This is a special custom-tailored agreement whereby, DIVCO shall supply all required labor to properly perform the required preventive maintenance for the facility's heating, ventilation, and air conditioning systems. All listed systems will be maintained in accordance to manufacturer's specification in order to maximize life-span, improve operating efficiency, reduce breakdown and improve comfort conditions. Materials supplied by DIVCO shall include grease, solvents, rags, and test/calibration equipment.

Specifically, all tasks recommended by the manufacturer for mechanical and refrigeration shall be performed on a quarterly basis in order to meet each seasonal requirement.

Typical activities, generalized, shall include:

- Examination of all equipment to see that each component functions properly.
- Lubrication of all gears, bearings, and other points of contact.
- Thorough cleaning of all equipment.
- Adjust all linkage and drives to ensure proper operation.
- Test and cycle all equipment after service is complete, to ensure proper operational conditions.
- Tighten all electrical connections.
- Meg motors (20 HP and larger, compressor motors 7-ton and larger).
- Check amperages, circuits, and fluid levels.
- Perform annual start-up and shut down procedures.
- Calibrate all controllers, sensors, relays, etc.
- Check belt tension, adjust if required.

All work shall be completed by factory trained and licensed personnel to ensure the highest level of quality service available.

Upon the completion of each service visit, DIVCO will provide the customer with a service report detailing the tasks that were performed and any recommendations to improve operations.

The end result of these services shall be:

- Energy Savings up to 10 percent
- Increased occupant comfort
- Investment protection
- Trouble-free operation
- Decreased down-time
- Increased equipment life-span
- Peace of mind

## DIVCO Terms and Conditions of Sale

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions unless otherwise indicated herein:

### General Provisions

- 1.1 Unless stated otherwise, the services provided under this agreement shall be provided during DIVCO' normal working hours, Monday through Friday inclusive, excluding holidays.
- 1.2 Client shall provide reasonable means of access to the equipment being serviced. DIVCO shall not be responsible for any removal, replacement or refurbishing of the building structure, if required to gain access to the equipment. DIVCO shall be permitted to control and/or operate all equipment necessary to perform the services herein described as arranged with the Client's representative.
- 1.3 This agreement, when accepted in writing by the Client and approved by a DIVCO representative, shall constitute the entire agreement between the two parties.
- 1.4 Either party may terminate this agreement on the anniversary date of the original term or any extended term by giving the other party 30 days notice of its intention.

### Charges

- 2.1 For services not covered by this agreement but performed by DIVCO upon the Client's authorization, the Client agrees to pay DIVCO upon presentation of itemized invoice(s), at DIVCO' prevailing rates.
- 2.2 If an emergency service is requested by the Client and inspection does not reveal any defect for which DIVCO is liable under this agreement, the Client will be charged at DIVCO' prevailing rates.
- 2.3 The annual rate is subject to adjustment annually on each anniversary date to reflect increases in labor, material and other costs.
- 2.4 Customer will promptly pay invoices within ten (10) days of receipts. Should payment become thirty (30) days or more delinquent, DIVCO may stop all work under this agreement without notice and/or cancel this agreement, and the agreement amount shall become due and payable immediately upon demand. DIVCO will assess a late charge in the amount of 1 1/2 percent per month after thirty (30) days from the invoice date. Customer agrees to pay on demand the amount of all expenses reasonably incurred by DIVCO in efforts to collect the indebtedness in the event that this agreement is referred to an attorney. Customer agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts or fees incurred without suit, and all court costs and costs of public officials. In the event legal remedy is necessary, venue shall be in Spokane County, Washington.

### Limitations of Liability

- 3.1 DIVCO shall not be liable for any loss, delay, injury or damage that may be caused by circumstances beyond its control including, but not restricted to acts of God, war, civil commotion, acts of government, fire, theft, corrosion, floods, water damage, lightening, freeze-ups, strikes, lockouts, difference with workmen, riots, explosions, quarantine restrictions, delays in transportation, shortage of vehicles, fuel, labor or materials, or malicious mischief. **IN NO EVENT SHALL DIVCO BE LIABLE FOR BUSINESS INTERRUPTION LOSSES OR CONSEQUENTIAL OR SPECULATIVE DAMAGES**, but this sentence shall not relieve DIVCO of liability for damage to property or injury to persons resulting from accidents caused directly by the negligence of DIVCO in performance or failure of performance of its obligations under this agreement.
- 3.2 DIVCO shall not be required to make safety tests, install new devices, or make modifications to any equipment beyond the scope of the original contract in order to comply with recommendations or directives of insurance companies, governmental bodies or for other reasons.
- 3.3 DIVCO shall not be required to make replacements or repairs necessitated by reason of negligence, abuse or misuse, or by reason of any other cause beyond its control except ordinary wear and tear.
- 3.4 This agreement pre-supposes that all equipment is in satisfactory working condition. A cost estimate will be furnished for any equipment found in need of repair, upon initial inspection or initial seasonal start-up, with a written estimate stating the cost of repairs. Should repairs not be authorized within 30 days, the equipment will be eliminated from coverage and the agreement price shall be adjusted accordingly.
- 3.5 This agreement pre-supposes no substance regarded as hazardous by EPA is utilized in the system. If in servicing the system, DIVCO discovers the use of hazardous material, the Client will be responsible to remove, or have removed, any such substance and to replace it with a non-hazardous substitute. The Client will incur the cost of removal and substitution.

