

Item # 6A

**City of Carson City
Agenda Report**

Date Submitted: February 5, 2010

Agenda Date Requested: February 16, 2010

Time Requested: 5 Minutes

Labor Commissioner PWP # CC-2010-144

To: Mayor and Supervisors
From: Purchasing and Contracts

Subject Title: Action to determine that Hydro Resources Nevada, Inc., dba: Humbolt Drilling & Pump Con., Inc. is the lowest responsive and responsible bidder pursuant to N.R.S. Chapter 338 and to award Contract No. 0910-143 Production Well 41 Drilling, Construction and Testing Project to Hydro Resources Nevada Inc., dba: Humbolt Drilling & Pump Co., Inc., for a bid amount of \$446,590.00 plus a contingency amount not to exceed \$44,600.00 to be funded from the ARRA/Well 41 Project Fund as provided in FY 2009/2010. (Sandy Scott)

Staff Summary: Carson City received sealed bids for all labor, material, tools, and equipment necessary for the Production Well 41 Drilling, Construction and Testing Project. The project consists of drilling, construction, and development of a production well (Well 41) for the Carson City Public Works Department. The drilling site is located a quarter mile off the east end of 5th street in the Riverview Park, Carson City, Nevada. Project includes all common phases of construction customarily associated with this type of project.

Time of completion for this project is Forty-Five Days from the date of the Notice to Proceed.

Type of Action Requested: (check one)

- Resolution
- Formal Action/Motion
- Ordinance
- Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to determine that Hydro Resources Nevada, Inc., dba: Humbolt Drilling & Pump Con., Inc. is the lowest responsive and responsible bidder pursuant to N.R.S. Chapter 338 and to award Contract No. 0910-143 Production Well 41 Drilling, Construction and Testing Project to Hydro Resources Nevada Inc., dba: Humbolt Drilling & Pump Co., Inc., for a bid amount of \$446,590.00 plus a contingency amount not to exceed \$44,600.00 to be funded from the ARRA/Well 41 Project Fund as provided in FY 2007/2008. (Sandy Scott)

Explanation for Recommended Board Action: *NOTICE TO CONTRACTORS* was published in the Nevada Appeal on January 28, 2010.

The bids were opened at approximately 10:10 a.m. on February 5, 2010 at 201 North Carson Street, Carson City, Nevada 89701. Present during the bid opening were: Steve Sweat, Humbolt Drilling & Pump Co., Inc.; Ken Arnold, Public Works; Kim Belt, Public Works, and Sandy Scott, Purchasing and Contracts Coordinator.

Bids were received from the following bidders. Please refer to the **BID TABULATION** for specifics.

Name of Bidder	Total Award Amount
Humbolt Drilling & Pump Co., Inc.	\$446,590.00
Zim Industries, Inc.	\$487,260.00
Layne Christensen Co.	\$505,456.00
WDC Exploration & Wells	\$542,050.00
Boart Long Year Company	\$538,309.00

Staff recommends award to Humbolt Drilling & Pump Co., Inc. as the lowest responsive and responsible bidder pursuant to N.R.S. Chapter 338.

Applicable Statute, Code, Policy, Rule or Regulation: N.R.S. Chapter 338 Public Works

Engineers Estimate: \$650,000.00

Project Budget: \$650,000.00

Fiscal Impact: Not to exceed \$461,190.00

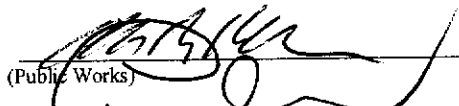
Explanation of Impact: If approved the below referenced account could be decreased by \$491,190.00.

Funding Source: 520-3505-435-7883 as provided in FY 2009/2010.

Alternatives: Determine another bidder is the lowest and most responsible and responsive bidder pursuant to N.R.S. Chapter 338 or do not award contract.

Supporting Material: Bid Tabulation Report, Contractor No. 0910-143, and Bid Response from Humbolt Drilling & Pump Co., Inc.

Prepared By: Sandy Scott, Purchasing and Contracts Coordinator

Reviewed By: 
(Public Works)


Date: 2-10-10


(City Manager)

Date: 2/9/10


(District Attorney)

Date: 2-9-10


(Finance Director)

Date: 2/9/2010

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

**Bid Tabulation Report from Carson City Purchasing & Contracts
775-887-2133 extension 30137**

<http://www.carson-city.nv.us/index.aspx?page=998>

Notice to Contractors Bid# 0910-143 Production Well 41 Drilling, Construction and Testing Project

Date and Time of Bid Opening: February 5, 2010 @ 10:10 am

Description	Bidder # 1			Bidder # 2			Bidder # 3		
	Sched Value	Unit	Total price	Unit price	Total Price	Unit Price	Total Price	Unit Price	Total Price
BONDING Provided, \$, %, or no			5%						5%
PREFERENTIAL Bidder Status			N/A						N/A
BIDDER acknowledges receipt addendums			1						1
Description									
			Unit price	Total price	Unit price	Total Price	Unit Price	Total Price	
Schedule A									
1 Mobilization and De Mobilization	1	LS	\$70,000.00	\$70,000.00	\$150,000.00	\$150,000.00	\$53,356.00	\$53,356.00	\$53,356.00
2 Drill 36-inch diameter borehole from 0 to 40-feet	40	FT	\$225.00	\$9,000.00	\$350.00	\$14,000.00	\$350.00	\$14,000.00	\$14,000.00
3 Furnish and install 30-inch OD, 0.375-inch wall steel blank well casing from ground surface to 40-feet	40	FT	\$200.00	\$8,000.00	\$200.00	\$8,000.00	\$320.00	\$12,800.00	\$12,800.00
4 Furnish and install cement in the annulus between 36-inch borehole and 30-inch casing from 0 to 40-feet	220	CF	\$25.00	\$5,500.00	\$13.00	\$2,860.00	\$25.00	\$5,500.00	\$5,500.00
5 Drill nominal 8-inch pilot/exploration hole to estimated 700-foot depth	700	FT	\$110.00	\$77,000.00	\$75.00	\$52,500.00	\$75.00	\$52,500.00	\$52,500.00
6 Geophysically log borehole to total depth (cost + 20%)	1	LS	\$5,500.00	\$5,500.00	\$3,300.00	\$3,300.00	\$3,500.00	\$3,500.00	\$3,500.00
7 Drill nominal 26-inch diameter borehole from 40-feet to estimated 700-feet	660	FT	\$72.00	\$47,520.00	\$50.00	\$33,000.00	\$160.00	\$105,600.00	\$105,600.00
8 Furnish and install 16-inch OD, 0.31-inch wall blank stainless steel (type 304) well casing.	240	FT	\$245.00	\$58,800.00	\$278.00	\$66,720.00	\$445.00	\$106,800.00	\$106,800.00
9 Furnish and install 16-inch OD, 0.31-inch wall 0.100-inch-slot stainless steel (type 304) wire wrap screen	460	FT	\$157.00	\$72,220.00	\$180.00	\$82,800.00	\$170.00	\$78,200.00	\$78,200.00
10 Furnish and install casing centralizers at 40-foot intervals from total depth to 40-feet	14	FT	\$50.00	\$700.00	\$40.00	\$560.00	\$50.00	\$700.00	\$700.00

Description		Bidder # 1		Bidder # 2		Bidder # 3			
		Humboldt Drilling & Pump Co., Inc.		Zim Industries, Inc.		Layne Christensen Co.			
11	Furnish and install 1/8 x 1/4-inch well rounded quality gravel pack in the annulus between 26-inch borehole and 16-inch casing from 700 to 115-feet below ground surface	1400	CF	\$37.00	\$51,800.00	\$28.00	\$39,200.00	\$20.00	\$28,000.00
12	Furnish and install nominal 3-inch diameter gravel tube in annular space from ground surface to a depth of 115-feet	115	FT	\$10.00	\$1,150.00	\$8.00	\$920.00	\$20.00	\$2,300.00
13	Furnish and install cement seal from 110-feet to ground surface	200	FT	\$35.00	\$7,000.00	\$30.00	\$6,000.00	\$46.00	\$9,200.00
14	Furnish and install 1.5-inch ID, sounder pipe (120-foot blank and 180-foot perforated)	300	FT	\$8.00	\$2,400.00	\$6.00	\$1,800.00	\$20.00	\$6,000.00
15	Initial well development by a combination of methods including double swabbing with simultaneous airlifting, using high capacity compressor, 750 CFM and 300 psi	40	HR	\$400.00	\$16,000.00	\$450.00	\$18,000.00	\$450.00	\$18,000.00
16	Dispersing chemicals, NW220 or similar non-phosphate approved dispersant. (est. 200 lbs)	200	LBS	\$20.00	\$4,000.00	\$9.00	\$1,800.00	\$20.00	\$4,000.00
17	Plumbness/alignment survey Gyroscopic/Drift-Pac Survey	1	LS	\$8,000.00	\$8,000.00	\$3,200.00	\$3,200.00	\$3,000.00	\$3,000.00
17	Furnish and install steel collar surface cap with holes for locking, 2-inch casing vent, and well cleaning disinfection	1	LS	\$2,000.00	\$2,000.00	\$2,600.00	\$2,600.00	\$2,000.00	\$2,000.00
Total Bid Price					\$446,590.00		\$487,260.00		\$505,456.00
Total Bid Price written in words? y/n									
Description of Drilling Rig and Equipment included? y/n									
Description of Bottom Hole Assembly with Schematic									
Resume of Drillers Provide? y/n									
Bidder Information provided? y/n									
Sub Contractors listed? y/n or none									
Bid Document executed? y/n									
END OF DOCUMENT									

