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March 16, 2011

Mr. Chris Atherton Harrison County 1801 23<sup>rd</sup> Avenue Gulfport, Ms. 39501-2902

Re: HVAC Reliability-Centered-Maintenance Services

Dear Sir,

Thank you for giving Geiger Heating and Air (A Hermetic Rush Service Company) the opportunity to provide this proposal for your HVAC equipment services.

We are your single- source problem solvers. We provide support capabilities for systems increased efficiency, upgrades, modernizations, remedial repairs, and when the inevitable happens, replacement. We utilize a computer system that records, stores and provides us with the information we need to perform the right task for your system(s). Our technicians have access to the best technical support and training, plus, we have national purchasing power for parts, materials, equipment and supplies.

All this means we can reduce your owning and operating cost. Through optimum equipment efficiency, reliability, investment protection, extended life expectancy of equipment, fixed maintenance cost and priority service.

The following (RCM) added valued service program is based on our survey, systems analysis of your equipment and our previous discussion. This program is custom-tailored to meet your specific needs and compliment you and your in-house staff.

thank you again for the opportunity to earn your business. We look forward to working with you.

J. Cord Williamson

# Introduction

The RCM Valued added Predictive/Preventative service program from **Geiger Heating and Air, A Hermetic Rush Company** is a one-stop solution to all your HVAC equipment needs.

If your facility is old, new, under construction or being renovated Our Reliability-Centered-Maintenance Service program will improve the efficiency of your equipment and should be given serious consideration. Our program is designed to partner with your in-house maintenance staff. Our (5) five goals are as follows:

- 1. Improving equipment effectiveness.
- 2. Improve Maintenance Efficiency and Effectiveness
- 3. Train to improve the skills of all people involved
- 4. Provide Log Documentation on each specific Asset
- 5. Eliminate unplanned downtime

Our Reliability-Centered-Maintenance partnership will protect your investment and become the one solution to all your mechanical service requirements.

# Reliability-Centered-Maintenance Features:

- Professional Proactive Maintenance
- Computerize Maintenance Scheduling
- Maintenance Service Materials
- Program Administration
- · Partnership involvement training with in-house personal
- (Care Program) Customer Assurance Reviews and Evaluations (On-going annually) Quality Assurance
- Refrigerant containment
- Tools and Test Equipment
- · Log documentation on each specific piece of equipment

Additional optional services provided by:

# Geiger Heating and Air is your best source for maintenance because:

- Professional training ensures that the job is done right the first time.
- Computerize maintenance scheduling means exactly the right maintenance is performed on time and within the budget.
- <u>National purchasing programs</u> for fast procurement of parts and components at a discount rate.
- Geiger Heating and Air <u>Reliability-Centered-Maintenance</u> programs are proven, cost-effective programs
- Our programs reduce your short and long term owning and operating cost.
- A partnership with in-house personal for equipment ownership.

# A Geiger Heating and Air valued added maintenance programs are designed to:

- Stabilize and controlled maintenance, operation and ownership cost
- Provides a fixed and budgeted cost.
- <u>Extends your systems</u> productive life
- Provides <u>efficient</u> operation 24/7 during peak operation
- Provides Investment protection
- <u>Reduces</u> risk, downtime, break downs and improves comfort, productivity and reliability.

# **Geiger Heating and Air**

Innovative Solutions for today's Environment

# **Assured Service Program Benefits**

- Professional Proactive Maintenance
- Computerized Maintenance Scheduling with all applicable log documentation on time and within budget
- Maintenance Supplies
- Program Administration
- Customer Assurance Reviews and Evaluations ( (1) time annually)
- CFC Containment
- Tools and Test Equipment
- Systems Analysis
- Operator Training
- Failure Scene Investigative Team on call 24/7

# **Professional Proactive Maintenance**

This program includes Geiger's Heating and Air. Professional Reliability-Centered- Maintenance program. Our focus is always on equipment efficiency during the operating context. Without a through and professional proactive maintenance program, your system's performance will deteriorate and your operating cost will increase.

