



Daikin Preventive Maintenance Agreement

Plum Borough School District
Pivik Elementary School
151 School Road
Plum, PA 15239

Prepared for:

Bob Holleran
Facility Management Office
Plum Boro School District
900 Elicker Road
Plum, PA 15239

September 1, 2015

Prepared by:

Jack Keane
Service Sales Representative
650 Seco Road
Monroeville, Pa 15146





Daikin Preventive Maintenance Agreement

Daikin Applied is pleased to provide a service and maintenance program solution for the equipment located in the referenced facilities. Protecting this important and expensive equipment will help insure proper operation and comfort while insuring expected life expectancy. The following summary is an executive overview and not meant to be a contract document.

PROGRAM OVERVIEW:

The owner is requesting a preventive maintenance program which will provide for the ongoing routine inspection, maintenance of the covered equipment. Providing timely inspection and early discovery of deficiencies will minimize or prevent un-scheduled down-time. Scheduled factory recommended maintenance will insure operating efficiencies and maximum equipment life. Repairs by trained technicians keep the equipment as designed and built.

Just as important is owner operator knowledge. During equipment inspections, Daikin Applied recommends the owner to participate so they can recognize small problems early and the ability to properly operate the equipment will minimize service outages and insure owner satisfaction.

SCHEDULED MAINTENANCE:

During normal working hours Daikin Applied Americas Inc. will provide routine inspection and preventive maintenance on the equipment described in the "Equipment Schedule" of this Agreement.

PERSONNEL:

Daikin Applied will perform all services using factory-trained technicians who specialize in HVAC, refrigeration and electronic system maintenance and repair service.

EMERGENCY SERVICE RESPONSE:

Emergency service will be available on 24-hour priority basis as an additional service on a time and materials basis.

EQUIPMENT REPAIR:

Daikin Applied will perform all services during its regular working hours unless otherwise specified. Any services requested or agreed to by Customer that are outside the Scope of Work will be performed by Company at an additional cost. Company will invoice such services at a special service and repair billing rate at Company's published labor rate for the service area.

ADDITIONAL SERVICES:

Additional services will be furnished upon request and proper authorization from the customer. All additional services will be invoiced by us and payable by the customer.

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We will provide a detailed report of the services performed on each inspection. This report will include equipment log readings taken during inspection, condition of equipment, recommended repairs and/or services performed.

Scope of Services:

Equipment Schedule

Equipment	Qty	Manufacturer	Model #	Serial #
Scroll Chiller	1	McQuay	AGZ130D	STNU120300253

McQuay Service will perform the tasks detailed below, as applicable;

SCROLL CHILLER

PREASON PREVENTATIVE MAINTENANCE SERVICES - Once per year, McQuayService will perform a thorough preventative maintenance overview of each of the chillers listed above. The maintenance tasks performed will include the following:

- a) Perform a thorough refrigerant leak test of the entire compressor and chiller
- b) Repair any minor leaks. (Chiller disassembly & reassembly is not included.)
- c) Check condition of motor starter contacts.
- d) Tighten High voltage terminal connections.
- e) Tighten control panel terminals.
- f) Check and calibrate safety controls.
- g) Check and calibrate the operating controls.
- h) Meg compressor motor windings.
- i) Replace oil filter and oil filter gaskets as required.
- j) Tighten oil heater leads.
- k) Check oil sump and casting heaters.
- l) Check operation of the Gate rotors.
- m) Change the compressor oil as indicted by the results of the oil testing
- n) Change refrigerant filter dryer as dictated by the results of the chiller inspection.
- o) Furnish nitrogen, oil filter driers, and gaskets as required.
- p) Pressure wash the air-cooled condensers or brush clean the tubes with water cooled condensers.
- q) Evaluate data and provide the owner with a written report detailing our finding, any adjustments made and recommendations for repairs and upgrades that will enhance the equipment's reliability and energy efficiency.
- r) Review the results with the owner's representative.

SEASONAL START UP (To be combined with Preseason Services)

- a) Review chiller design conditions and adjust water flow through the condenser and chiller vessels to coincide with factory specifications.
- b) Start the centrifugal chiller and observe operating parameters and compare them to design conditions. Make minor component adjustments to attain optimum operating efficiency.
- c) Monitor the operation of the chiller using the chiller automation system.

- d) Adjust and calibrate the controls as required.
- e) Compile an operating log from the computerized control panel.
- f) Check refrigerant and oil levels.
- g) Check starter operation, voltage and current. Compare them to the chiller's load profile and evaluate performance.
- h) Evaluate data and provide the owner with a written report detailing our findings, any adjustments made and recommendations for repairs and upgrades that will enhance the equipment's reliability and energy efficiency.
- i) Review the results with the owner's representative.

