

REQUEST FOR PURCHASE IN EXCESS OF \$20,000/CHANGE ORDER



To: Mayor and Council

Agenda Item #: IV. I

From: Tim Barnes City Facility Manager *TFB*

The Recommended Bid is

- Within Budget
 Not Within Budget

Date: 05/12/15

Subject: Request For Purchase- Professional Services Braun Intertec

Date Bid Opened or Quote Received:
05/12/2015

Bid or Expiration Date:

Company:
Braun Intertec Geothermal

Amount of Quote or Bid:
\$28,000.00

Recommended Quote or Bid:
Braun Intertec Geothermal

General Information:

The City of Edina Public Works Facility at 7450 Metro Boulevard was built in 2009 with a geothermal ground heat exchanger system. The 2015 Capital Improvement Plan includes \$150,000.00 of funding for our geothermal system repair.

We were having multiple compressor failures that we could not figure out what was causing them. Each compressor was covered under warranty but the labor charge was not. We started that process off with a recommissioning of the system to verify the proper installation and settings and examination of the proper pressures to verify the system was installed and operating to the original design specifications. This was at a cost of \$6,000.00 and we utilized the original design engineer and original contractors involved with the system. The outcome of this work detected the problem we were having and also the solution. At no extra cost the original contractors corrected the mechanical issues and reprogrammed the control sequences for the most effective and efficient operation. A mechanical repair associated with the compressor failure cost \$4,200.00 and this was also performed. This brings our total so far to \$10,200. While we have been working on the mechanical side two underground leaks were detected in the ground heat exchanger. We should note that these leaks have been isolated, while still maintaining system operation, and duly reported to the appropriate agencies. This part of the system exits the building and has several circuits that lay under the Public Works staff parking lot. City staff have looked at several different options for the detection, excavation and repair of this problem, and Braun Intertec has come forward as the sole source and leading company in

the state in the detection and repair of ground heat exchangers. City Staff recommends that we obtain their services for this repair. They have Quoted \$28,000.00 for the detection, repair, documentation and commissioning of this system. The cost of restoration of sod or asphalt will be borne by the City. The Public Works Employee parking lot, under which a majority of the ground heat exchanger lies, is valued in the range of \$25,000.00 to \$30,000.00. City staff is working out contingencies, if in fact the whole lot has to be disturbed and replaced. We should point out that this number for the asphalt repair will be varying depending on the location of the leaks. City Staff is confident we will be under the CIP Budget on this repair.



Braun Intertec Geothermal, LLC
11001 Hampshire Avenue S
Minneapolis, MN 55438

Phone: 952.995.2000
Fax: 952.995.2908
Web: braunintertec.com

April 13, 2015

Proposal QTG000249

Tim Barnes
Edina Public Works
7450 Metro Boulevard
Edina, MN 55439

Re: Proposal for Ground Heat Exchanger Leak Detection and Rehabilitation Services
Edina Public Works Facility
Edina, Minnesota

Dear Mr. Barnes,

Braun Intertec Geothermal, LLC is pleased to present this proposal for leak detection and rehabilitation services for the ground heat exchanger (GHX) located at the Edina Public Works facility located in Edina, Minnesota.

Our proposed scope of services, schedule and estimated costs for the work is described below.

Scope of Services

- Mobilization of manpower and equipment to site.
- Pressure testing to confirm presence of leak(s).
- Set up of leak detection equipment.
- Materials and labor for the injection of a non-flammable, non-toxic, non-corrosive trace gas to the GHX circuits to facilitate detection with handheld equipment.
- On-grade identification and delineation of excavation points from which to access buried pipe locations for repair.
- Excavation at delineated point(s) of interest.
- Repair of identified leaks in the excavated GHX piping.
- Backfill and compaction of excavated areas.
- Isolation of unaffected circuits and flushing of all debris and purging of all air in repaired circuitry.
- Hydrostatic pressure testing of circuit to observe leak-free integrity per ASTM F2164.
- Supply and installation of heat transfer fluid into repaired circuit(s).

- Heat transfer fluid sampling and analysis.
- Project management, coordination and full reporting in accordance with Minnesota Department of Health requirements.