**Bid Tabulation Report from Carson City Purchasing & Contracts
775-887-2133 extension 30137**

<http://www.carson-city.nv.us/index.aspx?page=998>

Notice to Contractors Bid# 0910-143 Production Well 41 Drilling, Construction and Testing Project

Date and Time of Bid Opening: February 5, 2010 @ 10:10 am

Description	Bidder # 4		Bidder # 5	
	WDC Exploration & Wells	Boart Long Year Company	Yes	N/A
BONDING Provided, \$, %, or no	Yes	Yes		
PREFERENTIAL Bidder Status	N/A	N/A		
BIDDER acknowledges receipt addendums	1	1		
Description	Sched Value	Unit	Unit price	Total price
Schedule A:				
1 Mobilization and De Mobilization	1	LS	\$87,200.00	\$87,200.00
2 Drill 36-inch diameter borehole from 0 to 40-feet	40	FT	\$240.00	\$9,600.00
3 Furnish and install 30-inch OD, 0.375-inch wall steel blank well casing from ground surface to 40-feet	40	FT	\$224.00	\$8,960.00
4 Furnish and install cement in the annulus between 36-inch borehole and 30-inch casing from 0 to 40-feet	220	CF	\$30.00	\$6,600.00
5 Drill nominal 8-inch pilot/exploration hole to estimated 700-foot depth	700	FT	\$80.00	\$56,000.00
6 Geophysically log borehol to total depth (cost + 20%)	1	LS	\$6,000.00	\$6,000.00
7 Drill nominal 26-inch diameter borehole from 40-feet to estimated 700-feet	660	FT	\$210.00	\$138,600.00
8 Furnish and install 16-inch OD, 0.31-inch wall blank stainless steel (type 304) well casing.	240	FT	\$380.00	\$91,200.00
9 Furnish and install 16-inch OD, 0.31-inch wall 0.100-inch-slot stainless steel (type 304) wire wrap screen	460	FT	\$153.00	\$70,380.00
10 Furnish and install casing centralizers at 40-foot intervals from total depth to 40-feet	14	FT	\$20.00	\$280.00
			Unit price	Total Price
			\$70,000.00	\$70,000.00
			\$35.00	\$1,400.00
			\$170.00	\$6,800.00
			\$40.00	\$8,800.00
			\$54.00	\$37,800.00
			\$7,500.00	\$7,500.00
			\$228.00	\$150,480.00
			\$261.00	\$62,640.00
			\$178.00	\$81,880.00
			\$36.00	\$504.00

Description		Bidder # 4		Bidder # 5			
		WDC Exploration & Wells		Boart Long Year Company			
11	Furnish and install 1/8 x 1/4-inch well rounded quality gravel pack in the annulus between 26-inch borehole and 16-inch casing from 700 to 115-feet below ground surface	1400	CF	\$18.00	\$25,200.00	\$35.00	\$49,000.00
12	Furnish and install nominal 3-inch diameter gravel tube in annular space from ground surface to a depth of 115-feet	115	FT	\$22.00	\$2,530.00	\$17.00	\$1,955.00
13	Furnish and install cement seal from 110-feet to ground surface	200	FT	\$42.00	\$8,400.00	\$85.00	\$17,000.00
14	Furnish and install 1.5-inch ID, sounder pipe (120-foot blank and 180-foot perforated)	300	FT	\$12.00	\$3,600.00	\$15.00	\$4,500.00
15	Initial well development by a combination of methods including double swabbing with simultaneous airlifting, using high capacity compressor, 750 CFM and 300 psi	40	HR	\$450.00	\$18,000.00	\$725.00	\$29,000.00
16	Dispersing chemicals, NW220 or similar non-phosphate approved dispersant. (est. 200 lbs)	200	LBS	\$25.00	\$5,000.00	\$5.25	\$1,050.00
17	Plumbness/alignment survey Gyroscopic/Drift-Pac Survey	1	LS	\$3,000.00	\$3,000.00	\$5,500.00	\$5,500.00
18	Furnish and install steel collar surface cap with holes for locking, 2-inch casing vent, and well cleaning disinfection	1	LS	\$1,500.00	\$1,500.00	\$2,500.00	\$2,500.00
Total Bid Price				\$542,050.00		\$538,309.00	
Total Bid Price written in words? y/n				Yes		Yes	
Description of Drilling Rig and Equipment included? y/n				Yes		Yes	
Description of Bottom Hole Assembly with Schematic				Yes		Yes	
Resume of Drillers Provide? y/n				Yes		Yes	
Bidder Information provided? y/n				Yes		Yes	
Sub Contractors listed? y/n or none				Yes		Yes	
Bid Document executed? y/n				Yes		Yes	
END OF DOCUMENT							

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
0910-143
PRODUCTION WELL 41 DRILLING, CONSTRUCTION AND TESTING
PROJECT**

THIS **CONTRACT** made and entered into this 16th day of February, 2010, by and between the City and County of Carson City, a political subdivision of the State of Nevada, hereinafter referred to as the "**OWNER**", and Hydro Resources Nevada Inc. dba: Humbolt Drilling & Pump Co., Inc., hereinafter referred to as "**CONTRACTOR**".

WITNESSETH:

WHEREAS, the Purchasing and Contracts Coordinator for the City and County of Carson City is authorized pursuant to Nevada Revised Statutes 338 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, it is deemed necessary that the services of **CONTRACTOR** for **CONTRACT No. 0910-143**, titled "**Production Well 41 Drilling, Construction and Testing Project**" are both necessary and in the best interest of **CITY**; and

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

REQUIRED APPROVAL

This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors or the Carson City Regional Transportation Commission.

CONTRACT TERM AND LIQUIDATED DAMAGES

CONTRACTOR agrees to complete the Work on or before the date specified in the Notice to Proceed or any executed Change Orders to the entire satisfaction of the **OWNER** before final payment is made, unless sooner termination by either party as specified in the General Conditions, section GC 3.18.

Pursuant to the provisions under Time for Completion and Liquidated Damages in the Contract Documents of said Specifications; the **CONTRACTOR** will complete the work within the Contract time. Since **OWNER** and **CONTRACTOR** agree it is difficult to ascertain the actual amount of damages incurred due to delay of the Project, it is agreed that **OWNER** will be paid the liquidated damages as specified in the Contract Special Conditions for each and every calendar day of delay in the completion of the work, in addition to any direct charges incurred by the **OWNER** as a result of delay of the Project, including engineering fees and additional damages due to late construction. The **OWNER** also reserves the right to deduct any amounts due the **OWNER** from any moneys earned by the **CONTRACTOR** under this Contract.

That in the performance of this Contract, an employer shall pay 1 ½ times an employee's regular wage rate whenever an employee who received compensation for employment at a rate less than 1 ½ time the minimum wage who works more than forty (40) hours in any scheduled work week, more than eight (8) hours in a day, unless by mutual agreement the employee works a scheduled ten (10) hours per day for four (4) calendar days with an work week. Employers should refer to NRS 608.018 for further details on overtime requirements.

NOTICE

Unless otherwise specified, termination shall not be effective until seven (7) calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail with simultaneous regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

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For P&C Use Only
CCBL expires _____
NVCL expires _____
GL expires _____
AL expires _____
WC expires _____

Notice to CONTRACTOR shall be addressed to:

Michelle Strother, Corporate Secretary
Hydro Resources Nevada Inc., dba: Humbolt Drilling and Pump Co., Inc.
4975 West Winnemucca Blvd.
Winnemucca, Nevada 89445
775-623-5259/FAX 775-623-0307
mstrother@hydroresources.com

Notice to CITY shall be addressed to:

Carson City Purchasing & Contracts
Sandy Scott, Purchasing & Contracts Coordinator
201 North Carson Street Suite 3
Carson City, NV 89701
775-887-2133 extension 30137 / FAX 775-887-2107
SScott@ci.carson-city.nv.us

COMPENSATION

The parties agree that **CONTRACTOR** will provide the Work specified in these Contract Documents for the Contract Amount of Four Hundred Forty Six Thousand, Five Hundred Ninety Dollars and No Cents (\$446,590.00).

OWNER will pay **CONTRACTOR** progress payments and the final payment computed from the actual quantities of work performed and accepted and the materials furnished at the Unit and Lump Sum prices shown on the **CONTRACTOR'S** Bid Proposal and any executed Change Orders.

Contract Amount represents full and adequate compensation for the complete Work, and includes the furnishing of all materials; all labor, equipment, tools, transportation, services, appliances; and all expenses, direct or indirect connected with the proper execution of the work.

OWNER does not agree to reimburse **CONTRACTOR** for expenses unless otherwise specified.