# Computerized Maintenance Scheduling

This program includes Computerized Maintenance Scheduling for your computer air conditioning equipment. Your maintenance intervals will be determined based on the run time and your requirements as per our earlier discussion of your needs.

# **Maintenance Supplies**

This program includes all of the required supplies to effectively implement Geiger's service program. Including, belts, lubricants, Coil cleaning material and other preventive maintenance material shall be provided by Geiger Heating and Air

# **Program Administration**

This program includes local administration of the maintenance program. You will receive a detailed report on each specific unit following each visit by our technician. You stay informed without having to be involved

# **Our Service**

- Cleaning, adjustment, lubrication and calibration of all equipment.
- Operation Analysis of the systems.
- Maintenance tasks based on your equipment needs.
- Scheduling by location, operating conditions and equipment run time
- Exactly the right maintenance at the right time.
- Oils, Lubricants, Oil filter, refrigeration filters, maintenance supplies, Coil Cleaning equipment, labor brushes etc.
- Monitoring maintenance performance.
- Local Supervision
- Performance feedback
- Inventory control of parts and material
- · Reduced in-house inventory
- Updated maintenance logs data.
- Extended equipment life expectancy

# Benefits:

- · Reduces cost.
- Optimum efficiency
- Reduced system downtime during peak operation
- Protects value of equipment
- Record of preventive maintenance performed prevents unnecessary duplication of effort and unnecessary bills.
- Comprehensive plan for proactive maintenance minimizes breakdown costs and downtime.
- Optimum use of labor reduces operating cost.
- Eliminating in-house maintenance supplies minimizes administrative time.
- Eliminates inventory cost
- Properly serviced and maintained equipment helps prevent breakdowns, failures and unexpected bills.

# C.A.R.E.

This program includes Customer Assurance Reviews and Evaluations (C.A.R.E) during each review, a Geiger heating and Air Representative will go over our performance to date, review any questions or concerns, and make necessary changes to enhance our service.

## Our Service

- Receive Constant feedback
- Enhance our service
- Maintain long-term relationships
- Professional Approach
- Comprehensive Investigation
  - Proactive system management
- Expert recommendations on solving And preventing problems
- System operation improvement
- Early identification of existing and Potential problems
- On-going analysis of systems condition

## Your Benefits

Stay informed

Exceed your expectations

Maintain consistent high level Of service

Administrative control

Maximized Productivity

Maximized Productivity

Minimize loss potential

Lower operating cost

Summary of the above: Reduced System Downtime & Maximized Cost Savings

# **Plan of Action**

### First Year

- 1<sup>st</sup> week: Two weeks prior to the beginning of service agreement, Process agreement into system, establish account information.
- 2<sup>nd</sup> week: Turn over meeting. Introduce Operations Manager and assigned technicians. He will gather contact/site Information for our technicians to follow:
- 1<sup>st</sup> month: Have our technicians perform initial inspection and preventive maintenance of equipment and provide a report on condition. All tasking sheets will be complete with log documentation books.
- 1<sup>st</sup> month: Operations Manager to schedule C.A.R.E. meetings with Plant Engineer and Operators to discuss all applicable Information
- 2<sup>nd</sup> month: On track with Geiger's RCM Assured Service program.
- End of 2<sup>nd</sup> month, Customer should realize tangible results from RCM assured maintenance program.

Under our Strategic (TPM) Predictive/Preventive Service plus Programs,
Geiger Heating and Air shall provide you with a guaranteed performance based agreement entailing every aspect of professional proactive and predictive maintenance services. The program begins with a detailed equipment inventory by component. This inventory is entered into our data bank of maintenance tasking as recommended at minimum by the equipment manufacturer. This tasking is then supplemented by our own experience of equipment operation and service requirements. The program is further customized with your individual application, operating runtime and specific needs of your facility, included in the program for the attached Equipment inventory are the following:

# System Operational Analysis

Travel and jobsite labor, including vehicle expenses necessary to test Existing operation and performance characteristics of the equipment will be included. Inspections in the form of non-destructive testing, vibration & noise monitoring, chemical analysis as well as routine visual inspections will be performed, to ensure that the systems are in proper operating at Optimum efficiency and to identify any potential equipment system failures.