Cost Detail

Due to the unpredictable nature of this type of work, we propose a time and materials arrangement in accordance with the following fee schedule:

Personnel	Rate
Principal Consultant	\$ 250 per hour
Principal Scientist	\$ 206 per hour
Environmental Consultant	\$ 175 per hour
Staff Mechanical Engineer	\$ 170 per hour
Operations Supervisor	\$ 150 per hour
Project Manager	\$ 135 per hour
Building Scientist Professional	\$ 129 per hour
Building Sciences Trip Charge	\$ 100 per site visit
Engineering Technician	\$ 120 per hour
Technician III	\$ 90 per hour
Technician II	\$ 85 per hour
Project Assistant	\$ 95 per hour
Equipment	
Leak Detection Equipment	\$ 850 per day
Excavator	\$ 460 per day
Vac Truck	\$ 380 per day
Skid Steer	\$ 175 per day
Compactor	\$ 110 per day
Medium Duty Truck	\$ 130 per day
Medium Duty Truck Mileage	\$ 0.75 per mile
Trailer Mileage	\$ 0.20 per mile
Expenses	
Laboratory HTF Sample Analysis & Report	\$ 150 per sample
Inert Gas	\$ 100 per bottle
Misc. Reimbursable Expenses	Cost plus 15%

While we cannot guarantee final cost, we estimate a budget of \$ 28,000 will be required to complete the above described full scope of work.

Schedule

To be determined with Client. Results of leak detection improve when the work is performed after frost is out of the ground.

Advisories, Specific Stipulations and Exclusions from Scope

- If any portion of the suspected leaking ground heat exchanger is believed to be installed beneath a paved surface, multiple ~5/8" holes will need to be drilled through the paved surface to enable leak detection. Sealing of these holes, if required, will be at additional cost.
- Proposal assumes ground heat exchanger installation area is accessible by foot and all on-grade obstructions, including snow, stock piles, loose brush, automobiles, equipment, etc. are removed. Proposal specifically excludes costs associated with removing obstructions.
- Leak detection involves drilling of multiple small diameter holes to allow trace gas to be sensed and leak areas to be located. Such holes may be drilled anywhere within the boundaries of known or suspected GHX installation areas and may be bored deeper than 18" to overcome frost, paving, etc.
- It is Braun Intertec Geothermal's responsibility to request locating of public utilities. It is the site owner's responsibility to mark the locations of private utilities and other buried structures prior to our arrival on site.
- Determining the exact locations of buried leaks is unpredictable. Variables such as soil types, ambient conditions, frost, paving/hard surfacing, quantity of leaks, and other factors can affect the release of tracer gas and may affect the precision of buried leak locating. False positive locating and unnecessary exploratory excavation are minimized with this method but still possible. If excavation is excluded from this Scope of Work, Braun Intertec and its subcontractors accept no liability for unnecessary excavation, damage, or lost time of any kind.
- We require a member of Edina Public Works staff to be available to provide access to the building and to provide mechanical system support.
- Costing assumes that excavated areas will be backfilled and compacted and left at rough grade for others to replaced final cover such as sod, curb and bituminous as needed.

General Remarks

Braun Intertec appreciates the opportunity to present this proposal to you. It is being sent in an electronic version only. A hard copy of the proposal will be supplied upon request. Please return a signed copy of the proposal in its entirety.

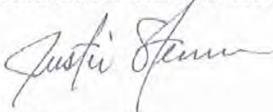
The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement.

We appreciate the opportunity to provide professional services for you on this project. If you have questions regarding the contents of this proposal, please contact Justin Sterner at 952.995.2416.

Sincerely,

BRAUN INTERTEC GEOTHERMAL, LLC



Justin R. Sterner
Operations Supervisor



Scott A. Freitag, CGD
Principal

Attachments:
General Conditions (9/01/13)



The proposal is accepted, and you are authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date



General Conditions

Section 1: Our Agreement

1.1 Our agreement (“Agreement”) with you consists of these General Conditions and the accompanying written proposal or authorization. This Agreement is our entire agreement. It supersedes prior agreements. It may be modified only in a writing signed by us, making specific reference to the provision modified.

1.2 The words “you,” “we,” “us,” and “our” include officers, employees, and subcontractors.

1.3 In the event you use a purchase order or other form to authorize our services, any conflicting or additional terms are not part of our Agreement. Directing us to start work prior to execution of this Agreement constitutes your acceptance. If, however, mutually acceptable terms cannot be established, we have the right to withdraw our proposal without liability to you or others, and you will compensate us for services already rendered.

Section 2: Our Responsibilities

2.1 We will provide the services specifically described in our Agreement with you. You agree that we are not responsible for services that are not fairly included in our specific undertaking. Unless otherwise agreed in writing, our findings, opinions, and recommendations will be provided to you in writing. You agree not to rely on oral findings, opinions, or recommendations without our written approval.

2.2 In performing our professional services, we will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of our profession practicing in the same locality. If you direct us to deviate from our recommended procedures, you agree to hold us harmless from claims, damages, and expenses arising out of your direction.

