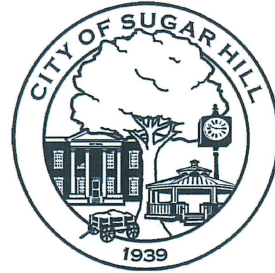


DATE: February 26, 2025  
TO: Mayor and City Council  
FROM: Assistant City Manager  
SUBJECT: HVAC Equipment Replacement: E Center



---

## RECOMMENDED ACTION

Approve the purchase of six (6) replacement HVAC units for the E Center from JC Lane at a cost of \$230,900 (plus bonds) and authorize the mayor to sign the contract for installation.

## BUDGET IMPACT

The replacement of these six (6) natural gas heat pump units that serve the gym and mixed-use portion of the facility are set to be replaced this year as a part of the 2025 – 2029 Capital Improvement Budget at an estimated cost of \$250,000.

## DISCUSSION

There are six (6) natural gas heat pumps that provide HVAC heating and cooling to the greater part of the main building at the E Center. These have exhausted the better part of their useful lives and need replacement. Rather than replacing one at a time and disrupting operations, closing travel lanes, and multiple mobilizations of cranes staff is recommending replacement en masse.

Our facilities staff, led by Tim Schick, has been tracking the aging equipment at the high-demand facility for the last several years, noting the need to program their replacement. One of the units is now in need of replacement with the others very close to the end. The E Center is a 16-hour facility, open (7) days a week with more heating and cooling demand than some single-use facilities. Unit run times are as follows:

Unit 1: 50,910 hrs

Unit 3: 44,609 hrs

Unit 4: 50,298 hrs

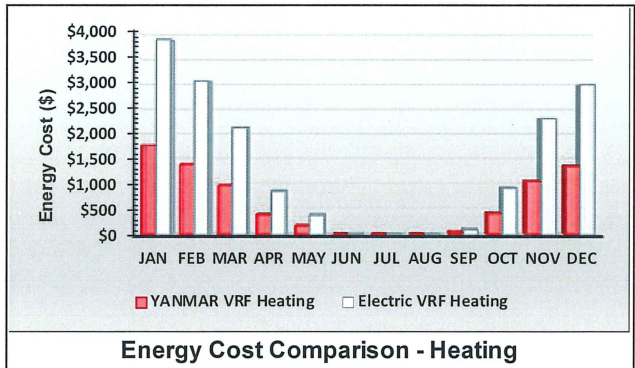
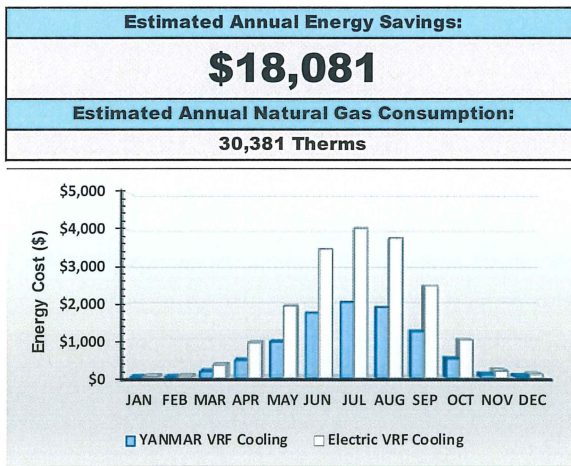
Unit 5: 50,319 hrs

Unit 6: 30,105 hrs

Unit 7: 51,910 hrs

We have seen the benefits of the natural gas heat-pump technology over the life of the units and want to replace in-kind. Some of the numbers from inception below.

Installation Cost:                   \$201,672 (2018)  
 Annual Energy Savings:         \$108,486 (2019 – 2024; over an electric only equivalent)



Proposed replacement price for six (6) Yanmar outdoor units:

1. JCLane <sup>1</sup> :	.....	\$ 230,900
2. United Maintenance Inc. (Elec.).....		\$ 297,010 *
3. United Maintenance Inc. (Gas).....		\$ No Bid
Payment & Performance Bonds:		\$ Cost
<u>New Technology Credit (MGAG):</u>		<u>(\$ 42,000)</u>
Net Cost (Low Bid NG)		\$ 188,900 + bonds

YanMar is offering the same 50,000 hour or (10) ten-year warranty and JC Lane will provide a (12) twelve-month warranty on installation.

We will also be keeping one of the units with fewer hours and issues in storage for parts.