SCHEDULED PREVENTATIVE MAINTENANCE – McQuayService will provide Two (2) scheduled operating inspections annually. In order for the unit to be serviced, the chiller must be put into operation at the time the services are rendered. The tasks performed will include:

- a) Review owner's operator log, and check the chiller automation panels fault history.
- b) Evaluate system performance.
- c) Check the chiller's pumps and condenser fans operation.
- d) Inspect the chillers critical operating parameters such as flow and temperatures. Adjust and calibrate them as necessary to bring them back to design conditions.
- e) Leak check chiller.
- f) Compile an operating log by utilizing the computerized control panel.
- g) Check refrigerant and oil levels.
- h) Check starter operation, voltage and current. Compare them to the chiller's load profile and evaluate performance.
- i) Evaluate data and provide the owner with a written report detailing our findings, any adjustments made and recommendations for repairs and upgrades that will enhance the equipment's reliability and energy efficiency.
- j) Review the results with the owner's representative.

SHUTDOWN INSPECTION

- a) Shut down pumps.
- b) Check freeze protection including the evaporator and piping heaters.
- c) Check the glycol content
- d) Check the operation of the crankcase heaters on all of the units.

Daikin Applied will perform the following services pursuant to the Terms of this Agreement:

Exceptions and additions:

With the acceptance of this proposal Daikin Applied is pleased to make you a preferred contract customer.

As a preferred contract customer Daikin Applied offers you the following:

- A discounted rate of list -10% on labor outside the scope of this contract.
- A discounted rate of list -10% on Daikin Parts.
- Priority service over non-contract customers.

Priority emergency service and repairs are provided 24 hours a day 7 days a week as an additional service on a billable basis.

Daikin Applied will perform no work outside the scope of this contract without prior approval by the customer.

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People and ideas you can trust.™

Pricing and Acceptance:

Bob Holleran
Facility Management Office
Plum Boro School District
900 Elicker Road
Plum, PA 15239

Site Address:
151 School Road
Plum, PA 15239

Daikin Preventive Maintenance Agreement

This Service Agreement consists of the pages beginning with the title page entitled "Daikin Preventive Maintenance Agreement," the consecutively numbered pages immediately following such title page, and includes and ends with the Daikin Applied Terms and Conditions.

Daikin Applied agrees to inspect and maintain the Covered Equipment hereof according to the terms of this Service Agreement, including the "Terms and Conditions," and "Scope of Services" sections hereof. Daikin Applied agrees to give preferential service to Customer over non-contract customers.

Year 1	\$4,212.00
Year 2	\$4,344.00
Year 3	\$4,476.00

Term:

Payment is semiannually in advance

The initial term of this Service Agreement shall be three (3) years, effective 9/1/2015 provided that Daikin Applied will have no obligation to Customer prior to execution of this Service Agreement in the space provided below by an authorized representative of Daikin Applied.

Following expiration of the initial term on 8/31/2018, this Agreement shall renew automatically for successive periods of 1 year until terminated as provided herein.

This Agreement is subject to Customer's acceptance of the attached Daikin Applied Terms and Conditions.

SUBMITTED BY: Jack Keane

Proposal Date: 9-1-2015

Jack Keane

Account Manager

CUSTOMER ACCEPTANCE

Daikin Applied Acceptance

Authorized Representative

Authorized Representative

Print Name

Print Name

Title

Title

Acceptance Date

Signature Date

Purchase Order

Pricing is firm for thirty (30) days.
Billing will be annually in advance and due upon invoice.
Pricing and acceptance are based upon the Terms & Conditions, which are attached.
This proposal is being submitted by Daikin Applied Americas, Inc. (hereinafter also referred to as "Daikin Applied")