CONTRACT TERMINATION

Termination Without Cause:

Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

CITY reserves the right to terminate this Contract for convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for work actually completed. In no event if termination occurs under this provision shall **CONTRACTOR** be entitled to anticipated profits on items of work not performed as of the effective date of the termination or compensation for any other item, including but not limited to, unabsorbed overhead. **CONTRACTOR** shall assure that all subcontracts which he/she enters related to this Contract likewise contain a

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termination for convenience clause which precludes the ability of any subcontractor to make claims against CONTRACTOR for damages, due to breach of contract, of lost profit on items of work not performed or of unabsorbed overhead, in the event of a convenience termination.

Termination for Nonappropriation:

The continuation of this Contract beyond June 30, 2010 is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors. CITY may terminate this Contract, and CONTRACTOR waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding is not appropriated or is withdrawn, limited, or impaired.

Cause Termination for Default or Breach:

A default or breach may be declared with or without termination.

This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

If CONTRACTOR fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by CONTRACTOR to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

If CONTRACTOR becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

If CITY materially breaches any material duty under this Contract and any such breach impairs CONTRACTOR'S ability to perform; or

If it is found by CITY that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by CONTRACTOR, or any agent or representative of CONTRACTOR, to any officer or employee of CITY with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

If it is found by CITY that CONTRACTOR has failed to disclose any material conflict of interest relative to the performance of this Contract.

CITY may terminate this Contract if CONTRACTOR:

Fails to maintain bonding, Nevada State Contractors' Board License, State Industrial Insurance requirements or insurance policies for limits as defined in this Contract;

Repeatedly or Materially refuses or fails to supply properly skilled workers or proper materials;

Fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between CONTRACTOR and the subcontractors;

Disregards laws, ordinances, or rules, regulations or order of a public authority having jurisdiction;
Otherwise makes a material breach of a provision of this Contract; or

CONTRACTOR fails to maintain safe working conditions.

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When any of the above reasons exist, CITY may provide, without prejudice to any other rights or remedies of CITY and after giving CONTRACTOR and CONTRACTOR'S Surety, seven (7) calendar days written notice, terminate employment of CONTRACTOR and may, subject to any prior rights of the surety:

Take possession of the site and of all materials, equipment, tools and construction equipment and machinery thereon owned by CONTRACTOR;

Accept assignment of subcontractors pursuant to this Contract (Contingent Assignment of Subcontracts to Carson City if this Contract is terminated); and,

Finish the Work by whatever reasonable method CITY may deem expedient.

If CITY terminates this Contract for one of the reasons stated above, CONTRACTOR shall not be entitled to receive further payment until the Work is finished.

If the unpaid balance of the Contract Amount exceeds the cost of finishing the Work including expenses made necessary thereby, such excess shall be paid to CONTRACTOR. If the costs of finishing the Work exceed the unpaid balance, CONTRACTOR shall pay the difference to CITY. The amount to be paid to CONTRACTOR or CITY, as the case may be, shall survive termination of this Contract.

In the event of such termination, all monies due CONTRACTOR or retained under the terms of this Contract shall be held by CITY; however, such holdings will not release CONTRACTOR or its sureties from liability for failure to fulfill this Contract. Any excess cost over and above the Contract Amount incurred by CITY arising from the termination of the operations of this Contract and the completion of the Work by CITY as provided above shall be paid for by any available funds held by CITY. CONTRACTOR will be so credited with any surplus remaining after all just claims for such completion have been paid.

If at any time before completion of the Work under this Contract, the Work shall be stopped by an injunction of a court of competent jurisdiction or by order of any competent authority, CITY may give notice to CONTRACTOR to discontinue the Work and terminate this Contract. CONTRACTOR shall discontinue the Work in such manner, sequence, and at such times as CITY may direct. CONTRACTOR shall have no claim for damages for such discontinuance or termination, nor any claim for anticipated profits on the Work thus dispensed with, nor for any claim for penalty, nor for any other claim such as unabsorbed overhead, except for the work actually performed up to the time of discontinuance, including any extra work ordered by CITY to be done.

Time to Correct:

Termination upon a declared default or breach may be exercised only after service of formal written notice as specified above, and the subsequent failure of the defaulting party within five (5) calendar days of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

Winding Up Affairs Upon Termination:

In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

CONTRACTOR shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by CITY;

CONTRACTOR shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by CITY;

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CONTRACTOR shall preserve, protect, and promptly deliver into CITY possession all proprietary information in accordance with City Ownership of Proprietary Information.

SCOPE OF WORK

The parties agree that the scope of work will be specifically described and hereinafter referred to as the **WORK**. This Contract incorporates the following attachments, a **CONTRACTOR'S** attachment shall not contradict or supersede any **OWNER** specifications and/or terms or conditions without written evidence of mutual assent to such change appearing in this Contract.

CONTRACTOR agrees that the Contract Documents for Bid No. 0910-143 include, but not limited to, the Notice to Contractors, Table of Contents, Project Coordination, Instructions to Bidders, Contract Award Information, General Conditions, Special Conditions, Technical Specification, Prevailing Wages, Contract Drawings, and Addenda, if any, herein after referred to as Exhibit A, are intended to be complete and complementary and are intended to describe a complete work. These documents are incorporated herein by reference and made a part whereof.

CONTRACTOR additionally agrees **CONTRACTOR'S** Bid Bond, Proposal Summary, Executed Contract, Performance Bond, Labor and Material Bond, Certificate of Eligibility, Insurance Certificates, Permits, Notice of Award, Notice to Proceed and Executed Change Orders, referred to as Exhibit B, are incorporated herein and made a part whereof.

FAIR EMPLOYMENT PRACTICES

Pursuant to NRS 338.125, Fair Employment Practices, the following provisions must be included in any contract between **CONTRACTORS** and Public Bodies;

In connection with the performance of work under this Contract, **CONTRACTOR** agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation or age, including without limitation, with regard to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation, apprenticeship.

CONTRACTOR further agrees to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

PREFERENTIAL EMPLOYMENT

Pursuant to Nevada Revised Statute 338.130, in all cases where persons are employed in the construction of public works, preference must be given, the qualifications of the applicants being equal: (1) First: To persons who have been honorably discharged from the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States, a reserve component thereof or the National Guard; and are citizens of the State of Nevada. (2) Second: To other citizens of the State of Nevada.

In connection with the performance of work under this Contract, **CONTRACTOR** agrees to comply with the provisions of Nevada Revised Statute 338.130 requiring certain preferences to be given to which persons are employed in the construction of a public work. If **CONTRACTOR** fails to comply with the provisions of Nevada Revised Statute 338.130, pursuant to the terms of Nevada Revised Statute 338.130(3), this Contract is void, and any failure or refusal to comply with any of the provisions of this section renders this Contract void.

ALTERNATIVE DISPUTE RESOLUTION

Pursuant to Nevada Revised Statute 338.150, public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution before initiation of a judicial action if a dispute arising between the public body and the **CONTRACTOR**

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engaged on the public work if the dispute cannot otherwise be settled. Therefore, in the event that a dispute arising between **OWNER** and **CONTRACTOR** cannot otherwise be settled, **OWNER** and **CONTRACTOR** agree that, before judicial may be initiated, **OWNER** and **CONTRACTOR** will submit the dispute to non-binding mediation. **OWNER** shall present **CONTRACTOR** with a list of three potential mediators. **CONTRACTOR** shall select one person to serve as the mediator from the list of potential mediators presented by **OWNER**. The person selected as mediator shall determine the rules governing the mediation.

LIMITED LIABILITY

OWNER will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any **OWNER** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONTRACTOR**, for the fiscal year budget in existence at the time of the breach. **CONTRACTOR'S** tort liability shall not be limited.

FORCE MAJEURE

NEITHER party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

INDEMNIFICATION

To the extent permitted by law, including but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this paragraph.

Except as otherwise provided below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

- 1) a written request for a legal defense for such pending claim(s) or cause(s) of action; and
- 2) a detailed explanation of the basis upon which the indemnified party believed that the claim or cause of action asserted against the indemnified party implicated the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

After the indemnifying party has begun to provide legal defense for the indemnified party, the indemnifying party shall not be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
0910-143
PRODUCTION WELL 41 DRILLING, CONSTRUCTION AND TESTING
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INDEPENDENT CONTRACTOR

An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his/her or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

It is mutually agreed that **CONTRACTOR** is associated with **CITY** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract. **CONTRACTOR** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **CITY** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONTRACTOR** or any other party.

CONTRACTOR shall indemnify and hold **CITY** harmless from, and defend **CITY** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONTRACTOR'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

Neither **CONTRACTOR** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **CITY**.

COMPLIANCE WITH LEGAL OBLIGATIONS

Pursuant to NRS 338.153, a public body shall include in each contract for a public work a clause requiring each Contractor, subcontractor and other person who provide labor, equipment, materials, supplies and services for the public work to comply with the requirements of all applicable state and local laws, including without limitation, any applicable licensing requirements and requirements for the payment of sales and use taxes on equipment, materials and supplies provided for the public work.

CONTRACTOR shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or services of this Contract. **CONTRACTOR** will be responsible to pay all taxes, assessments, fees, premiums, permits, and license required by law. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with NRS 361.157 and NRS 361.159. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **OWNER** may set-off against consideration due any delinquent government obligations.

