

**City of Millwood
City Hall Building
HVAC Test and Inspect
Quarterly Service Agreement**

Proposal # 2026-142

Prepared by:

Jake Cohn

For:

City of Millwood
9103 E Frederick Ave
Spokane, WA 99206
Kyle Schiewe
(509)924-0960

24 HOUR SERVICE: 509-534-7225 / 888-621-5103

DIVCO Incorporated
715 N. Madelia
Spokane, WA 99202
Office: 509-534-7225

4/8/2026



DIVCO Service Team

Principal Owners: Jeff & Tricia Lathrop have assembled a team of industry professionals whose objective is to provide cost-effective *building comfort* for commercial customers. The team achieves that objective by offering preventive maintenance services that 1) protect the customer's investment in mechanical equipment, 2) prolong the lifecycle of the mechanical equipment, 3) reduce energy & operating costs, 4) provide outstanding tenant comfort, and 5) deliver prompt & reliable customer service.

Safety Director: As safety director, Andrew Compton is responsible for developing, training, implementing, tracking and monitoring all phases of safety protocol for DIVCO employees. This will be accomplished by following all governing regulations as dictated for the HVAC mechanical services industry.

Operations Manager: Chris Markham is responsible for all service technicians at Divco Inc. This includes hiring, training, tasking, safety, tools, and vehicles.

Account Manager: Hayden Rovegno will be your account manager. The primary responsibility of the account manager is to provide support and coordination for the execution of your service program. Your account manager is ultimately responsible for providing you with excellent customer service.

Quality Assurance: The mechanical services performed by the staff of technicians will be randomly assessed by the Operations Manager, Account Manager and the Safety Director. This assessment ensures work performed follows factory recommended maintenance procedures, industry safety standards, applicable governing regulation, in-house training directives, and any pertinent customer compliance requests.

Primary Service Technician: The primary service technician will be performing the service and repair functions for your DIVCO-related HVAC equipment whenever possible. If the primary service technician is not available, DIVCO will ensure we have other highly skilled service technicians trained in your specific systems. These technicians will also be capable and ready to respond to your specific needs. Your service technicians can be reached by calling 24HR Service Dispatch at 509-534-7225 / 888-621-5103.

24HR Service Dispatcher:

Tisha and Todd are our service dispatchers. Our Service Dispatchers are responsible for dispatching service technicians in response to your service needs. Service Dispatch can be reached at 509-534-7225 / 888-621-5103 for emergency service or normal service requests.

Agreement Investment

This service agreement will remain in effect for an original term of 12 months and renew automatically from year to year thereafter. During the renewal process, the agreement price is reviewed and may be adjusted according to the annual inflation rate. Either party may terminate this agreement with a 30-day written notice.

Scheduled Services

Listed below, you will find a common description of scheduled tasks and services for equipment covered herein. Detailed tasks, specific to items on the attached equipment list, will be prepared by the operations manager and presented to your service technician upon agreement start-up. Our services include all maintenance materials, gaskets, oils, and lubricants required to perform these tasks.

DIVCO will test and cycle all equipment after the service is complete, to ensure proper operational conditions. Upon completion of our services, you will receive a service report with written documentation of tasks performed and any recommendations of our findings for your records.

Test & Inspect Services

The following applicable tasks will be performed for items listed on the *Equipment List* page(s) of this document.

1. Provide and Replace filters quarterly
2. Visually Check for exposed wiring and connections
3. Check and adjust all safety controls
4. Ensure that all unit controls are working properly
5. Visually Check outdoor condenser coils (clean annually if selected)
6. Check for gas leaks in heating sections
7. Visually Inspect blower wheels and alignment
8. Visually Check for possible refrigerant leaks
9. Check temperature differential across evaporators
10. Visually Check condensate drain systems
11. Check operation for heating and air conditioning
12. Check and lubricate economizer system
13. Lubricate motors and bearings if deemed necessary
14. Make necessary recommendations for troubleshooting and repairs

24-Hour Emergency Service Response Time

Response to service calls will be based on the type and nature of services required. If it is for a critical system failure, DIVCO will respond in four hours or less*. If it is determined not to be critical in nature, service will be provided at a mutually agreed upon time.

