



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM



Date: October 10, 2023

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Deputy City Manager  
Megan E. Schubert, Assistant City Manager  
Rob Maleszyk, Chief Financial Officer  
Dee Ann Irby, Controller  
Frank Nastasi, Police Chief  
Kurt Bovensiepe, Public Works Director  
Dennis Trantham, Deputy Public Works Director  
Emily Frontera, Purchasing Manager

Subject: Standard Purchasing Resolution 4: Oakland County Extended Purchasing Contract – Police Department Domestic Hot Water Boiler Replacement

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### **History**

- The domestic hot water boiler, tank and circulation pumps at City Hall were installed in 2003.
- The recommended replacement is a tankless hot water system.
- The tankless hot water system is projected to use 35% less energy than its equivalent in a boiler/storage tank application.
- The Return on Investment (ROI) on the incremental cost difference between a traditional boiler/storage tank system and a tankless system was performed. The ROI revealed in year 8 the additional cost will be recovered.
- Replacement of this unit was identified in the Facilities Condition Assessment and Analysis as part of the Capital Renewal Process.

### **Purchasing**

- Pricing to provide the labor, materials and equipment for the Police Department Tankless Hot Water System has been secured from *Limbach Inc.* of *Pontiac, MI* through the Oakland County Extended Purchasing Contract #009746 as detailed in the attached Proposal #KB091423B.
- City Council authorized participation in the Cooperative Purchasing Programs on November 14, 2022 (Resolution #2022-11-157).

### **Financial**

Funds are budgeted and available in the Police Department Capital Fund under project number 2024C0008 for the 2024 fiscal year. Expenditures will be charged to account number 401.301.11.305.975.010.

### **Recommendation**

City Management is requesting the bid process be waived and a contract be awarded to *Limbach Inc.* of *Pontiac, MI* for the Police Department Tankless Hot Water System for an estimated cost of \$110,351 per the Oakland County Extended Purchasing Contract #009746; not to exceed budgetary limitations.

City of Troy - Police  
500 West Big Beaver Road.  
Troy, MI 48084

**Sep 27, 2023**

**Project: Replace (1) Domestic Water Heater**

Limbach Co. is pleased to provide you with a proposal for the following specific scope of work, qualifications, and exclusions:

**Scope of Work:**

This proposal is based on Limbach to provide all necessary tools, equipment, materials and labor to perform the following:

- Isolate the existing boiler from power, water, gas and control wiring.
- Disconnect the existing venting, wiring, and piping from the boiler.
- Disconnect and remove the **existing water storage tank and boiler** from the space.
- Install a new **Intellihot tankless** boiler system.
- Install new PVC venting from the unit to the outdoors.
- Field fabricate the existing piping to match the new boiler.
- Insulate all new piping.
- Provide and install emergency stop switches as required.
- Dispose of all failed components.

**Also Included**

- All hoisting and rigging
- Deliveries
- Test, Check & Start for proper operations

**Qualifications**

1. It is assumed that all additional existing equipment, controls, and piping, isolation valves, ductwork, and other systems are in proper working condition and do not require repair, replacement or rehabilitation.
2. Owner to facilitate adequate access to the building during the installation.
3. All work to be performed using Union personnel.
4. Limbach's proposal is subject to a thorough review of scope, price, and schedule; and to mutually agreeable terms and conditions of the contract.
5. **This proposal is valid for seven (7) days and is subject to the attached Terms & Conditions. If this proposal meets with your approval, please sign and return one (1) copy of this letter.**
6. **Credit card transactions are subject to an additional 2.75% fee**
7. **Any and all lead times are estimates and are subject to change due to supply chain and/or shipping delays.**

926 FEATHERSTONE ROAD  
PONTIAC, MI 48342

**P: 248-391-1411 | F: 248-975-5860 | [limbachinc.com](http://limbachinc.com)**

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**8. Pricing per Oakland County Contract 009746.****Exclusions:** *(Other than stated in the above scope of work)*