WAIVER OF BREACH

Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision does not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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ASSIGNMENT/DELEGATION

To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **OWNER**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONTRACTOR** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **OWNER**.

CITY OWNERSHIP OF PROPRIETARY INFORMATION

Any files, reports, histories, studies, test, manuals, instruction, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONTRACTOR** (or its subcontractors) in performance of its obligations under this Contract shall be exclusive property of the City of Carson City, Nevada, and such materials shall be delivered into **OWNER'S** possession by **CONTRACTOR** upon completion, termination, or cancellation of this Contract. **CONTRACTOR** shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **OWNER**. Notwithstanding the foregoing, **OWNER** shall have no proprietary interest in any materials license for use by **OWNER** that are subject to patent, trademark or copyright protection.

OWNER shall be permitted to retain copies, including reproducible copies, of **CONTRACTOR'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

CONTRACTOR'S drawings, specification and other documents shall not be used by **OWNER** or others without expressed permission of **CONTRACTOR**.

PUBLIC RECORDS

Pursuant to NRS 239.010, information or documents received from **CONTRACTOR** may be opened to public inspection and copying. **OWNER** will have duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONTRACTOR** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332,061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **OWNER** for honoring such a designation. The failure to so label any document that is released by **OWNER** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

CONFIDENTIALITY

CONTRACTOR shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONTRACTOR** to the extent that such information is confidential by law or otherwise required by this Contract.

FEDERAL FUNDING

In the event federal funds are used for payment of all or part of this Contract:

CONTRACTOR certified, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp.19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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CONTRACTOR and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101.36.999, inclusive, and any relevant program-specific regulations.

CONTRACTOR and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulation, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap conditions (including AIDS and AIDS-related conditions).

LOBBYING

The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

Any federal, state, county or local agency, legislature, commission, counsel or board;

Any federal, state, county or local legislator, commission member, counsel member, board member, or any other elected official; or

Any officer or employee of any federal, state, county or local agency, legislature, commission, counsel, or board.

**DUN AND BRADSTREET DATA UNIVERSAL NUMBERING SYSTEM AND CENTRAL
CONTRACT REGISTRATION**

CONTRACTOR is required to have a Dun and Bradstreet Data Universal Number System (D-U-N-S) number and is to be registered through the Central Contractor Registration (CCR). A D-U-N-S number can be requested at <http://fedgov.dnb.com/webform> and created in one business day. A D-U-N-S number and Tax Identification Number are required before a contractor can register through CCR. Registration with CCR can be done at <http://ccr.gov>.

ALL IRON, STEEL AND MANUFACTURED GOODS USED IN CONSTRUCTION

All iron, steel and manufactured goods used in construction, alteration, repair or maintenance of the public work project under this contract must be produced in the United States in accordance with the American Reinvestment and Recovery Act of 2009. The Contractor shall provide evidence to Carson City that all construction materials comply with this requirement. Exceptions may only be granted with prior written permission from the Carson City Planning Division and only after the Planning Division has received permission from the Secretary of the U.S. Department of Environmental Protection under the condition that: (1) the requirement is inconsistent with public interest; (2) those goods are not readily available or produced in sufficient quantity in the U.S;

DAVIS-BACON ACT WAGE

Pursuant to section 1606 of the American Reinvestment and Recovery Act of 2009, the Davis-Bacon Act wage rules apply to this project.

PROPER AUTHORITY

The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONTRACTOR** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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this Contract. Any services performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective are performed at the sole risk of **CONTRACTOR**.

GOVERNING LAW: JURISDICTION

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principal of conflict-of-law that would require the application of the law any other jurisdiction. **CONTRACTOR** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

ENTIRE CONTRACT AND MODIFICATION

This Contract and its integrated attachment(s) constitute the entire contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors or the Regional Transportation Commission.

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
0910-143
PRODUCTION WELL 41 DRILLING, CONSTRUCTION AND TESTING
PROJECT**

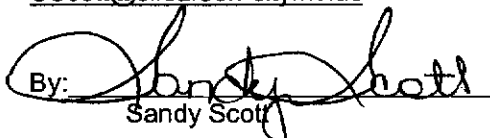
AND ALL SUPPLEMENTAL AGREEMENTS AMENDING OR EXTENDING THE WORK CONTEMPLATED.

ACKNOWLEDGMENT AND EXECUTION:

In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

CARSON CITY

Finance Director
Attn: Sandy Scott, Purchasing and
Contracts Coordinator
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-887-2133 ext 30137
Fax: 775-887-2107
SScott@ci.carson-city.nv.us

By: 
Sandy Scott

Dated 2-9-10

CITY'S LEGAL COUNSEL

Neil A. Rombardo, District Attorney

I have reviewed this Contract and approve
as to its legal form.

By: 
Deputy District Attorney

Dated 2-9-10

CITY'S ORIGINATING DEPARTMENT

BY: Andrew Burnham, Director
Carson City Public Works Department
3505 Butti Way
Carson City, Nevada 89701
Telephone: 775-887-2355 Ext. 30367
Fax: 775-887-2164
ABurnham@ci.carson-city.nv.us

By: 

Dated 2-10-10

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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PRODUCTION WELL 41 DRILLING, CONSTRUCTION AND TESTING
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Michelle Strother deposes and says: That he/she is Contractor or authorized agent of Contractor; the he/she has read the foregoing Contractor; and that he/she understands the terms, conditions and requirements thereof.

CONTRACTOR

BY: Michelle Strother

TITLE: Corporate Secretary

FIRM: Hydro Resources Nevada Inc., dba: Humbolt Drilling & Pump Co., Inc.

CARSON CITY BUSINESS LICENSE #: 10-20043

NEVADA CONTRACTOR'S LICENSE #:56797

Address: 4975 West Winnemucca Blvd

City: Winnemucca **State:** Nevada **Zip Code:** 89445

Telephone: 775-623-5259/**Fax:** 775-623-0307

E-mail Address: mstrother@hydroresources.com

(Signature of Contractor)

DATED _____

STATE OF _____)

)ss

County of _____)

Signed and sworn (or affirmed before me on this _____ day of _____, 2010, by "name of Contractor".

(Signature of Notary)

(Notary Stamp)

**CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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PRODUCTION WELL 41 DRILLING, CONSTRUCTION AND TESTING
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CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of February 16, 2010, approved the acceptance of the attached contract hereinbefore identified as **CONTRACT No. 0910-143** and titled "**Production Well 41 Drilling, Construction and Testing Project**". Further, the Board Of Supervisors authorizes the Mayor of Carson City, Nevada to set his hand to this document and record his signature for the execution of this contract in accordance with the action taken.

CARSON CITY, NEVADA

ROBERT L CROWELL, MAYOR

DATED this 16th day of February, 2010.

ATTEST:

ALAN GLOVER, CLERK-RECORDER

DATED this 16th day of February, 2010.

BID PROPOSAL

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that I We Hydro Resources Nevada Inc. dba: Humboldt Drilling & Pump Co., Inc.

as Principal, hereinafter called Contractor, and Arch Insurance Company

a corporation duly organized under the laws of the State of Missouri ~~Nevada~~, as Surety, hereinafter called the Surety, are held and firmly bound unto Carson City, Nevada a consolidated municipality of the State of Nevada, hereinafter called City, for the sum of \$ Five Per Cent of the Greatest Amount Bid -- (\$ 5% G.A.B.) Dollars

(state sum in words)

for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid, identified as **BID # 0910-143** and titled "Production Well 41 Drilling, Construction and Testing Project".

NOW, THEREFORE if the City shall accept the bid of the Principal and the Principal shall enter into a contract with the City in Accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Bid Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the City the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the City may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and effect.

Executed on this 5th day of February 2010

Signature of Principal: Michelle Strother

Title: Corporate Secretary

Firm: Hydro Resources Nevada Inc. dba: Humboldt Drilling & Pump Co., Inc.

Address: 4975 W. Winnemucca Blvd.

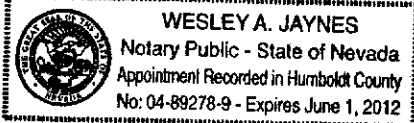
City/State/Zip Code: Winnemucca, NV 89445

Written Name of Principal: Michelle Strother

ATTEST NAME

Signature of Notary: Wesley A. Jaynes

(Seal)



Subscribed and sworn before me this 5th day of FEBRUARY 2010
(printed name of notary) WESLEY A. JAYNES Notary Public for the State of NEVADA

Claims Under this Bond May be Addressed to:

Name of Surety Arch Insurance Company

Address One Liberty Plaza, 53rd Floor

City New York

State/Zip Code NY 10006

Name Rita G. Gulizo

Title Attorney-in-Fact

Phone (504) 599-8800

Surety's Acknowledgement Rita G. Gulizo

NOTICE: No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for services of process in the State of Nevada. Certified copy of Power of Attorney must be attached.

POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint

Rita G. Gulizo, Michael F. Tubbs and Susan D. Zapalowski of New Orleans, LA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

In Testimony Whereof, the Company has caused this instrument to be signed and its corporate seal to be affixed by their authorized officers, this 9th day of March, 2009.