*Under extreme weather conditions, response times may be extended.

Time & Material HVAC Services

HVAC Services: Labor for all service calls, above and beyond the scope of scheduled services within this agreement, will be billed at the Preferred Time & Material Service rate, M-F 8am – 5pm. After hours, weekends and holidays will be billed at the time & one-half rate. Call our 24-hour dispatch center at 509-534-7225.

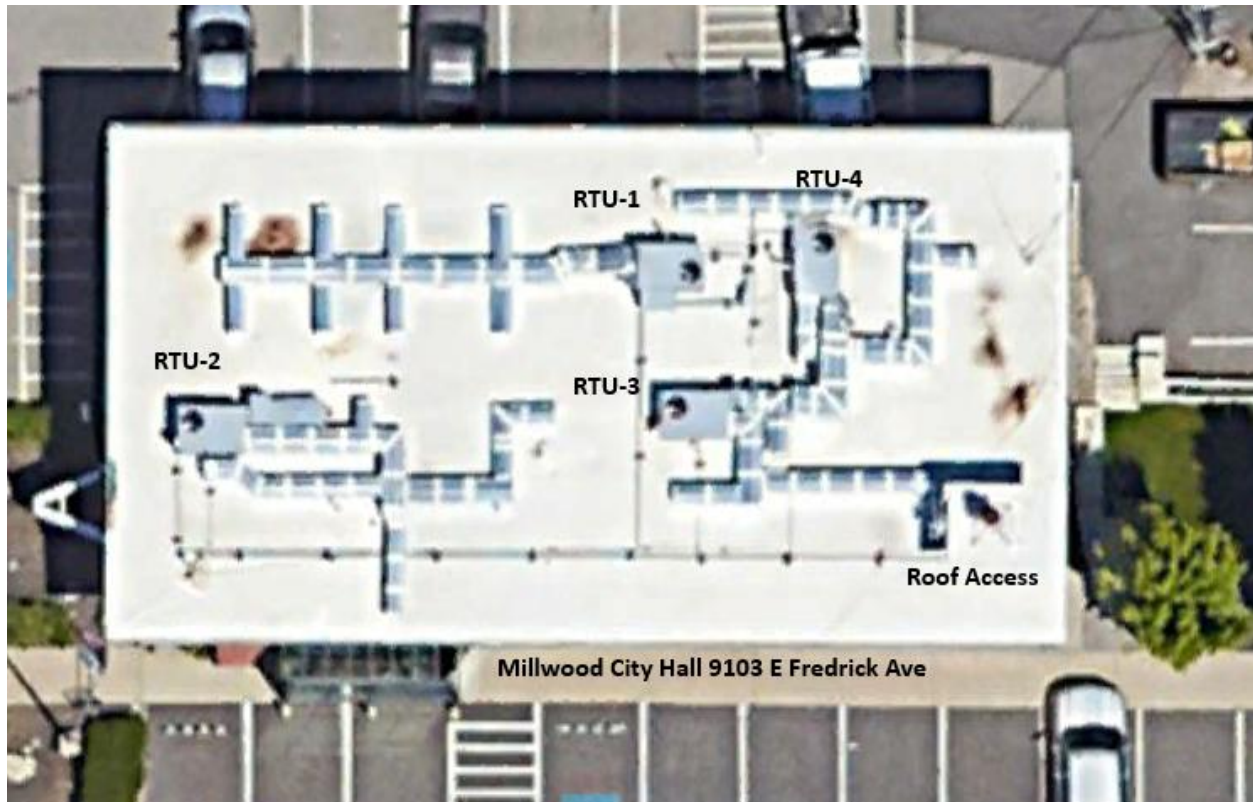
Truck Charges: *Time and Material* service calls will also include standard *Truck Charge* or mileage fee.