1. Removal or relocation of conflicting services, utilities, lights, or sprinklers.
2. Other repairs needed that are found on the existing system during the installation.
3. Temporary utilities or HVAC.
4. **Pad extension/concrete work**
5. **Expansion tank**
6. **Painting**

**Total Investment for the above scope of work - \$110,351.00**

Respectfully submitted,



**Kyle Bradley**  
**Service Sales Representative**  
**(248) 866-2379**  
**Kyle.Bradley@limbachinc.com**

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**Proposal# KB091423B**

This proposal is valid for 7 days from the date listed above. ALL labor is to be performed during normal business hours of Monday - Friday 7:00 am to 3:30 pm, unless specifically noted in this contract. Upon execution as provided below, this agreement, including the following pages attached hereto (collectively the "Agreement"), shall become a binding and enforceable agreement against both parties hereto. Customer, by execution of this Agreement, acknowledges that it has reviewed and understands the attached terms and conditions and has the authority to enter into this Agreement.

Approved by:

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Signature

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Date

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Print Name

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**PROJECT AGREEMENT TERMS AND CONDITIONS****pg. 1 of 2**

The following terms and conditions are incorporated into and made a part of the agreement between Contractor and Customer (the "Agreement"):

1. Customer shall permit Contractor free and timely access to areas and equipment, and allow Contractor to start and stop the equipment as necessary to perform required services. All planned work under this Agreement will be performed during the Contractor's normal working hours. Customer will provide to Contractor reasonable means of access to the equipment, including removal, replacement, or refinishing of the building structure required.

2. Contractor shall repair or replace any of the Work performed by Contractor or its subcontractors which is proven to be defective in quality of material or workmanship within one (1) year from the date of beneficial use by the Customer, or from the date of acceptance, whichever is the earlier, provided Contractor has been given prompt, written notice of any such defects. If any replacement part or item of equipment proves defective, Contractor will extend to Customer the benefits of any warranty Contractor has received from the manufacturer. Removal and reinstallation of any equipment or materials repaired or replaced under a manufacturer's warranty will be at Customer's expense and at the rates in effect. CONTRACTOR MAKES NO OTHER WARRANTIES, EXCEPT AS DESCRIBED HEREIN, AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

3. TERMS OF PAYMENT: 1/3 upon approval of the proposal, progress billings, and balance due 30 days from the final invoice. Material and equipment furnished under this proposal shall remain the property of the seller until final payment has been received. In addition, if Contractor does not receive payment of a properly submitted invoice within thirty (30) days, Customer shall pay a late charge on the balance outstanding at the lesser of (a) 1 ½% per month or (b) the highest rate allowed by law, in each case compounded monthly to the extent allowed by law.

4. If at the time the order is placed, the cost of raw materials should exceed 5% over the original estimate, the additional cost will be added to the total investment price.

5. Customer shall be responsible for all taxes applicable to the services and/or materials hereunder. The amount of any taxes for which Contractor may become liable for or in connection with its performance under this Agreement shall be in addition to the amount of the Agreement.

6. In the event Customer requests that Contractor perform work beyond the Scope of this Agreement, the cost of materials and labor will become an extra charge (fixed price amount to be negotiated or performed by Contractor on a time-and-material basis at Contractor's rates then in effect.)

7. In the event that Contractor must commence any action against Customer to recover amounts due hereunder, Customer shall reimburse Contractor for its attorney's fees and court costs associated with such action.