Arch Insurance Company

Attested and Certified



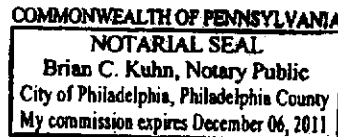
Martin J. Nilsen
Martin J. Nilsen, Secretary

J. Michael Pete
J. Michael Pete, Vice President

STATE OF PENNSYLVANIA SS

COUNTY OF PHILADELPHIA SS

I, Brian C. Kuhn, a Notary Public, do hereby certify that Martin J. Nilsen and J. Michael Pete personally known to me to be the same persons whose names are respectively as Secretary and Vice President of the Arch Insurance Company, a Corporation organized and existing under the laws of the State of Missouri, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary acts for the uses and purposes therein set forth.



Brian C. Kuhn
Brian C. Kuhn, Notary Public
My commission expires 12-06-2011

CERTIFICATION

I, Martin J. Nilsen, Secretary of the Arch Insurance Company, do hereby certify that the attached Power of Attorney dated March 9, 2009 on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said J. Michael Pete, who executed the Power of Attorney as Vice President, was on the date of execution of the attached Power of Attorney the duly elected Vice President of the Arch Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Arch Insurance Company on this 5th day of February, 2010.

Martin J. Nilsen
Martin J. Nilsen, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

PLEASE SEND ALL CLAIM INQUIRIES RELATING TO THIS BOND TO THE FOLLOWING ADDRESS:

**Arch Surety
3 Parkway, Ste. 1500
Philadelphia, PA 19102**



BID PROPOSAL

BID # 0910-143

BID TITLE: Production Well 41 Drilling, Construction and Testing Project

NOTICE: No substitution or revision to this Bid Proposal form will be accepted. Carson City will reject any Bid that is received that has changes or alterations to this document. Although the Prevailing Wages are provided in this bid document, the bidder is responsible to verify with the Labor Commissioner if any addendums have been issued. The successful bidder will be required to provide the current Prevailing Wages used in preparation of their bid within 24 hours of bid submission.

PRICES will be valid for sixty (60) calendar days after the bid opening which is indicated in the Notice to Contractors.

COMPLETION of this project is expected **PURSUANT TO THE BID DOCUMENTS.**

BIDDER acknowledges receipt of 1 Addendums.

SUMMARY

BP.1	Mobilization and de-mobilization	1	LS	70,000 ⁻	70,000 ⁻
BP.2	Drill 36-inch diameter borehole from 0 to 40-feet	40	FT	225 ⁻	9,000 ⁻
BP.3	Furnish and install 30-inch OD, 0.375-inch wall steel blank well casing from ground surface to 40-feet	40	FT	200 ⁻	8,000 ⁻
BP.4	Furnish and install cement in the annulus between 36-inch borehole and 30-inch casing from 0 to 40-feet	220	CF	25 ⁻	5,500 ⁻
BP.5	Drill nominal 8-inch pilot/exploration hole to estimated 700-foot depth	700	FT	110 ⁻	77,000 ⁻
BP.6	Geophysically log the borehole to total depth (cost +20%)	1	LS	5500 ⁻	5,500 ⁻
BP.7	Drill nominal 26-inch diameter borehole from 40-feet to estimated 700-feet	660	FT	72 ⁻	47,520 ⁻
BP.8	Furnish and install 16-inch OD, 0.31-inch wall blank stainless steel (type 304) well casing	240	FT	245 ⁻	58,800 ⁻
BP.9	Furnish and install 16-inch OD, 0.31-inch wall 0.100-inch-slot stainless steel (type 304) wire wrap screen	460	FT	157 ⁻	72,220 ⁻
BP.10	Furnish and install casing centralizers at 40-foot intervals from total depth to 40-feet	14	FT	50 ⁻	700 ⁻
BP.11	Furnish and install 1/8 x 1/4-inch well rounded quality gravel pack in the annulus between 26-inch borehole and 16-inch casing from 700 to 115 ft. below ground surface	1,400	CF	37 ⁻	51,800 ⁻
BP.12	Furnish and install nominal 3-inch diameter gravel tube in annular space from ground surface to a depth of 115 feet	115	FT	10 ⁻	1,150 ⁻
BP.13	Furnish and install cement seal from 110 ft. to ground surface	200	FT	35 ⁻	7,000 ⁻
BP.14	Furnish and install 1.5-inch ID, sounder pipe (120-foot blank and 180-foot perforated)	300	FT	8 ⁻	2,400 ⁻

BID PROPOSAL

BP.15	Initial well development by a combination of methods including double swabbing with simultaneous airlifting, using high capacity compressor, 750 CFM and 300 psi	40	HR	400 ⁻	16,000 ⁻
BP.16	Dispersing chemicals, NW220 or similar non-phosphate approved dispersant. (est. 200 lbs)	200	LBS	20 ⁻	4,000 ⁻
BP.17	Plumbness/alignment survey Gyroscopic/Drift-Pac Survey	1	LS	8,000 ⁻	8,000 ⁻
BP.18	Furnish and install steel collar surface cap with holes for locking, 2-inch casing vent, and well cleaning and disinfection	1	LS	2,000 ⁻	2,000 ⁻
BP.19 Total Bid Price				446,590 ⁻	

BP.20 Total Bid Price Written in Words:

Four hundred forty six thousand, five hundred ninety dollars.

PLEASE INCLUDE THE FOLLOWING WITH YOUR BID:

Description of the drilling rig and equipment to be used on the project (attach pages if needed)

See Attached

Description of the bottom hole assembly with schematic.

See Attached

Resumes of the drillers and onsite supervisor for the project (please attach).

In compliance with the attached technical specification and special provision and subject to all conditions thereof, the undersigned offers and agrees to furnish the labor and equipment upon which prices are quoted, at the price set opposite each item.

Date: 1/4/2010

Bidder: Hydro Resources Nevada Inc

By: Michelle Strother

d/b/a: Humboldt Drilling and Pump Co Inc.
Title: Corporate Secretary

<u>OCCUPATION</u>	<u>RATES</u>	<u>BENEFITS</u>	<u>TOTAL</u>
<u>SPRINKLER FITTER</u>			
Sprinkler Fitter Journeyman-----	----	----	34.52
Sprinkler Fitter Foreman-----	----	----	34.52
Sprinkler Fitter General Foreman-----	----	----	34.52
<u>SURVEYOR</u>			
Surveyor-----	----	----	24.62
<u>TAPER</u>			
Taper-----	----	----	35.49
<u>TILE SETTER/TERRAZZO/WORKER/MARBLE MASON-FINISHER - add ZONE RATE</u>			
Tile, Terrazzo and Marble Finisher-----	----	----	32.48
<u>TILE SETTER/TERRAZZO WORKER/MARBLE MASON - add ZONE RATE</u>			
Tile Setter - Journeyman-----	----	----	25.00
Tile Setter - Foreman-----	----	----	25.00
File Setter - General Foreman-----	----	----	25.00
Terrazzo/Marble Mason - Journeyman-----	----	----	25.00
Terrazzo/Marble Mason - Foreman-----	----	----	25.00
Terrazzo/Marble Mason - General Foreman-----	----	----	25.00
<u>TILE SETTER/TERRAZZO WORKER/MARBLE MASON ZONE RATES</u>			
In addition to TILE SETTER/TERRAZZO WORKER/MARBLE MASON rates add the applicable amounts per hour, calculated based on a radius of over thirty-five (35) miles from the Washoe County Courthouse in Reno, Nevada:			
Zone 1 - 0 to 35 miles	0.00		
Zone 2 - 36 to 75 miles	1.25		
Zone 3 - over 75 miles	5.00		
<u>TRAFFIC BARRIER ERECTOR - add LABORER ZONE RATE</u>			
Traffic Barrier Erector-----	----	----	30.82
<u>TRUCK DRIVER - add ZONE RATE</u>			
Truck Driver	----	----	21.61
<u>WELL DRILLER</u>			
Well Driller-----	----	----	21.32

Hydro Resources Nevada, Inc.

Humboldt Drilling & Pump Co., Inc.

4975 W. Winnemucca Blvd.

Winnemucca, NV 89445

Phone: 775-623-5259 Fax: 775-623-0307

NV Contractor's License
#56797

CA Contractor's License
#832718

The following is a description of the drilling rig and equipment to be used on the project:

1976 Midway 3500

Capacity: 75 Ton

Mast: 57' Tall

Drill Pipe is 20' joints, 9 7/8" Diameter O.D. with 6" I.D. Dual Tube

(2) 18" Diameter Weight Collars 10,000 lbs each

(2) 12" Diameter Weight Collars 4,000 lbs each

Ingersol-Rand Compressor 750 CFM 300 PSI

70 KW Generator

CAT 426B Backhoe

10,000 lbs Gradall Forklift

18" Opening in Table

Midway Tanks

(2) 8,000 Gallon Tank w/2 Dividers in each

Dimensions of Tanks: 8' Wide x 5' Tall x 25' Long

Shaker with (2) 4 x 5 Screens & Portable De-Silter System

Description of Down Hole Tool Assembly:

The tool assembly on the Midway is a 17 ¼ pilot bit on the bottom of a 26" reamer bit. A 10,000 lb weight collar is on top of the bit. Drill pipe is then on top of the collar and connected to a Kelly.