As customized for your system, the following inspections typify these services

## Visually Inspect the Following:

- Fan Assemblies
- Belts and Sheaves
- Motor mounts % vibration pads
- Electrical Connections & Contactors
- Heating & Cooling coils
- Filter media & racks
- Sight glass condition
- Bearings
- Heat exchanger
- Compressor section
- Condensing section
- Seals & bearings
- Condensate drains & pans
- Flame composition
- Crankcase heaters

# Physically check and/or test The Following:

- Lubrication requirements
- Oil sump, heaters, and temperatures
- Starter operation
- Water flows (if applicable)
- Alignments on couplings
- Motor operating conditions
- Suction & discharge pressures
- Flow switches operation
- Control interlocks
- Flue stack assembly
- Damper operation
- Motor voltage and amperage
- Refrigerant charge
- System leaks
- Oil and fluid levels
- Pressures & temperatures
- Outside air intakes
- Refrigerant pump down
- Chemically Cleaning of Condenser / Evaporator coils

## Our Approach to Predictive & Preventative Maintenance

**Total Performance Maintenance** working in tandem with Proactive and Predictive maintenance is performed to detect early stages of deteriorating performance and predict potential failures. These services diagnose and solve equipment problems often before they occur. Reliability-Centered-Maintenance is performed on an ongoing basis and is scheduled with little or no equipment downtime with the primary objective aimed at system durability, reliability, efficiency, and safety. As customized for your system(s) the following tasks typify these services.

#### Calibration

- Temperature Controls
- Operating & Safety Controls
- Pressure Controls
- Transmitter & Receiver Gauges
- Economizer Controls

#### **Alignment**

- Open Drive Couplings
- Belt Sheaves
- Pulleys

#### **Vibration**

- Damper Linkages
- Pumps
- Motors
- Bearings
- Vane Drivers

#### **Eddy Current Evaluation**

 Excluded in contract as an Additional cost.

#### Secure and Tighten

- Motor Terminals
- Control Terminals
- Piping Clamps
- Line Fittings
- Mounting Hardware
- Electrical Connections
- Equipment Panels and display Boards
- Motor Mounts
- Vibration Pads nuts & bolts

#### Cleaning

- Control Devices
- Electrical Contactors
- Cleaning of Condenser & Evaporator included
- Cooling Tower Basins on time & material
- Sumps & Floats
- Nozzles & Passages
- Equipment Areas

## Equipment to be maintained

### **Equipment List**

Three (3) APC Model # WADVULTRA

Frequency Bi-Monthly

### **Parts Included In Service Agreement**

Contactors

Capacitors

Fan Motors

Fan Pulleys

Fan Blades

Rain Shields

**Fuses** 

Fuse Blocks

**Terminal Blocks** 

**Dryer Filter Restrictions** 

Refrigerant Leaks (coils excluded)

Compressors

Humidifiers

Refrigerant

Valve Stems

**Pressure Switches** 

**Economizers** 

**Heating Elements** 

**Control Boards** 

Communication Boards

The list above is standard part replacements and or repairs included, but is not limited as being the only parts covered under the service agreement.

Geiger Heating and Air presupposes that all equipment is in good operating condition. Any components found to be defective or inoperative upon initial inspection will be brought to owner's attention with pricing outside the scope of work for remedial repairs until acceptance Geiger Heating and Air

#### GENERAL CONDITIONS & EXCLUSIONS

1. This agreement cannot be assigned or transferred. No amendment or variation of the terms of this agreement shall be valid unless in writing and signed by the Customer and a duly authorized representative of Geiger Heating & Air.

2. Geiger Heating & Air shall not be liable for any damages, real or consequential, resulting from delays in performance of services and shall not be responsible for any delay or failure to render the services set

fourth herein due to any causes beyond its control.

3. The Customer shall operate the equipment in accordance with the manufacturer's recommendation and promptly notify Geiger Heating & Air of any abnormal conditions.