8. In the event of a breach by Contractor of the terms of this Agreement, or in the event Customer incurs any liability in connection with the performance of the Work by Contractor, Customer's sole and exclusive remedy against Contractor shall be for Contractor to repair or replace the Work in accordance with the warranty or, if such Work cannot be repaired or replaced, to refund to Customer the amount paid to Contractor under this Agreement, not to exceed Customer's direct damages caused by such breach or liability. Notwithstanding the foregoing, in no event shall the liability of Contractor in connection with the Work, whether by reason of breach of contract, tort (including negligence), statute or otherwise exceed the amount paid by Customer to Contractor for the Work. UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), EQUITY, OR OTHERWISE, WILL CONTRACTOR BE RESPONSIBLE OR LIABLE FOR DAMAGES ARISING FROM LOSS OF USE, LOSS OF BUSINESS AND/OR PROFIT, INCREASED OPERATING OR MAINTENANCE EXPENSE, CLAIMS OF CUSTOMER'S CLIENTS OR TENANTS, OR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, ARISING OUT OF ITS PERFORMANCE UNDER THIS AGREEMENT, EVEN IF CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Any action against the Contractor relating to this Agreement, or the breach thereof, must be commenced within one (1) year from the date of the work.

9. Contractor shall not be liable for any delay, loss, damage or detention caused by acts or circumstances beyond its control including, without limitation, unavailability of labor, machinery, equipment or materials, delay of carriers, strikes, including those by Contractor's employees, lockouts, civil or military authority, priority regulations, insurrection or riot, war, acts of terrorism, action of the elements, forces of nature, or by any cause beyond its control.

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**PROJECT AGREEMENT TERMS AND CONDITIONS****pg. 2 of 2**

10. Contractor shall not be liable for any claim, damage, loss, or expense nor for injuries to persons, or damage to property. To the fullest extent permitted by law, Customer shall indemnify and hold harmless Contractor, its agents and employees from and against all claims, liabilities, damages, losses and expenses (including but not limited to attorneys' fees) arising out of or resulting from the performance of work hereunder or any act or omission arising out of or related to this Agreement, provided that such claim, damage, loss or expense is caused in whole or in part by an active or passive act or omission of Customer; anyone directly or indirectly employed by Customer, or anyone for whose acts Customer may be liable, regardless of whether it is caused in part by the negligence of Contractor.

11. Customer shall make available to Contractor's personnel all pertinent Material Safety Data Sheets (MSDS) pursuant to OSHA's Hazard Communication Standard Regulations.

Contractor's obligation under this proposal and any subsequent contract does not include the disposal of used oil and/or refrigerant (contaminated or otherwise). Customer shall be solely responsible for the proper disposal of all oil and/or refrigerant in accordance with the applicable laws, rules and regulations.

12. Contractor's obligation under this proposal and any subsequent contract does not include the identification, abatement or removal of asbestos, mold or any other toxic or hazardous substances, hazardous wastes or hazardous materials. In the event such substances, wastes and materials are encountered, Contractor shall have the right thereafter to suspend its work until such substances, wastes 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 Agreement price equitably adjusted. Customer shall defend, indemnify, and hold harmless Contractor for any claims, liabilities, damages, losses and expenses related to such substances, wastes and materials, including the failure to identify or notify Customer of such substances, wastes and materials.

Contractor expressly disclaims any and all responsibility and liability for the indoor air quality of the Customer's facility, including without limitation, injury or illness to occupants of the facility or third parties, or any damage to the Customer's facility, arising out of or in connection with Contractor's work under this Agreement, including without limitation any illness, injury, or damage resulting in any manner from any fungus(es) or spore(s), any substance, vapor or gas produced by or arising out of any fungus(es) or spore(s), or any material, product, building component or structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s).

13. In the event that Customer cancels or terminates this Agreement for any reason, other than a material breach by Contractor, Customer shall pay Contractor for all Services performed through the date of termination, plus cancellation charges and reasonable overhead and profit.

14. This Agreement, including the Terms and Conditions, constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof and can be amended only by an agreement, in writing, signed by all parties hereto. This Agreement shall not be assignable by Customer without the express prior written consent of Contractor. This Agreement shall be governed by and construed in accordance with the laws of the State where the Work is performed, without giving effect to that State's conflicts of laws principles.

**- - - END OF TERMS AND CONDITIONS - - -**

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