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Humboldt Drilling & Pump Co., Inc.

4975 W. Winnemucca Blvd.

Winnemucca, NV 89445

Phone: 775-623-5259 Fax: 775-623-0307

NV Contractor's License
#56797

CA Contractor's License
#832718

The Test Hole will be drilled with one of the following drilling rigs and equipment:

2002 Ingersol Rand TH60

Mast: 34' Tall

30,000 Pull Back

4 ½ O.D. 2 7/8 IF

3 x 4 Centrifugal Pump

25,000 lbs Working Line

Compressor: 900 CFM 300 PSI

2004 John Deere 410 Backhoe

10" Width Opening in Table

8' x 20' x 1,000 lbs Weight Collar

2005 Gefco Speedstar 50K

Mast: 34' Tall

50,000 Pull Back

4 ½ O.D. 2 7/8 IF

25,000 lbs Working Line

3 x 4 Centrifugal Pump

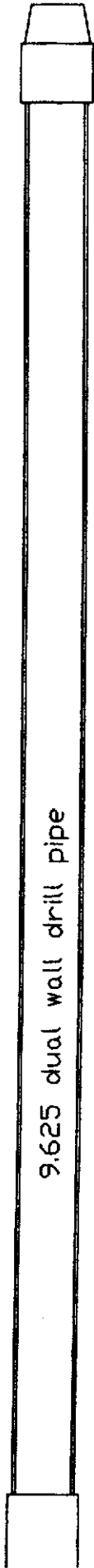
Compressor 110 CFM 350 PSI

2004 John Deere 410 Backhoe

10" Width Opening in Table

8" x 20' x 1,000 lbs Weight Collar

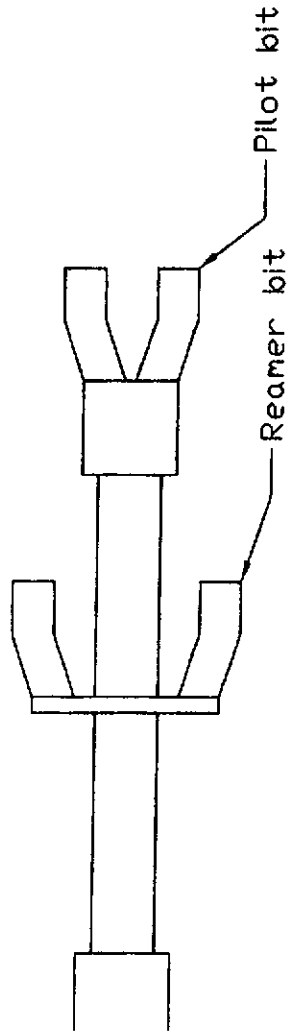
The description of the bottom hole assembly is a TH60 & 50K Speedstar with a 10" bit is screwed onto an 8" collar with drill pipe on top of it. The drill pipe will then be connected to a top head drive.



9.625 dual wall drill pipe



10,000lbs wt collar



Reamer bit

Pilot bit

Midway bottom drill assembly
Dwg by Gary Tompkins 1-5-10

BRET TOMPKINS

3885 Wedekind Rd.

Spark, Nevada 89431

775-848-9531

Summary: Over 15 years of increasing responsibility within the construction industry. Strong management skills, including operations, budgeting, project management, contractor relations, inventory/equipment control and personnel. Noted for my ability to professionally complete contracts on time and within budget.

WORK EXPERIENCE

Vice President/Project Manager

Hydro Resources Nevada Inc. dba Humboldt Drilling and Pump Co., Inc.
Winnemucca, Nevada

2003-Present

- ❖ Overall management of various commercial projects, ranging in size from \$100,000 - \$6 million
- ❖ Negotiated contracts with engineers, vendors and subcontractors
- ❖ Worked with city and county agencies regarding permits, inspections, and environmental regulations
- ❖ Provided overall supervision of construction sites and workers
- ❖ Kept clients up-to-date on progress and informed of unexpected complications

President/Owner

Humboldt Pump and Rehab Co., Inc.
Winnemucca, Nevada

2000-2003

- ❖ Provided supervision for up to 10 employees.
- ❖ Scheduled workers and subcontractors. Kept schedules moving efficiently to minimize down time
- ❖ Sold company assets in 2003

Vice President/Project Manager

Humboldt Drilling & Pump Co., Inc.
Winnemucca, Nevada

1994-2000

- ❖ Performed and supervised drilling, pump and irrigation projects including miles of water and sewer pipelines
- ❖ Monitored safety regulations and compliance
- ❖ Performed/supervised construction of trenching and installation of underground utilities per Sierra Pacific and Southwest Gas regulations. Building roads to county specs within subdivisions
- ❖ Installed septic systems and excavation for foundations and building pads

EDUCATION

Treasure Valley Community College
Ontario, Oregon

- ❖ Associate of Arts degree in Accounting
- ❖ Associate of Arts degree in Farm/Ranch Management

Additional training and/or education

- ❖ Youngest person in Nevada to receive a water well drillers license
- ❖ Certified welder
- ❖ Additional training in related construction and heavy equipment operator
- ❖ Foundation and rock work
- ❖ Tile and granite work

STEVE SWEAT
670 Panama Dr.
Sparks, NV. 89436
(775) 848-9955

Summary: Have been working at Humboldt Drilling & Pump Co. for the past 11 years. Have a good understanding of the drilling and pump industry and what it takes to successfully complete municipal wells. Specialized in working with other project managers and engineers. Making sure projects are completed in a timely and professional manner.

WORK EXPERIENCE

Driller/Job Superintendent

Hydro Resources Nevada Inc., dba Humboldt Drilling & Pump Co.
Winnemucca, Nevada

1998-Present

- Drilled numerous water wells in the states of California, Nevada and Oregon
- In charge of mobilization to job sites of all necessary equipment and personnel
- Order all materials and products to complete wells
- Schedule crews in and out of jobs to insure proficient time management
- Operate heavy equipment and cranes
- Repair and maintenance of equipment
- Certified welder
- In charge of obtaining all required permits pertaining to job specifications
- Good understanding of environmental requirements pertaining to the discharge of water and drilling fluids
- Provided supervision of construction job sites and crews
- Work side by side with engineers during numerous projects from start to finish

BID PROPOSAL

BP.21 BIDDER INFORMATION:

Hydro Resources Nevada Inc.

Company Name:	<i>dba: Humboldt Drilling 9th Pump Co Inc.</i>
Federal ID No.:	<i>35-2214455</i>
Mailing Address:	<i>4975 West Winnemucca Blvd</i>
City, State, Zip Code:	<i>Winnemucca, NV 89445</i>
Complete Telephone Number:	<i>775 623 5259</i>
Complete Fax Number:	<i>775 623 0307</i>
Fax Number including area code:	<i>775 623 0307</i>
E-mail:	<i>mstrother@hydroresources.com</i>
Contact Person / Title:	<i>Michelle Strother - Corporate Secretary</i>
Mailing Address:	<i>4975 West Winnemucca Blvd.</i>
City, State, Zip Code:	<i>Winnemucca, NV 89445</i>
Complete Telephone Number:	<i>775 623 5259</i>
Complete Fax Number:	<i>775 623 0307</i>
E-mail Address:	<i>mstrother@hydroresources.com</i>

BP.22 LICENSING INFORMATION:

Nevada State Contractor's License Number:	<i>0056797</i>
License Classification(s):	<i>C23</i>
Limitation(s) of License:	<i>unlimited</i>
Date Issued:	<i>10/30/2003</i>
Date of Expiration:	<i>10/31/2010</i>
Name of Licensee:	<i>Humboldt Drilling 9th Pump Co Inc.</i>
Carson City Business License Number:	<i>10-00020043</i>
Date Issued:	<i>12/10/09</i>
Date of Expiration:	<i>12/31/10</i>
Name of Licensee:	<i>Hydro Resources Nevada Inc</i>

BID PROPOSAL

BP.23 DISCLOSURE OF PRINCIPALS:

Individual and/or Partnership:

N/A

Owner 1) Name:
Address:
City, State, Zip Code:
Telephone Number:
Owner 2) Name:
Address:
City, State, Zip Code:
Telephone Number:
Other 1) Title:
Name:
Other 2) Title:
Name:

Corporation:

State in which Company is Incorporated:	Delaware
Date Incorporated:	9/15/03
Name of Corporation:	Hydro Resources Nevada Inc.
Mailing Address:	4975 West Winnemucca Blvd.
City, State, Zip Code:	Winnemucca NV 89445
Telephone Number:	775 623 5259
President's Name:	Alton Cherry
Vice-President's Name:	Bret Tompkins
Other 1) Name:	Michelle Strother
Title:	Corporate Secretary
Other 2) Name:	
Title:	

BID PROPOSAL

BP.24 MANAGEMENT AND SUPERVISORY PERSONNEL:

Persons and Positions	Years With Firm
Name 1) Bret Tompkins NV Drillers License # 2019	16
Title 1) Vice President	
Name 2) Steve Sweat NV Driller License # 2177	11
Title 2) Drilling Supervisor- Driller	
Name 3) Ray Wilson NV Driller License # 1713	20
Title 3) Drilling Field Supervisor- Driller	
Name 4) William Nelson- NV Driller License # 2158	12
Title 4) Drilling Field Supervisor- Driller	
Name 5)	
Title 5)	
Name 6)	
Title 6)	

(If additional space is needed, attach a separate page)

BID PROPOSAL

BP.25 REFERENCES:

Instructions:

List at least three (3) contracts of a similar nature performed by your firm in the last three (3) years. If **NONE**, use your Company's letterhead (and submit with your bid proposal) to list what your qualifications are for this contract. Carson City reserves the right to contact and verify, with any and all references listed, the quality of and the degree of satisfaction for such performance.