2.3 We will reference our field observations and sampling to available reference points, but we will not survey, set, or check the accuracy of those points unless we accept that duty in writing. Locations of field observations or sampling described in our report or shown on our sketches are based on information provided by others or estimates made by our personnel. You agree that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. You accept the inherent risk that samples or observations may not be representative of things not sampled or seen and, further, that site conditions may change over time.

2.4 Our duties do not include supervising your contractors or commenting on, overseeing, or providing the means and methods of their work, unless we accept such duties in writing.

We will not be responsible for the failure of your contractors to perform in accordance with their undertakings, and the providing of our services will not relieve others of their responsibilities to you or to others.

2.5 We will provide a health and safety program for our employees, but we will not be responsible for contractor, job, or site health or safety unless we accept that duty in writing.

2.6 You will provide, at no cost to us, appropriate site safety measures as to work areas to be observed or inspected by us. Our employees are authorized by you to refuse to work under conditions that may be unsafe.

2.7 Estimates of our fees or other project costs will be based on information available to us and on our experience and knowledge. Such estimates are an exercise of our professional judgment and are not guaranteed or warranted. Actual costs may vary. You should allow a contingency in addition to estimated costs.

Section 3: Your Responsibilities

3.1 You will provide us with prior geotechnical and other reports, specifications, plans, and information to which you have access about the site. You agree to provide us with all plans, changes in plans, and new information as to site conditions until we have completed our work.

3.2 You will provide access to the site. In the course of our work some site damage is normal even when due care is exercised. We will use reasonable care to minimize damage to the site. We have not included the cost of restoration of normal damage in the estimated charges.

3.3 You agree to provide us, in a timely manner, with information that you have regarding buried objects at the site. We will not be responsible for locating buried objects at the site unless we accept that duty in writing. You agree to hold us harmless from claims, damages, losses, and related expenses involving buried objects that were not properly marked or identified or of which you had knowledge but did not timely call to our attention or correctly show on the plans you or others on your behalf furnished to us.

3.4 You will notify us of any knowledge or suspicion of the presence of hazardous or dangerous materials in a sample provided to us. You agree to provide us with information in your possession or control relating to contamination at the work site. If we observe or suspect the presence of contaminants not anticipated in our Agreement, we may terminate our work without liability to you or to others, and we will be paid for the services we have provided.

3.5 Neither this Agreement nor the providing of services will operate to make us an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous materials. You agree to hold us harmless and indemnify us from any such claim or loss.

3.6 Monitoring wells are your property, and you are responsible for their permitting, maintenance, and abandonment unless we accept that duty in writing.

3.7 You agree to make disclosures required by law. In the event you do not own the site, you acknowledge that it is your duty to inform the owner of the discovery or release of contaminants at the site. You agree to hold us harmless and indemnify us from claims related to disclosures made by us that are required by law and from claims related to the informing or failure to inform the site owner of the discovery of contaminants.

Section 4: Reports and Records

4.1 Unless you request otherwise, we will provide our report in an electronic format.

4.2 Our reports, notes, calculations, and other documents and our computer software and data are instruments of our service to you, and they remain our property but are subject to a license to you for your use in the related project for the purposes disclosed to us. You may not transfer our reports to others or use them for a purpose for which they were not prepared without our written approval. You agree to indemnify and hold us harmless from claims, damages, losses, and expenses, including attorney fees, arising out of such a transfer or use. At your request, we will provide endorsements of our reports or letters of reliance, but only if the recipients agree to be bound by the terms of our agreement with you and only if we are paid the administrative fee stated in our then current Schedule of Charges.

4.3 Because electronic documents may be modified intentionally or inadvertently, you agree that we will not be liable for damages resulting from change in an electronic document occurring after we transmit it to you.

4.4 If you do not pay for our services in full as agreed, we may retain work not yet delivered to you and you agree to return to us all of our work that is in your possession or under your control.

4.5 Samples and field data remaining after tests are conducted and field and laboratory equipment that cannot be adequately cleansed of contaminants are and continue to be your property. They may be discarded or returned to

you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

4.6 Electronic data, reports, photographs, samples and other materials provided by you or others may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

Section 5: Compensation

5.1 You will pay for services as agreed upon or according to our then current Schedule of Charges if there is no other written agreement as to price. An estimated cost is not a firm figure. You agree to pay all sales taxes and other taxes based on your payment of our compensation. Our performance is subject to credit approval and payment of any specified retainer.

5.2 You will notify us of billing disputes within 15 days. You will pay undisputed portions of invoices on receipt. You agree to pay interest on unpaid balances beginning 30 days after invoice dates at the rate of 1.5% per month, or at the maximum rate allowed by law.