TERMS & CONDITIONS

1. This Standard Service Proposal or Maintenance Agreement (hereinafter sometimes referenced as "Agreement"), upon acceptance by the Customer, is made solely on the terms and conditions hereof, notwithstanding any additional or conflicting conditions that may be contained in any purchase order or other form of Customer, all of which additional or conflicting terms and conditions are hereby rejected by Daikin Applied. Further, you acknowledge and agree that any purchase order issued by you in accordance with this Agreement will only establish payment authority for your internal accounting purposes. Any such purchase order will not be considered by us to be a counteroffer, amendment, modification, or other revision to the terms of this agreement. No waiver, alteration or modification of the terms and conditions herein shall be valid unless made in writing and signed by an authorized representative of Daikin Applied.
2. This Maintenance Agreement or Standard Service Proposal is subject to acceptance by the Customer within 30 days from date show on the quote, unless specified otherwise. Prices quoted are for services, labor, and material as specified in this Proposal. If acceptance of this Maintenance Agreement or Standard Service Proposal is delayed or modified, prices are subject to adjustment.
3. Terms of payment are subject at all times to prior approval of Daikin Applied's credit department. Terms of payment are net upon receipt of invoice unless previously otherwise agreed in writing. Should payment become more than 30 days delinquent, Daikin Applied may stop all work under this Agreement or terminate this Agreement with five (5) days written notice to Customer. Daikin Applied reserves the right to add to any account outstanding more than 30 days interest at 1 ½% per month or the highest rate allowed by law. In the event of default in payment, Customer agrees to pay all costs of collection incurred by Daikin Applied including, but not limited to, collection agency fees, attorney fees and court costs. Additional services may be performed upon request at a price to be determined, subject to these Terms and Conditions.
4. In the event that Daikin Applied determines, during the first thirty (30) days of any Maintenance Agreement or upon seasonal start-up (discovery period) that any equipment covered under this Agreement in need of repair and/or replacement, Daikin Applied shall inform Customer of the equipment condition and remedy. Daikin Applied shall not be responsible for the present or future repair and/or replacement or operability of any specific equipment; until such time as the equipment is brought up to an acceptable condition or the Customer removes the unacceptable system(s), component(s), or part(s) from this contract.
5. Any Maintenance Agreement price is subject to adjustment once each calendar year, effective on the anniversary date, for changes in labor, subcontractor and material costs. The customer shall receive forty-five (45) days prior written notice of such adjustment unless specifically excluded otherwise in writing.
6. A Maintenance Agreement may be terminated: (i) by either party upon the anniversary date hereof; provided however, that written notice of such termination must be given to the non-terminating party at least thirty (30) days prior to the anniversary date; (ii) by Daikin Applied upon five (5) days prior written notice to Customer, in the event that any sums or monies due or payable pursuant to this Agreement are not paid when due or in the event that additions, alterations, repairs or adjustments are made to the system or equipment without Daikin Applied's prior approval; (iii) by either party, in the event that the other party commits any other material breach of this Agreement and such breach remains uncured for ten (10) business days, after written notice thereof. If a Maintenance Agreement is terminated for any reason, other than a material breach by Daikin Applied, Customer shall pay, in addition to all sums currently due and owing, the entire remaining balance due for the term of the Maintenance Agreement, or an amount equal to time and materials expended for the year, whichever is less. Notices required hereunder shall be sent via Certified U.S. Mail, Return Receipt Requested and provided that such notice is postmarked by the required date, such notice shall be deemed properly given.
7. Unless Customer provides appropriate documentation of tax exemption, Customer shall pay Daikin Applied, in addition to the contract price, the amount of all excise, sales, use, privilege, occupation or other similar taxes imposed by the United States Government or any other National, State or Local Government, which Daikin Applied is required to pay in connection with the services or materials furnished hereunder. Customer shall promptly pay invoices within 30 days of receipt. Should payment become more than 30 days delinquent, Daikin Applied may stop all work under this Agreement or terminate this Agreement as set forth in paragraph 6 herein above.
8. Any and all costs, fees and expenses arising from or incurred in anticipation of any federal, state, county, local or administrative statute, law, rule, regulation or ordinance (collectively "Governmental Regulations") directly or indirectly requiring that refrigerant other than the type of refrigerant currently being utilized in connection with the equipment subject to this Agreement be used, shall be borne solely by Customer. In this regard, Daikin Applied shall not be required to bear any expense in connection with the modification, removal, replacement or disposal of any refrigerant in response to any Governmental Regulation designed to reduce or eliminate the alleged environmental hazards associated with the refrigerant.
9. The contract price stated herein is predicated on the fact that all work will be done during regular working hours of regular working days unless otherwise specified. If for any reason Customer requests that work be performed other than during regular working hours or outside the scope of services specified hereunder, Customer agrees to pay Daikin Applied any additional charges arising from such additional services, including but not limited to premium pay, special freight or other fees or costs associated therewith.
10. Customer shall be responsible for all costs, expenses, damages, fines, penalties, claims and liabilities associated with or incurred in connection with any hazardous materials or substances, including but not limited to asbestos, upon, beneath, about or inside Customer's equipment or property. Title to, ownership of, and legal responsibility and liability for any and all such hazardous materials or substances, shall at all times remain with Customer. Customer