Clients: (if additional space is needed attach a separate page)

Company Name 1): Washoe County Dept of Water Resources
Contract Person: Dan Dragan
Mailing Address: 4930 Energy Way
City, State, Zip Code: Reno, NV 89502
Complete Telephone Number: 775-954-4653
E-Mail Address: ddragan@mail.co.washoe.nv.us
Project Title: Secondary Wellfield Construction
Amount of Contract: \$990,000 -
Scope of Work: Drill (3) 18" x 500' Production Wells
Company Name 2): Truckee Meadows Water Authority
Contract Person: Bwire Ojiambo
Mailing Address: PO Box 30013
City, State, Zip Code: Reno, NV 89502
Complete Telephone Number: 775 834 8028
E-Mail Address: bojiambo@tmwa.net
Project Title: East I Street, Hawkings and Sparks High Wells
Amount of Contract: \$570,000 -
Scope of Work: Drill (3) Production Wells - Various diameter and depth
Company Name 3): Sierra Pacific Power Co - NV Energy
Contract Person: John Gilbert
Mailing Address: PO Box 10100
City, State, Zip Code: Reno, NV 89520
Complete Telephone Number: 775 834 2360
E-Mail Address: jgilbert@nvenergy.com

BID PROPOSAL

Project Title:	Drill ^{and} Install Production Wells at Valmy
Amount of Contract	\$ 1,074,000 -
Scope of Work:	Drill (1) 680' ^{and} (1) 870' Production Well
Company Name 4):	San Jose Water Company
Contract Person:	Scott Lewis
Mailing Address:	500 First Street
City, State, Zip Code:	Woodland, CA 95695
Complete Telephone Number:	530-406-8936 ext. 10
E-Mail Address:	slewis@sjwce.com
Project Title:	12 th Street ^{and} Tully Road Wells
Amount of Contract:	\$ 990,500 -
Scope of Work:	Drill (1) 680' ^{and} (1) 415' Production Well

BID PROPOSAL

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS PRIMARY COVERED TRANSACTIONS

BP. 26

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or Local department or agency.
 - b) Have not within a three-year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d) Have not within a three-year period preceding this bid had one or more public transactions (Federal, State or Local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this bid.

Michelle Strother
Signature of Authorized Certifying Official

Corporate Secretary
Title

Michelle Strother
Printed Name

2/4/2010
Date

I am unable to certify to the above statement. My explanation is attached.

Signature

Date

BIDDER'S SAFETY INFORMATION

Bidder's Safety Factors:

Year	"E-Mod" Factor ¹	OSHA Incident Rate ²
2008	1.16	10.27
2007	.96	6.29

¹ E-Mod (Experience Modification) Factors are issued by the Employer's Insurance Company of Nevada.
² OSHA Incident Rate is the number of OSHA Recordable Accidents per 100 employees and is calculated as the number of accidents divided by 208,000.

BID PROPOSAL

SUBCONTRACTORS

BP.27 INSTRUCTIONS: for Subcontractors exceeding five (5) percent of bid amount. This information must be submitted with your bid proposal. The bidder shall enter "NONE" under "Name of Subcontractor" if not utilizing subcontractors exceeding this amount. (This form must be complete in all respects. If, additional space is needed, attach a separate page).

Name of Subcontractor <i>NONE</i>	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		

BID PROPOSAL

SUBCONTRACTORS

BP.28 INSTRUCTIONS: for Subcontractors exceeding one (1) percent of bid amount or \$50,000 whichever is greater. This information must be submitted by the three lowest bidders within two (2) hours after the completion of the opening of the bids. The bidder may elect to submit this information with the bid proposal and, in that case, the bidder will be considered as having submitted this information within the above two hours.

Name of Subcontractor <i>Welenco</i>	Address <i>5201 Woodmere Drive Bakersfield, CA 93313</i>	
Phone <i>800-445-9914</i>	Nevada Contractor License # <i>NA</i>	Limit of License
Description of work <i>Items BP.6 and BP.17</i>		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		

BID PROPOSAL

SUBCONTRACTORS

BP.29 INSTRUCTIONS: for all Subcontractors not previously listed on the 5% and 1% pages. This information must be submitted by the three lowest bidders within twenty four (24) hours after the completion of the opening of the bids. The bidder may elect to submit this information with the bid proposal and, in that case, the bidder will be considered as having submitted this information within the above twenty four hours.

Name of Subcontractor <i>NA</i>	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		
Name of Subcontractor	Address	
Phone	Nevada Contractor License #	Limit of License
Description of work		

BID PROPOSAL

FEDERAL AID PROJECT

CARSON CITY BIDDER SUBCONTRACTOR INFORMATION

(For subcontractors exceeding one (1) percent of bid amount or \$50,000, which ever is greater)

CONTRACT NO. CC-2010-144 CONTRACTOR Hydro Resources Nevada Inc. dba. Humboldt Drilling and Pump Co Inc.
 PROJECT NO. (S) 4.0621 ADDRESS 4975 West Winnemucca Blvd.
Winnemucca, NV 89445

BID AMOUNT \$ 446,590

This information must be submitted by the three lowest bidders within two (2) hours after completion of the opening of the bids. The bidder may elect to submit this information with the bid proposal and, in that case, the bidder will be considered as having submitted this information within the above two (2) hours.

NAME OF SUBCONTRACTOR	CONTACT ITEM NO(S)	DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED	NEVADA LICENSE	
			NO	YES
Welenco	BP.6 BP.17	Geophysical Log Plumb and Align Survey, Gyroscopic/Drift-Pac Survey	N/A	

NOTE: Subscription 108.01 of the Standard Specification and these Special Provision apply to Subletting of any portion of the contract.

CONTRACTOR'S SIGNATURE Michelle Strother DATE 2/4/2010
 TELEPHONE NO. () 775 623 5259

FEDERAL AID PROJECT

BID PROPOSAL

CARSON CITY BIDDER SUBCONTRACTOR INFORMATION

(For subcontractors exceeding one (5) percent of bid amount)

CONTRACT NO. CC 2010-144

CONTRACTOR Hydro Resources Nevada Inc. dba: Humboldt Drilling and Pump Co Inc.

PROJECT NO. (S). 4.0621

ADDRESS 4975 West Winnemucca Blvd

Winnemucca, NV 89445

BID AMOUNT \$ 446,590

This information must be submitted with your bid proposal. The bidder shall enter "NONE" under "NAME OF SUBCONTRACTOR" if not utilizing subcontractors exceeding this amount.

NAME OF SUBCONTRACTOR	CONTACT ITEM NO(S).	DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED	NEVADA LICENSE	
			NO	YES
NONE				

NOTE: Subscription 108.01 of the Standard Specification and these Special Provision apply to Subletting of any portion of the contract.

Michelle Strother
CONTRACTOR'S SIGNATURE

2/4/2010
DATE

TELEPHONE NO. () 775 623 5259

BID PROPOSAL

BP.30 ACKNOWLEDGMENT AND EXECUTION:

STATE OF Nevada)
) **SS**
 COUNTY OF Humboldt)

I Michelle Strother (Name of party signing this Bid Proposal), do depose and say: That I am the Bidder or authorized agent of the Bidder; and that I have read and agree to abide by this Bid which includes, but is not limited to the following documents: Notice to Contractors, Table of Contents, Project Coordination, Instructions to Bidders, Bid Bond, Proposal Summary, Contract Award Instructions and Information, Sample Contract, Sample Performance Bond, Sample Labor and Material Payment Bond, General Conditions, Special Conditions, Standard Specifications, Prevailing Wage Rates, Technical Specifications, Geotechnical Report (if any), Contract Drawings, Permits (if any), and any addenda issued and understands the terms, conditions, and requirements thereof; that if his/her bid is accepted that he/she agrees to furnish and deliver all materials except those specified to be furnished by the City (Owner) and to do and perform all work for the "Production Well 41 Drilling, Construction and Testing Project", contract number 0910-143, together with incidental items necessary to complete the work to be constructed in accordance with the Contract Documents, Contract Drawings, and Specifications annexed hereto.

BIDDER:

PRINTED NAME OF BIDDER: Michelle Strother

TITLE: Corporate Secretary

FIRM: Hydro Resources Nevada Inc. dba: Humboldt Drilling and Pump Co Inc.

Address: 4975 West Winnemucca Blvd.