Equipment List



City Hall Building Mechanical Equipment/Service	Size / Type	Quantity	Visits	Make / Model	Serial	Location
Check-in / Check-Out Procedures	Reception	1	4			
Package Unit	3 Ton	1	4	Daikin DSG0360901DXXXAA	1803339568	Roof RTU-3 Jan2018
Package Unit	3 Ton	1	4	Daikin DSG0360901DXXXAA	1803246119	Roof RTU-4 Jan2018
Package Unit	4 Ton	1	4	Daikin DSG048115DXXXAA	1804183395	Roof RTU-1 Jan2018
Package Unit	4 Ton	1	4	Daikin DSG040901DXXXAA	1803231039	Roof RTU-2 Jan2018
Ductless Multi-Zone	1.5 Ton Condenser	1	2	Daikin RX18NMVJU	G017703	East Wall Feb 2018
Ductless Multi-Zone	1.5 Ton Condenser	1	2	Daikin RX18AXVJU	K024113	North Wall Aug2022
Ductless Multi-Zone	2 Ton Condenser	1	2	Daikin 3MX324RMTVJU	G002642	West Wall April2018
Ductless Multi-Zone	2 Ton Condenser	1	2	Daikin 3MX324RMTVJU	TBD	West Wall April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTXS12LVJU	E092592	Hallway April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTXS12LVJU	E092586	Office April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTXS12LVJU	E092606	Office April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTXS12LVJU	E092591	Office April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTXS12LVJU	E092594	Office April2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTX18NMVJU	G018329	Office Feb2018
Ductless Multi-Zone	Fancoil / Evap	1	2	Daikin FTX18AXVJU	K022978	IT Rm Aug2022
Unit Heater	Gas Fired	1	1	Reznor	TBD	Garage
Filters 2" Pleated MERV 8	14x20x2	16	4			
Coil Cleaning - Condenser	Up to 10 Ton	8	1			

ROOF MAP



State Prevailing Wage Provisions

1. In the state of Washington, any publicly funded facility; or any privately owned facility which leases/rents 50% or more of a facility to a government entity; falls under "Public Work" and is subject to "Prevailing Wages". (RCW39.04.260)
2. If any agency of the state, or any county, municipality, or subdivision created by its laws shall knowingly fail to comply with the provisions of RCW 39.12.040 as now or hereafter amended, such agency of the state, or county, municipality, or political subdivision created by its laws, shall be liable to all workers, laborers, or mechanics to the full extent and for the full amount of wages due, pursuant to the prevailing wage requirements of RCW.39.12.020. (RCW 39.12.042)
3. For all facilities falling under "Public Work" laws, DIVCO will provide "Prevailing Wage" provisions to those service technicians assigned to the facility. **City of Millwood** must state if this service agreement involves "State Public Work".

Special Provisions

1. **Cancellations:** If a notice is given by either party to terminate this service agreement and the billing cycle does not correspond with the service schedule, DIVCO will be paid in full for all services rendered up to the time of cancellation. In turn, DIVCO will refund any pre-paid fees for services not yet performed.

2. **Pre-Approved "Time and Material Repair" Limit:** On the pricing page of this document, you will be able to select a "pre-approved" dollar amount for "Time & Material" repairs, if so desired. This pre-approved limit would be an amount to cover most common repairs for discrepancies found during the scheduled preventive maintenance service. This option reduces your costs as most common repair parts are stocked on the service vehicles, and it removes the need for the service technician to schedule another visit later.

3. At *your* request, DIVCO is providing this "Test & Inspect" service plan for your mechanical equipment. It offers a lower cost, minimal level of visual inspection routines with a regular filter change schedule. If any discrepancies to normal operation are identified, troubleshooting & repairs will be performed at an additional "Time & Material" billable rate. The Scope of Work guidelines by the City of Millwood matches the DIVCO Test & Inspect plan.

4. Because of the Washington Prevailing Wage rates change without notice, It will be impossible to know when these rates will change for the State of Washington. An increase of rates can be possible because of these circumstances.

Safety Protocol Provisions

1. DIVCO will perform all work within the appropriate safety guidelines as directed by all Federal, State, City & DIVCO guidelines. These protocols include Fall Protection, Lock-Out Tag-Out, PPE Equipment, Work Site Safety Plans, etc.