Legal counsel has provided review of the proposed contract.

<sup>1</sup> – JC Lane is an authorized, certified installer for YanMar NGHP systems.

\* Electric Option (Requires \$15k of system upgrades included)



Two of the Yanmar Units in 2019.

*Attachment*  
*Draft Contract*

# # #

<sup>1</sup> – JC Lane is an authorized, certified installer for YanMar NGHP systems.  
\* Electric Option (Requires \$15k of system upgrades included)

## HVAC REPLACEMENT AGREEMENT

1. **PARTIES:** This contract (hereinafter referred to as "Agreement") is made and entered into on this \_\_\_ day of MARCH, 2025, by and between:

Owner: CITY OF SUGAR HILL  
5039 W. Broad Street Sugar Hill, GA 30518  
Tim Schick -Facilities Director 770-945-6716 x1210  
[tschick@cityofsugarhill.com](mailto:tschick@cityofsugarhill.com)

Contractor: JC LANE CONSULTING INC  
2055 Henderson Heights Trl Milton, GA 30004  
Chris Lane, Owner, 770-241-4519  
[chris@jclaneco.com](mailto:chris@jclaneco.com)

The project is: THE REPLACEMENT OF 6 YANMAR UNITS AT THE E CENTER

The project is located at: 5019 West Broad Street, Sugar Hill, GA 30518 (E Center)

In consideration of the mutual promises and conditions contained herein, the parties agree as follows:

2. **CONTRACT DOCUMENTS:** The following documents are incorporated by reference into this Agreement and hereby made contract documents.
- A. This Agreement
  - B. There are no additional contract documents for this project.
3. **OWNER-SUPPLIED MATERIALS:** There are no Owner furnished materials for this project.
4. **ALLOWANCES:** There are no allowances for this project.
5. **SCOPE OF WORK:** Contractor will furnish all skill, knowledge, labor, materials, equipment, tools, and related items of every kind or description required for to carry out and complete, in a good, firm, substantial and workmanlike manner, the following work: *Replacement of 6 YanMar (model #:NFZP168J-scb, BTUs: 14 tons) units (with same) on the roof of the E Center building. All units will be new, operating correctly, and communicating with existing software upon completion of work. This includes, but is not limited to: acquiring the new units, the safe removal and disconnection off all lines (gas, water, drain, electrical....) from all existing YanMar units, provide appropriate crane for removal and replacement of units, reconnect refrigerant piping, vacuum system, provide up to 35 pounds of R410a freon, start-up & test each unit, and ensure communications with existing software are re-established and working. Additionally, provide a 10 year/50,000 hour warranty on all units for parts only. The Contractor will complete all work within 5 consecutive business days from the date listed on the Notice to Proceed.*
6. **CLARIFICATIONS & EXCLUSIONS, TERMS & CONDITIONS:**  
*The contractor will follow all manufacturer's recommendations, procedures, and precautions, and is responsible for obtaining all necessary drawings, details and/or designs elements from the manufacturer. A Performance Bond and a Payment Bond will be required and are attached. Contractor is not responsible for existing conditions or materials in place, or occurrences related to same. See attached terms and conditions. All safety measures are the responsibility of the contractor.*

7. **LUMP SUM CONTRACT AMOUNT AND PAYMENT SCHEDULE:** Owner will pay Contractor the total lump sum of: **\$ 230,900.00** (Two Hundred Thirty Thousand, Nine Hundred Dollars, No Cents), according to the following schedule: 100% payment due NET 14 DAYS upon approved completion of work.

8. **CONTRACT TIME:** Since the E Center building is a mixed-used building with multiple tenants and community events/activities, the contractor acknowledges that the loss of conditioned air throughout the building is of high importance and completing the work within a timely manner is critical to restore full building operations.

A. Time of completion for all work associated with this project shall be FIVE (5) consecutive calendar days from the date of the City issued 'Notice to Proceed', tentatively scheduled for April or May of 2025.

B. The Owner and Contractor have agreed that a reasonable amount of damages for each day that the project remains incomplete after the contract time, with any time extensions added (as stated in paragraph 8C) having expired, will be \$,1000. If the work as set forth herein is not completed within the time specified, the Owner will suffer damage and loss that is difficult or impossible to accurately calculate. The Owner and Contractor agree that a reasonable amount to fully compensate the Owner for damage and loss it would incur as a result of the failure of the Contractor to complete the work in the time allowed by this Agreement shall be the sum of \$1,000 per day. The amount contained in this provision is an amount that Owner and Contractor agree is a reasonable amount to fully compensation the Owner for any damage or loss it would suffer due to delay and is intended to provide Owner with reasonable liquidated damages and is not intended as a penalty.