5.3 If you direct us to invoice another, we will do so, but you agree to be responsible for our compensation unless you provide us with that person's written acceptance of all terms of our Agreement and we agree to extend credit to that person and to release you.

5.4 Your obligation to pay for our services under this Agreement is not contingent on your ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of lawsuit in which we are not involved, your successful completion of a project, receipt of payment from another, or any other event. No retainage will be withheld.

5.5 If you do not pay us within 60 days of invoice date, you agree to reimburse our expenses, including but not limited to attorney fees, staff time, and other costs of collection.

5.6 You agree to compensate us in accordance with our fee schedule if we are asked or required to respond to legal process arising out of a proceeding related to the project and as to which we are not a party.

5.7 If we are delayed by factors beyond our control, or if project conditions or the scope or amount of work change, or if changed labor union conditions result in increased costs, decreased efficiency, or delays, or if the standards or methods change, we will give you timely notice and we will receive an equitable adjustment of our compensation. If you and we do not reach agreement on such compensation within 30 days of our written application, we may terminate without liability to you or others.

5.8 If you fail to pay us within 60 days following invoice date, we may consider the default a total breach of our Agreement and, at our option, terminate our duties without liability to you or to others.

5.9 In consideration of our providing insurance to cover claims made by you, you hereby waive any right of offset as to fees otherwise due us.

Section 6: Disputes, Damage, and Risk Allocation

6.1 Each of us will exercise good faith efforts to resolve disputes without litigation. Such efforts will include, but not be limited to, a meeting(s) attended by each party's representative(s) empowered to resolve the dispute. Before either of us commences an action against the other, disputes (except collections) will be submitted to mediation.

6.2 Neither of us will be liable for special, incidental, consequential, or punitive damages, including but not limited to those arising from delay, loss of use, loss of profits or revenue, loss of financing commitments or fees, or the cost of capital.

6.3 We will not be liable for damages unless suit is commenced within two years of the date of injury or loss or within two years of the date of substantial completion of our services, whichever is earlier. We will not be liable unless you have notified us of the discovery of the claimed breach of contract, negligent act, or omission within 30 days of the date of discovery and unless you have given us an opportunity to investigate and to recommend ways of mitigating damages. You agree not to make a claim against us unless you have provided us at least 30 days prior to the institution of any legal proceeding against us with a written certificate executed by an appropriately licensed professional specifying and certifying each and every act or omission that you contend constitutes a violation of the standard of care governing our professional services.

6.4 For you to obtain the benefit of a fee which includes a reasonable allowance for risks, you agree that our aggregate liability for all claims will not exceed the fee paid for our services or \$50,000, whichever is greater. If you are unwilling to accept this allocation of risk, we will increase our aggregate liability to \$100,000 provided that, within 10 days of the date of our Agreement, you provide payment in an amount that will increase our fees by 10%, but not less than \$500, to compensate us for the greater risk undertaken. This increased fee is not the purchase of insurance.

6.5 You agree to indemnify us from all liability to others in excess of the risk allocation stated above and to insure this obligation.

6.6 The prevailing party in any action relating to this Agreement shall be entitled to recover

its costs and expenses, including reasonable attorney fees, staff time, and expert witness fees.

6.7 The law of the state in which our servicing office is located will govern all disputes. Each of us waives trial by jury. No officer or employee acting within the scope of employment shall have individual liability for his or her acts or omissions, and you agree not to make a claim against individual employees.

Section 7: General Indemnification

7.1 We will indemnify and hold you harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by our negligent acts or omissions or those negligent acts or omissions of persons for whom we are legally responsible. You will indemnify and hold us harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by your negligent acts or omissions or those negligent acts or omissions of persons for whom you are legally responsible.

7.2 To the extent it may be necessary to indemnify either of us under Section 7.1, you and we expressly waive, in favor of the other only, any immunity or exemption from liability that exists under any worker compensation law.

7.3 You agree to indemnify us against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by you or by others on your behalf.

Section 8: Miscellaneous Provisions

8.1 We will provide a certificate of insurance to you upon request. Any claim as an Additional Insured shall be limited to losses caused by our sole negligence.

8.2 You and we, for ourselves and our insurers, waive all claims and rights of subrogation for losses arising out of causes of loss covered by our respective insurance policies.

8.3 Neither of us will assign nor transfer any interest, any claim, any cause of action, or any right against the other. Neither of us will assign or otherwise transfer or encumber any proceeds or expected proceeds or compensation from the project or project claims to any third person, whether directly or as collateral or otherwise.

8.4 Our Agreement may be terminated early only in writing. We will receive an equitable adjustment of our compensation in the event of early termination.

8.5 If a provision of this Agreement is invalid or illegal, all other provisions shall remain in full force and effect.