2. The customer agrees to provide adequate access to all equipment and components as identified on the "Equipment List". Any equipment requiring extraordinary means of access will be the customer's responsibility to provide such OSHA-approved access (i.e. Fall restraint tie-off, scaffolding, scissor lifts, snorkel lifts, fixed roof access ladders, rappelling equipment, etc.)

Note: If safety protocol improvements are not made for any item on the equipment list requiring such improvements, that equipment will be removed from the service schedule until satisfactory improvements are made.

Pricing

Proposal #2026-142

Scheduled Service Pricing 2026	Quarterly Billing	Annual Price
HVAC Quarterly Test / Inspect Preventive Maintenance with Quarterly Filter Service and Semi-Annual Ductless Split Service Includes Annual Condenser Coil Cleaning	\$1,094.00	\$4,376.00

Scheduled Service Pricing 2027	Quarterly Billing	Annual Price
HVAC Quarterly Test / Inspect Preventive Maintenance with Quarterly Filter Service and Semi-Annual Ductless Split Service Includes Annual Condenser Coil Cleaning	\$1,148.50	\$4,594.00

City of Millwood agrees to pay DIVCO the annual amount of: **\$8,970.00** dollars. The annual total will be invoiced in equal (select one) **Monthly / Quarterly / Semi-Annual / Annual** / installments of \$_____. This amount does not reflect any applicable taxes. Applicable taxes will be added to the invoice sent to you by DIVCO. DIVCO must be presented with either a tax-exempt certificate or a re-sale certificate if taxes are not to be applied*. DIVCO Guarantees the price stated in this agreement for ninety (90) days from the proposal date.

Pre-Approved Time & Material Repair Limit: No___ Yes___ \$_____ Initials___

Month to Start Schedule: JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

City of Millwood must state if this service requires paying State _____ or Federal _____ Prevailing Wages for performing Public Work. Yes___ No___ (Please Initial)

Accepted by:

X _____

Name: _____

Title: _____

Date: _____

City of Millwood
9103 E Frederick Ave
Spokane, WA 99206



Name: Jake Cohn

Title: HVAC Maintenance Sales

Date: April 8, 2026

DIVCO Inc
715 N Madelia St
Spokane, WA 99202

***Please Complete Accounts Payable Contact Info On Following Page:**



CUSTOMER INFORMATION FORM

1. Accounts Payable (A/P) Billing Information:

Business Name: _____
C/O (if applicable): _____
A/P Address: _____
A/P City State Zip: _____
A/P Contact Name: _____
A/P Phone Number: _____
A/P Email Address: _____

Type of Billing Requested: ___ Via Email Address ___ Via Mail Address ___ Via Portal

2. Facility to be serviced:

Facility Name: _____
Facility Address: _____
City State Zip: _____
Facility Contact: _____
Facility Contact Ph # _____

3. Are your invoices from DIVCO sales tax exempt? Yes _____ No _____
If yes, attach your current resale certificate copy. If we don't have a valid certificate on file, we are required by law to charge sales tax.

4. State Prevailing Wage? Is this "Public Work" requiring DIVCO to pay State prevailing wages? Yes _____ No _____. If Yes, which County or Counties? _____

5. Federal Prevailing Wage? Is this "Public Work" requiring DIVCO to pay Federal prevailing wages? Yes _____ No _____. If Yes, a) Which County or Counties? _____ b) Please provide "Wage Determination" information.

6. Terms - net 30 days. Please contact Libra Lynch, Office Manager, at 509-536-1149 ext. 214 if you need to make special payment arrangements. We accept VISA and Master Card.

7. Please note any special billings instructions or other important information:

8. For multiple service properties, please include an address, contact name and phone number for each separate location.

We look forward to doing business with you! Thank you for your prompt response.