C. Where Contractor is prevented from completing any part of the Work within the Contract time due to weather delay(s), the Contractor shall submit a daily summary of 'rain days' to the Owner for verification and determination of contract time extension. The OWNER shall extend the contract time by 1 day for each day requested where a trace of rain, or more, has been recorded on the USGA website at station #02334578 Level Creek at Suwanee Dam Road. For any other weather related delays that may impact this project, the CONTRACTOR shall make a request stating the date, time and adverse weather conditions and their impact on the project. The OWNER shall make a reasonable determination in granting additional time for other weather related requests.

9. **MISCELLANEOUS**

A. The Contractor shall within fifteen days after the receipt of the Notice Of Award furnish the Owner with a Performance Bond and a Payment Bond in penal sums equal to the amount of the Contract Price, conditioned upon the performance by the Contractor of all undertakings, covenants, terms, conditions and agreements of the Contract Documents, and upon the prompt payment by the Contractor to all persons supplying labor and materials in the prosecution of the Work provided by the Contract Documents. Such Bonds shall be executed by the Contractor and a corporate bonding company licensed to transact such business in the state in which the Work is to be performed and named on the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Treasury Department Circular Number 570. The expense of these Bonds shall be borne by the Contractor. If at any time a surety on any such Bond is declared a bankrupt or loses its right to do business in the state in which the Work is to be performed or is removed from the list of surety companies accepted on Federal Bonds, the Contractor shall within ten days after notice from the Owner to do so, substitute an acceptable Bond (or Bonds) in such form and sum and signed by such other surety or sureties as may be satisfactory to the Owner. The cost for such Bond shall be paid by

the Contractor. No further payments by the Owner to the Contractor shall be deemed due nor shall be made until the new surety or sureties shall have furnished an acceptable Bond to the Owner.

**B.** In the event that Contractor employs or contracts with any subcontractor(s) in connection with this contract, Contractor agrees that it will secure from the subcontractor(s) such subcontractor(s') indication of the employee-number category applicable to the subcontractor and will secure from such subcontractor(s) attestation of the subcontractor's compliance with O.C.G.A. § 13-10-91 and Rule and Regulation of the State of Georgia #300-10-1-.02 by the subcontractor's execution of a subcontractor affidavit, if applicable, in the form set forth in Rule and Regulation of the State of Georgia #300-10-1-.08 or a substantially similar subcontractor affidavit, and that it will maintain records of such attestation for inspection by the City of Sugar Hill, Georgia at any time. Such subcontractor affidavit shall become a part of the contract between the Contractor and the subcontractor.

10. **WORK COMMENCEMENT AND COMPLETION TIME:** Work shall commence with ordering of materials upon execution of this Agreement. Installation shall commence on the date listed in the Notice of Proceed and shall take no more than 6 consecutive business days to complete.
11. **CHANGES IN WORK:** Owner reserves the right to make changes in the Scope of Work (increases and decreases of any kind) and alterations in material and product selections. Contractor and Subcontractors shall make no changes in the work without issuance of a written change order that is first executed by both Contractor and Owner's Representative. Owner will not pay for verbal change orders. Contractor must obtain written change orders or, at minimum, email authorization of additional fixed-price change order work **BEFORE** proceeding with any additional work or any variations in specified materials.
12. **CONFLICT OF DOCUMENTS:** N / A
13. **INDEPENDENT CONTRACTOR:** Contractor warrants that he is fully experienced, properly licensed and properly qualified as an expert to perform the work described in this agreement. Contractor shall finance its own operations and affirms that it is and shall at all times be an Independent Contractor on this project and not an agent, employee, or servant of the Owner.
14. **INSPECTION AND CORRECTION OF WORK:** The work shall at all times be subject to the inspection of the Owner and the Owner's Representative. In the event that at any time a portion of the work is reasonably determined by the Owner or the Owner's Representative to be improper, defective, or of substandard quality, Contractor shall correct and/or repair said work immediately upon being notified by Owner's Representative.
15. **INDEMNIFICATION:** Contractor (and its Agents, Subcontractors, Suppliers, etc.) agree at all times to indemnify, protect, defend, and hold the Owner harmless from all loss and damage, and against all lawsuits, arbitrations, actions, legal or administrative proceedings, claims, debts, demands, awards, fines, judgments, damages, consequential damages, liabilities, interest, attorney's fees, costs, and expenses of any kind or nature whatsoever whether they may arise before, after, or during the completion of Contractor's work under this Agreement, which are in any manner directly or indirectly caused or contributed to in whole or in part, or claimed to be caused in whole or in part through any act, omission, fault, or negligence whether active or passive of the Contractor, or anyone acting under the Contractor's direction, control, or on their behalf in connection with or incidental to work of this Agreement.
16. **ACCEPTANCE OF FINAL PAYMENT AS RELEASE:** The acceptance by the Contractor of final payment shall be and shall operate as a release to the Owner of all claims and all liability to the Contractor, other than claims attached to the final payment request by the Contractor, for all things