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shall be responsible for the removal, handling and disposal of all hazardous materials and substances in accordance with all applicable Governmental Regulations. Customer shall defend, indemnify, reimburse and hold harmless Daikin Applied and its officers, directors, agents, and employees from and against any and all claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties (including without limitation, attorneys' fees and expenses) suffered or incurred by any such indemnified parties, based upon, arising out of or in any way relating to exposure to, handling of, or fees and expenses) suffered or incurred by any such indemnified parties, based upon, arising out of or in any way relating to exposure to, handling of, or disposal of any hazardous materials or substances, including but not limited to asbestos, in connection with the services performed hereunder. Daikin Applied shall have the right to suspend its work at no penalty to Daikin Applied until such products or materials and the resultant hazards are removed. The time for completion of the work shall be extended to the extent caused by the suspension and the contract price equitably adjusted. Daikin Applied reserves the right to engage others in a subcontractor status to perform the work hereunder.

11. Customer agrees to provide Daikin Applied personnel with the usual required utilities (water, electricity, compressed air, etc.) and special tools and equipment normally used for such services unless restricted specifically in the quote. Customer agrees to ensure that sufficient service access space is provided. Daikin Applied shall not be held liable for failure or damage to any equipment caused by power interruptions, single phasing, phase reversal, low voltage, or other deficiencies beyond the control of Daikin Applied.
12. This agreement does not include responsibility for design of the system (unless specifically included), obsolescence, electrical power failures, low voltage, burned-out main or branch fuses, low water pressure, vandalism, misuse or abuse of the system(s) by others (including the Customer), negligence of the system by others (including the Customer), failure of the Customer to properly operate the system(s), or other causes beyond the control of Daikin Applied.
13. In the event that Daikin Applied is required to make any repairs and/or replacements or emergency calls occasioned by the improper operation of the equipment covered hereby, or any cause beyond Daikin Applied's control, Customer shall pay Daikin Applied for the charges incurred in making such repairs and/or replacements or emergency calls in accordance with the current established Daikin Applied rates for performing such services.
14. Daikin Applied shall not in any event be liable for failure to perform or for delay in performance due to fire, flood, strike or other labor difficulty, act of God, act of any Governmental Authority or of Customer, riot, war, embargo, fuel or energy shortage, wrecks or delay in transportation, inability to obtain necessary labor, materials, or equipment from usual sources, or due to any cause beyond its reasonable control. In the event of delay in performance due to any such cause, the date of delivery or time of completion will be extended by a period of time reasonably necessary to overcome the effect of such delay. If the materials or equipment included in this Proposal become temporarily or permanently unavailable for reasons beyond the control of Daikin Applied, Daikin Applied shall be excused from furnishing said materials or equipment and be reimbursed for the difference between cost of materials or equipment unavailable and the cost of an available reasonable substitute.
15. Daikin Applied shall not in any event be liable to the Customer or to third parties for any incidental, consequential, indirect or special damages, including but not limited to, loss of production, loss of use or loss of profits or revenue arising from any cause whatsoever including, but not limited to any delay, act, error or omission of Daikin Applied. In no event will Daikin Applied's liability for direct or compensatory damages exceed the payment received by Daikin Applied from customer under the instant agreement.
16. Daikin Applied extends the manufacturer's warranties on all parts and materials and warrants labor to meet industry standards for a period of thirty (30) days from the date performed, unless a longer duration is expressly stated elsewhere in this Agreement. Daikin Applied expressly limits its warranty on Customer's Equipment to cover only that portion of Equipment which had specific service work done by Daikin Applied. These warranties do not extend to any Equipment or service which has been repaired by others, abused, altered, or misused, or which has not been properly maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR SPECIFIC PURPOSE, WHICH ARE HEREBY SPECIFICALLY DISCLAIMED.
17. Each of us agrees that we are responsible for any injury, loss, or damage caused by any negligence or deliberate misconduct of our employees or employees of our subcontractors. If any of our employees or those of our subcontractors, cause any injury, loss or damage in connection with performing their duties under this agreement, the responsible party will pay for all costs, damages, and expenses, which arise. Each of us agrees to defend and hold harmless the other party, its officers, directors and employees, from and against all claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from the performance of work hereunder, to the extent that such claim, damage, loss, or expense is caused by an active or passive act or omission of the indemnifying party or anyone directly or indirectly employed by that party, or anyone for whose acts that party may be liable.
18. This Agreement shall be binding upon and inure to the benefit of each party's respective successors, assigns and affiliates. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.