DIVCO Terms and Conditions of Sale

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions unless otherwise indicated herein:

General Provisions

- 1.1 Unless stated otherwise, the services provided under this agreement shall be provided during DIVCO' normal working hours, Monday through Friday inclusive, excluding holidays.
- 1.2 Client shall provide reasonable means of access to the equipment being serviced. Cost of man lift to access unit heaters is not included. DIVCO shall not be responsible for any removal, replacement or refurbishment of the building structure, if required to gain access to the equipment. DIVCO shall be permitted to control and/or operate all equipment necessary to perform the services herein described as arranged with the Client's representative.
- 1.3 This agreement, when accepted in writing by the Client and approved by a DIVCO representative, shall constitute the entire agreement between the two parties.
- 1.4 Either party may terminate this agreement at any time during the original term, or any extended term, by giving the other party 30 days' notice of its intention.

Charges

- 2.1 For services not covered by this agreement but performed by DIVCO upon the Client's authorization, the Client agrees to pay DIVCO upon presentation of itemized invoice(s), at DIVCO' prevailing rates.
- 2.2 If an emergency service is requested by the Client and inspection does not reveal any defect for which DIVCO is liable under this agreement, the Client will be charged at DIVCO' prevailing rates.
- 2.3 The annual rate is subject to adjustment annually on each anniversary date to reflect increases in labor, material and other costs.
- 2.4 Customer will promptly pay invoices within ten (10) days of receipts. Should payment become thirty (30) days or more delinquent, DIVCO may stop all work under this agreement without notice and/or cancel this agreement, and the agreement amount shall become due and payable immediately upon demand. DIVCO will assess a late charge in the amount of 1 1/2 percent per month after thirty (30) days from the invoice date. Customer agrees to pay on demand the amount of all expenses reasonably incurred by DIVCO in efforts to collect the indebtedness in the event that this agreement is referred to an attorney. Customer agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts or fees incurred without suit, and all court costs and costs of public officials. In the event legal remedy is necessary, venue shall be in Spokane County, Washington.

Limitations of Liability

- 3.1 DIVCO shall not be liable for any loss, delay, injury or damage that may be caused by circumstances beyond its control including, but not restricted to acts of God, war, civil commotion, acts of government, fire, theft, corrosion, floods, water damage, lightening, freeze-ups, strikes, lockouts, difference with workmen, riots, explosions, quarantine restrictions, delays in transportation, shortage of vehicles, fuel, labor or materials, or malicious mischief. **IN NO EVENT SHALL DIVCO BE LIABLE FOR BUSINESS INTERRUPTION LOSSES OR CONSEQUENTIAL OR SPECULATIVE DAMAGES**, but this sentence shall not relieve DIVCO of liability for damage to property or injury to persons resulting from accidents caused directly by the negligence of DIVCO in performance or failure of performance of its obligations under this agreement.
- 3.2 DIVCO shall not be required to make safety tests, install new devices, or make modifications to any equipment beyond the scope of the original contract in order to comply with recommendations or directives of insurance companies, governmental bodies or for other reasons.
- 3.3 DIVCO shall not be required to make replacements or repairs necessitated by reason of negligence, abuse or misuse, or by reason of any other cause beyond its control except ordinary wear and tear.
- 3.4 This agreement pre-supposes that all equipment is in satisfactory working condition. A cost estimate will be furnished for any equipment found in need of repair, upon initial inspection or initial seasonal start-up, with a written estimate stating the cost of repairs. Should repairs not be authorized within 30 days, the equipment will be eliminated from coverage and the agreement price shall be adjusted accordingly.
- 3.5 This agreement pre-supposes no substance regarded as hazardous by EPA is utilized in the system. If in servicing the system, DIVCO discovers the use of hazardous material, the Client will be responsible to remove, or have removed, any such substance and to replace it with a non-hazardous substitute. The Client will incur the cost of removal and substitution.
- 3.6 The amount of any present or future sales, use, occupancy, excise, or other federal, state or local tax which DIVCO hereafter shall be obligated legally to pay, either on its own behalf or on the behalf of the Client or otherwise, with respect to the services and material covered by this agreement, shall be paid by the Client.
- 3.7 If the equipment or software included under this agreement is altered, modified, or changed by a party other than DIVCO, this agreement shall be modified to incorporate such changes, and the agreement price shall be adjusted accordingly or DIVCO may terminate the agreement.