done or furnished in connection with the Work and for every act and neglect of the Owner, Engineer and others relating to or arising out of the Work. Any payment, however, final or otherwise, shall not release the Contractor or its sureties from any obligations under the Contract Documents or the Performance Bond and Payment Bond.

17.

18. **INSURANCE:** Before commencing work on the project, Contractor shall procure and maintain:

A. Comprehensive General Liability in occurrence form with limits of not less than \$1,000,000 per occurrence (including coverage for: products, complete operations, contractual liability, and broad form property damage).

B. Automobile liability in comprehensive form with coverage of owned, hired, and non-owned automobiles, with limits not less than \$100,000 per occurrence for bodily injury and property damage.

19. **SAFETY MEASURES:** It is the sole responsibility of the Contractor to continually operate, monitor and supervise all of its operations in a manner that meets or exceeds all statutes and regulations that establish safety requirements as established by state law.

20. **CLEANUP:** On a **DAILY BASIS**, and at his own expense, Contractor will clean up its work areas and keep them in a safe and sanitary condition on a daily basis. On a regular basis, Contractor will remove all of its debris from the site. Upon completion, Contractor will clean up worksite of all related debris.

21. **EXPRESS WARRANTY:** Contractor unconditionally guarantees that all new material supplied by Contractor will be new and of good quality (unless used materials are specified in this Agreement), and that all work performed by Contractor will be performed in a good substantial and workmanlike manner. Contractor shall warranty his work for the period of twelve months following the final acceptance of the work by the Owner. This warranty covers workmanship, and new materials, but does not warranty any existing materials or conditions, for any reason.

22. **TERMINATION FOR CAUSE/ CONTRACTOR DEFAULT:** If Contractor fails to commence or prosecute the work hereunder promptly and diligently at all times, or, in the opinion of the Owner's Representative falls significantly behind schedule, or Contractor fails in any way to perform the conditions contained within this Agreement, or any of the conditions relating to Contractors contained in this Agreement, or repeatedly fails to follow the instructions of the Owner's Representative, Contractor may be terminated for default by Owner or Owner's Representative after being given 48 hours' notice by Owner's Representative if Contractor fails to take significant steps to cure his default. Owner agrees to make payments to Contractor for all work and materials in place at time of termination in accordance with the terms of this Agreement as long as Contractor is not in default under this Agreement.

23. **LAWS AND REGULATIONS:** Contractor, its employees and representatives and Subcontractors of every tier, shall at all times comply with any applicable laws, rules and regulations, whether Federal, State or Municipal, safety, all applicable Building Codes, and the payment of all taxes and fees.

24. **DISPUTE RESOLUTION: ARBITRATION OF DISPUTES & ATTORNEY'S FEES**  
Any dispute over the dollar limit of the Small Claims Court arising out of this Agreement that is not settled by informal attempts to resolve shall be settled by mediation in good faith by both parties, and if mediation is not successful, then by litigation in Superior Court of Gwinnett County, Georgia. This Agreement shall be interpreted in accordance with the laws of the State of Georgia.

25. **ENTIRE AGREEMENT, MODIFICATION, and SEVERABILITY:** This Agreement represents the entire agreement and legal understanding of the parties. It shall be deemed to have been drafted by both parties to this Agreement.
26. **REVIEW OF AGREEMENT BY INDEPENDENT COUNSEL:** Both parties to this Agreement have been strongly advised to have this Agreement reviewed by their own attorney prior to signing it. Both parties to this Agreement have either had this Agreement reviewed by their own attorney prior to signing it or have knowingly and willingly waived their right to do so and agree to be bound by the terms of this Agreement.