4. Should Geiger Heating & Air fail to receive payment of any amount due it within 45 days of its invoice date, then Geiger Heating & Air shall have the right to:

(i) terminate this agreement and seek any and all remedies to recover payments due under the agreement or at law or equity, including but not limited to Attorney's fees and other cost of collection;

(ii) discontinue service to Customer, such discontinuance not constituting a default on the part of Geiger Heating & Air, and hold Customer liable for fulfillment of the contract term and amount.

No action of Geiger Heating & Air shall operate to release the liability of Customer, and any action or forbearance by Geiger Heating & Air in exercising any right or remedy shall not be a waiver or preclude the exercise of any right or remedy under this agreement of Mississippi law.

5. It is Customer's and Geiger Heating & Air's intent that this agreement be a contract for the provision of services and not a transaction of goods or sale of goods and those sections of the Uniform Commercial Code dealing with transactions in goods shall have no applications to this agreement. Any equipment, supplies or materials supplied to Customer are merely incidental to the service agreement, the predominant purpose of the agreement being the provision of services.

6. Customer agrees that it shall look solely to the value of the services provided and charged to Customer by Geiger Heating & Air. under the terms of this contract to satisfy any claim, judgment or decree against Geiger Heating & Air., and no other property or assets of Geiger Heating & Air. shall be

subject to levy, execution, judgment or decree.

This agreement is drawn to be effective in and shall be construed in accordance with the laws of the

State of Mississippi.

- 8. Geiger Heating & Air shall not be liable for damages resulting from water or any liquids, freon, or oil to roofs, ceiling, floor covering, and the like, and shall not be liable for system design or performance in maintaining design conditions except through failure of equipment specifically covered herein.
- 9. This agreement is a contract for maintenance service and original operating condition of equipment. not a guarantee against obsolescence or normal wear. Geiger Heating & Air cannot be responsible for design flaws, associated duct work, rust or deterioration, obsolescence of units or parts.
- 10. Geiger Heating & Air does not cover gas heat exchangers, boiler tubes or refractories. Geiger Heating & Air will not be liable for any damage, consequential damage or injury caused by there failure.
- 11. Condenser coils, evaporator coils, and chill water pumps are excluded under this contract. Any repairs needed will be completed at a discounted service agreement rate.
- 12. Compressor coverage limits according to age: 5 years and under 100% coverage; 5 years through 9 years 50% coverage; or 10 years and over 0% coverage.
- 13. Customer acknowledges that Geiger Heating & Air's employees are a valuable asset to Geiger. Customer agrees to pay Geiger an amount equal to 12 months of salary for each Geiger employee who worked at the Customer's facility that is then hired by the Customer at any time during the term of this Agreement and for 60 Days thereafter. In addition, the Customer agrees to reimburse Geiger for all costs associated with any training Geiger Provided to such employees during the three years before the date the Customer hires such employees.



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#### TOTAL "S.M.A.R.T." SERVICE AGREEMENT

(Scheduled Maintenance at Regular Times, plus parts and labor)

Harrison County	1801 23rd Street	Gulfport, Ms. 39501-2902	
( Customer)	(Address)	(Telephone)	
	Geiger Heating & Air referred to with the General Conditions and F	to as the Service Company, which agrees to Exclusions to Provide:	
2 annu 	ent discount off base labor rate a	nicals ntly, will notify and price will be	
condition. Geiger Heating & A to all repair requests dealing wi not have a Service Agreement.  2. Upon completion of each with a copy of the compreherecommended corrective action  3. Any additional services the material rate, less any discount	ir will respond to the Customer's than emergency service before p "S.M.A.R.T." Inspection, Geiger ensive inspection report listing at are not part of this agreement listed above.	cary to keep listed equipment in operating its request within (2) hours, plus travel time, providing service to any customer who does er Heating & Air will provide the Customer work performed, defects found and any ant, shall be billed at the prevailing time and increase upon renewal. (based on federal	
plus applicable tax per quarterly This agreement will automatica written notice.	. This Agreement is effective from	anniversary date unless we receive 30 days	
CUSTOMER ACCEPTANCE APPROVAL:	D:	Geiger Heating & Air	
Customer Signature		Geiger Heating & All	
Date		Date	