3.8 Following 12 months of service or any time thereafter, if individual item(s) cannot, in DIVCO' opinion, be properly repaired on-site, due to excessive wear or deterioration, DIVCO may withdraw the items(s) from coverage upon ninety (90) days prior written notice.

3.9 This agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Washington.

3.10 Customer shall permit only DIVCO' personnel or agent to perform the work included in the scope of this agreement. Should anyone other than DIVCO' personnel perform such work, DIVCO may, at its option, cancel the agreement or eliminate the involved item of equipment from inclusion in this Agreement.

3.11 In the event the system is altered, modified, changed or moved, by a party other than DIVCO, DIVCO reserves the right to terminate or negotiate the Agreement based on the condition of the system after the changes have been made.

3.12 DIVCO will not be required to move, replace or alter any part of the building structure in the performance of this Agreement.

3.13 This agreement does not include responsibility for design of the systems, obsolesces, safety test, repair or replacement caused by weather, electrical power failure, low voltage, burned out main or branch fuses, low water pressure, vandalism, misuse or abuse of the systems, negligence of others (including customer), failure of customer to properly operate the systems, requirements of the governmental, regulatory, or insurance agencies, or other causes beyond DIVCO' control.

Extra Charges

4.1 If a trouble call is made at the Customers request and inspection indicates a condition which is not covered under this agreement, DIVCO may charge customer at the rate than in effect for such services.

Non-Maintainable Equipment

5.1 The annual rate assumes the equipment covered under this Agreement is in maintainable condition. If, at the time of seasonal start-up or on the first inspection, repairs or replacements are required, such charges will be submitted for customer's approval. If customer does not authorize such repairs or replacements, DIVCO may either remove the equipment from its scope of responsibility, and adjust the annual rate accordingly, or cancel the agreement.

5.2 This Agreement applies only to the maintainable portions of the system(s). Under full coverage agreements, DIVCO will not be responsible for the repair or replacement of non-maintainable and/or non-moving parts of the heating, ventilation and air conditioning systems. Examples of such non-covered items are dampers, ductwork, cabinets, heat exchangers, boiler tubes, boiler sections, boiler refractory, chimney, breeching, refrigerant piping, refrigerant leaks, refrigeration evaporators, refrigeration condensers, condensate drain pans and lines, water coils, steam coils, steam traps, pneumatic air lines, fan housings, main power service and electrical wiring, valve bodies or other structural parts.

Facilities Management Programs Limitations – If Applicable

6.1 All computerized maintenance monitoring and computerized energy management equipment provided by DIVCO will remain the property of DIVCO. Should this program be terminated, DIVCO reserves the right to remove this equipment.

6.2 The monitoring service is not to imply or obligate any direct liability or contingent liability for damages caused by alarms not received or handled improperly. This service is not a U.L. certified alarm center. Lines are checked at least monthly for connection.

6.3 Customer is responsible for all phone line installation, line costs, and usage charges incurred.

EXECUTIVE ORDER 11246 – Affirmative Action for Minorities and Women

During the performance of this contract, the Contractor agrees to comply with any applicable requirements of Executive Order 11246 (as amended by EO 11375, 12486, et al) and its implementing regulations at 41 CFR 60-1, 2, 3 and 4, prohibiting discrimination based on race, gender, ethnicity, national origin or religion and requiring affirmative action and EEO reporting to promote equal opportunity. The relevant sections required by 41 CFR 60-1.4 are hereby incorporated by reference

AFFIRMATIVE ACTION FOR VIETNAM ERA & OTHER VETERANS

Applicable to all nonexempt contracts and purchase orders of at least \$100,000 a year.

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

AFFIRMATIVE ACTION FOR PERSONS WITH DISABILITIES

Applicable to all non-exempt contracts and purchase orders of at least \$10,000 a year

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

Executive Order 13496 of January 30, 2009, may require our suppliers and subcontractors to post notices of employee union rights, and notify their contractors of same. 29CFR Part 471, Appendix A to Subpart A is hereby incorporated by reference.