DRAFT



Entered and agreed to as of the date indicated at the beginning of this agreement.

CONTRACTOR'S CORPORATE OFFICER (JC LANE CONSULTING INC.)

\_\_\_\_\_  
Signature                      Printed Name                      Title                      Date

CONTRACTOR'S CORPORATE SECRETARY (JC LANE CONSULTING INC.)

\_\_\_\_\_  
Signature                      Printed Name                      Title                      Date

[Seal]

OWNER'S REPRESENTATIVE (CITY OF SUGAR HILL)

\_\_\_\_\_  
Signature                      *Paul D. Radford*  
Printed Name                      *City Manager*  
Title                      Date

SUGAR HILL CITY CLERK (CITY OF SUGAR HILL)

\_\_\_\_\_  
Signature                      *Jane Whittington*  
Printed Name                      *City Clerk*  
Title                      Date

[Seal]

## TERMS & CONDITIONS

1. Changes in The Work:

Additional work desired by the owner shall not be commenced until an official Change Order has been drafted and executed by all parties. The additional work shall become part of the original contract, and shall be binding with regard to terms and conditions, and to payment, in accordance with the base contract.

2. Unforeseen Circumstances:

Any conditions which are not clearly visible upon inspection of the site shall not be the responsibility of the Contractor. Such conditions include, but are not limited to unsuitable soils, water damage, dry rot, pest damage, concealed rock, asbestos, hazardous materials, utilities not located or indicated on plans, or existing code violations. These and other unforeseen conditions shall not be the responsibility of the Contractor, even if discovered during the course of the Contractor's work. These items may be corrected, at the direction of the owner, with a Change Order per Item# 1.

3. Existing Conditions:

Contractor shall make every effort to match existing conditions (color, texture, style, etc.) where required, however, in the case where exact material manufacturer, style, color, or other identifying information is not available, contractor cannot guarantee an exact match to existing conditions. Variance in appearance due to age differences in existing and new materials is not the responsibility of the contractor, even if the new and old materials are the same product.

4. Construction Documents:

Work shall be completed per Construction Documents (plans and specifications), if any, provided by owner, and any approved and executed written agreements between both parties, including change orders. Any discrepancies shall be field verified. If variances are determined to exist, they shall be addressed and corrected via Change Order per Item # 1.

5. Property Rights and Restrictions:

Owner verifies, by executing this agreement, that he is the right and true owner of the property where work is conducted. Owner is solely responsible for accuracy of any and all boundary lines. Land surveys to verify any such lines are the responsibility of the owner, and are not included in the contract amount. If any easements exist, owner shall provide contractor copies of property lines of such easements prior to commencement of work.

6. Construction Schedule:

Contractor shall commence work in a timely manner after notice to proceed and executed contract are received from owner. Work shall be completed per agreed upon schedule, or in a timely fashion if no schedule is set forth. Owner shall incur costs of extra time on the project if change orders extend the schedule of work. Contractor is not responsible for delays occurring due to owner, acts of God, weather, strikes, labor disputes, material shortages, or uncontrollable forces.

7. Access & Facilities:

Owner shall provide, at no expense to the contractor, free access to work areas without obstructions, vehicle parking for contractor's crews, storage space for materials, electric power, potable water, toilet facilities, and local telephone. Contractor is not responsible for damage to items left in the areas of construction by the owner.

8. Insurance:

The contractor shall carry and maintain workman's compensation and general liability insurance during the course of all work to insure the owner against damages caused by the contractor to the owner's property as a result of the work. Proof of such insurance shall be provided to owner upon request.

9. warranty:

Contractor shall warranty all materials and workmanship for a period of one (1) year from date of substantial completion, unless manufacturer's warranties on items installed by contractor are longer than one year. The longer period governs.

10. Dispute Resolution

Any grievances arising as from this agreement or the breach thereof that cannot be resolved through good faith negotiation and/or mediation between owner and contractor, shall be settled through litigation in appropriate local court jurisdiction as agreed upon by both parties.

11. Payment:

Payments shall be processed based on percentage completion of project. Payment due within 2 weeks of invoice, unless terms are otherwise noted in this agreement. Full contract amount shall be due and payable upon completion of work, unless another payment schedule is spelled out herein.