- 3.6 The amount of any present or future sales, use, occupancy, excise, or other federal, state or local tax which DIVCO hereafter shall be obligated legally to pay, either on its own behalf or on the behalf of the Client or otherwise, with respect to the services and material covered by this agreement, shall be paid by the Client.
- 3.7 If the equipment or software included under this agreement is altered, modified, or changed by a party other than DIVCO, this agreement shall be modified to incorporate such changes and the agreement price shall be adjusted accordingly or DIVCO may terminate the agreement.
- 3.8 Following 12 months of service or any time thereafter, if individual item(s) cannot, in DIVCO' opinion, be properly repaired on-site, due to excessive wear or deterioration, DIVCO may withdraw the items(s) from coverage upon ninety (90) days prior written notice.
- 3.9 This agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Washington.
- 3.10 Customer shall permit only DIVCO' personnel or agent to perform the work included in the scope of this agreement. Should anyone other than DIVCO' personnel perform such work, DIVCO may, at its option, cancel the agreement or eliminate the involved item of equipment from inclusion in this Agreement.
- 3.11 In the event the system is altered, modified, changed or moved, by a party other than DIVCO, DIVCO reserves the right to terminate or negotiate the Agreement based on the condition of the system after the changes have been made.
- 3.12 DIVCO will not be required to move, replace or alter any part of the building structure in the performance of this Agreement.
- 3.13 This agreement does not include responsibility for design of the systems, obsolesces, safety test, repair or replacement caused by weather, electrical power failure, low voltage, burned out main or branch fuses, low water pressure, vandalism, misuse or abuse of the systems, negligence of others (including customer), failure of customer to properly operate the systems, requirements of the governmental, regulatory, or insurance agencies, or other causes beyond DIVCO' control.

#### **Extra Charges**

- 4.1 If a trouble call is made at the Customers request and inspection indicates a condition which is not covered under this agreement, DIVCO may charge customer at the rate than in effect for such services.

#### **Non-Maintainable Equipment**

- 5.1 The annual rate assumes the equipment covered under this Agreement is in maintainable condition. If, at the time of seasonal start-up or on the first inspection, repairs or replacements are required, such charges will be submitted for customer's approval. If customer does not authorize such repairs or replacements, DIVCO may either remove the equipment from its scope of responsibility, and adjust the annual rate accordingly, or cancel the agreement.
- 5.2 This Agreement applies only to the maintainable portions of the system(s). Under full coverage agreements, DIVCO will not be responsible for the repair or replacement of non-maintainable and/or non-moving parts of the heating, ventilation and air conditioning systems. Examples of such non-covered items are ductwork, cabinets, heat exchangers, boiler tubes, boiler sections, boiler refractory, chimney, breeching, refrigeration evaporators, cleaning of condensate drains, refrigeration condensers, water coils, steam coils, pneumatic air lines, fan housings, main power service and electrical wiring, valve bodies or other structural parts. In regards to loss of refrigerants which are no longer manufactured, DIVCO is only responsible for the labor required to remove and recharge the system. If the refrigerant is commercially available, it will be priced at current market rates.

#### **Facilities Management Programs Limitations – If Applicable**

- 6.1 All computerized maintenance monitoring and computerized energy management equipment provided by DIVCO will remain the property of DIVCO. Should this program be terminated, DIVCO reserves the right to remove this equipment.
- 6.2 The monitoring service is not to imply or obligate any direct liability or contingent liability for damages caused by alarms not received or handled improperly. This service is not a U.L. certified alarm center. Lines are checked at least monthly for connection.
- 6.3 Customer is responsible for all phone line installation, line costs, and usage charges incurred.