City, State, Zip: Winnemucca, NV 89445

Telephone: 775 623 5259

Fax: 775 623 0307

E-mail Address: mstrother@hydroresources.com

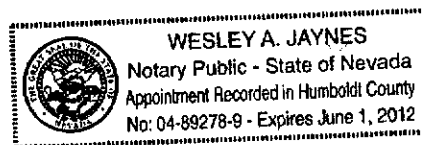
Michelle Strother
 (Signature of Bidder)

DATED: 2/4/2010

Signed and sworn (or affirmed) before me on this 4TH day of FEBRUARY, 2010,
 by WESLEY A. JAYNES

Wesley A. Jaynes
 (Signature of Notary)

(Notary Stamp)



BID PROPOSAL

BP. 31 COMPLIANCE GUIDELINES FOR MBE/WBE

Compliance with the requirements of this document and attachments satisfies the MBE/WBE requirements for this construction contract. This document supersedes any conflicting requirements.

Failure to take the six (6) affirmative steps listed under Good Faith Effort Requirements, prior to bid opening and to submit the Minority Business Enterprise/Women Business Enterprise Information (Form 4) form with the bid shall be cause for the bid to be rejected as a non-responsive bid.

Carson City advises potential bidders that the project is funded in whole or part with federal loan or grant funds through the Nevada Safe Drinking Water State Revolving Fund, and, as such, Executive Orders 11625, 12138, and 12432 are applicable to this contract. The United States Environmental Agency (EPA) requires that recipients of financial assistance, including assistance under the SDWSRF, comply with the requirements of these orders. In compliance with such requirements, Nevada SDWSRF has negotiated "Fair Share Objectives" with EPA for participation of small, minority and women owned businesses in procurement activity undertaken with funds made available through the SDWSRF.

Bidder agrees that it will cooperate with and assist Carson City in achieving "fair share objectives" and will exercise Good Faith Efforts to achieve such minimum participation of small, minority and women owned businesses. In particular, in submitting a bid, the bidder shall, in the selection of any and all contractors, subcontractors, and vendors for the procurement of equipment, supplies, construction, and services related to the project, at a minimum, undertake the following affirmative "Good Faith Effort" steps:

Good Faith Effort Requirements

1. Include small, minority and women owned businesses on solicitation lists;
2. Assure that small, minority and women owned businesses are solicited whenever they are potential sources;
3. Divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by small, minority and women owned businesses;
4. Establish delivery schedules, when the requirements of the work permit, which will encourage participation by small, minority and women owned businesses;
5. Use the services of the Small Business Administration and the Office of Minority Business Enterprise of the U.S. Department of Commerce, as appropriate; and
6. If any contractor awards subagreements, require the contractor to take the affirmative steps in paragraphs (1) through (5) of this section.

Other Requirements:

1. The apparent successful low bidder must submit documentation showing that, prior to bid opening, all required positive efforts were made. The documentation must be received by Carson City within 5 working days following bid opening.
2. If the apparent successful low bidder has rejected or considered as non-responsive and or non-responsive any low MBE or WBE sub-bidder, a complete explanation must be provided to Carson City.
3. Each MBE/WBE firm to be utilized must complete Form 3 (MBE/WBE Self Certification), or equivalent certification by a federal, state, or local government entity. Such certification documentation shall be submitted to the Carson City by the apparent successful low bidder.
4. If additional procurement becomes necessary after the award of the prime contract, good faith efforts shall be applied, and, if MBE/WBE subcontracts are awarded, Form 3 (MBE/WBE Self Certification) or equivalent certification shall be provided to Carson

BID PROPOSAL

City by the prime contractor within 10 working days following the award of each new subcontract.

5. Any deviation from the information contained in Form 4 (Contractor Information Form) shall not result in a reduction of MBE/WBE participation without prior approval of Carson City.
6. Failure of the apparent low bidder to perform the six affirmative (Good Faith Effort) steps prior to bid opening and/or to submit Form 4 (Contractor Information Form) will lead to its bid being declared non-responsive by Carson City. The Carson City may then award the contract to the next lowest responsive, responsible bidder meeting the requirements of these contract provisions.

Fair Share Objectives:

The following good faith effort objectives have been established for this construction contract:

<u>Procurement Category</u>	<u>MBE</u>	<u>WBE</u>
Construction	12%	10%
Supplies	13%	28%
Equipment	11%	23%
Services	7%	25%

Documentation Requirements MBE/WBE Good Faith Effort - Positive Effort Documentation*

The bidder must take affirmative steps prior to bid opening to assure that MBEs and WBEs are used whenever possible as sources of supplies, construction and services. Failure to take such steps prior to bid opening and to submit Form 4 with the bid shall cause the bid to be rejected as non-responsive.

Affirmative steps shall be as follows:

1. Include qualified MBEs and WBEs on solicitation lists
The bidder must document that it requested assistance from the Small Business Administration and the Minority Business Development Agency and that this request for referrals was made at least five (5) working days prior to the need for referrals (see affirmative step 5 below).
2. Assure that MBEs and WBEs are solicited whenever they are potential sources.
The bidder must document that it has provided invitations to MBE/WBE bidders at least five (5) working days prior to the need of a bid response.
The bidder must document that invitations were sent to at least three (or all if less than three) MBE/WBE contractors/suppliers for each item of work referred by the MBE/WBE assistance center(s). The invitations must adequately specify the item(s) for which sub-bids were requested.
The bidder must submit to the Carson City documentation consisting of a list of all sub-bidders for each item of work that MBEs or WBEs were solicited including dollar amounts for both MBE/WBE and non-MBE/WBE sub-bidders
3. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit participation by MBEs and WBEs.
A bidder must document that it gave consideration to dividing the contract into small proprietary portions (paving, electrical, landscaping, etc). If this was not done, documentation must be submitted explaining why it could not be done.
4. Establish delivery schedules where the requirements of the work permit, which will encourage participation by MBEs and WBEs.
The bidder must document that it gave consideration to establishing a project schedule which would allow MBEs and WBEs to bid the work as subcontractors or

BID PROPOSAL

suppliers. If this is not done, document reasons why the project schedule, or portions thereof, cannot be modified so as to accommodate interested MBEs and WBEs.

5. Use the services and assistance of the Small business Administration, the Minority Business Development Agency, and other agencies listed below, as appropriate.
6. If contractor awards subagreements, require subcontractors to take the affirmative steps listed in 1 through 5 above.

The bidder should make contact with the offices listed below, as appropriate. Their services are provided at no cost to bidder. If contact was made with neither, documentation must be presented to explain why contact was not made and describe what MBE/WBE solicitation lists were used.

a. Small Business Administration

<http://www.sba.gov>

The federal database for contractor/subcontractor procurement (formerly the SBA "Pro-Net") is now maintained as the Central Contractor Registration.

<http://www.ccr.gov>

INSTRUCTION FOR ACCESSING [HTTP://www.ccr.gov](http://www.ccr.gov) DATA BASE OF MBE/WBE SUBCONTRACTORS

1. Go to <http://www.ccr.gov>
2. Click on the quick link to **Dynamic Small Business Search**
3. Under **States**, scroll down to and click on **Nevada**
4. Scroll down to **Other Ownership Data**
5. Click on **Minority or Woman/Women**, do separate run for each classification
6. Scroll down to **Nature of Business**, across from **Keywords**, type in classification of work to be performed by the subcontractor (electrician, piping, rebar, trucking, landscape, etc.)
7. Scroll to **General Nature of Business** and click on **Construction**
8. Scroll to the bottom of the screen and click on **Search Using These Criteria**.
9. For additional contractors, scroll to **No more matches**, click on **Refine Search** and repeat the process by changing the type of contractor you are searching for in no. 6, **Keyword**

b. Minority Business Development Agency (U.S. Department of Commerce)

<http://www.mbd.gov>

c. Nevada Department of Transportation: Disadvantaged Business Enterprise Program

<http://www.nevadadbe.com/>

California Public Utilities Commission has a supplier diversity program which collects and disseminates information from women, minority and disabled veteran-owned business enterprises.

<http://www.cpuc.ca.gov/static/supplierdiversity/index.htm>

In addition, the bidder is encouraged to procure supplies and services from small- and disabled-veteran-owned- and labor surplus area firms. Carson City recommends that bidder organize and maintain information on its MBE/WBE good faith effort in a binder, arranged according to the Good Faith Effort steps. Bidder is advised to keep printouts of searches for minority and women-owned firms, logs of telephone calls, logs and copies of correspondence, particularly contact letters. Carson City recommends that bidder include response of potential subcontractors and suppliers in the documentation log. Carson City will contact apparent selected firm to obtain for review the firm's s MBE/WBE good faith effort

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supporting documentation prior to award of the contract.

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Definitions

Minority Business Enterprise/Women's Business Enterprise (MBE/WBE)

A MBE is a business that is, (1) at least 51 percent owned and controlled by one or more minority individuals, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more minority individuals; and (2) whose daily business operations are managed and directed by one or more of the minority owners.

A WBE is a business that is, (1) at least 51 percent owned by one or more women, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more women; and, (2) whose daily business operations are managed and directed by one or more of the women owners.

Minority Individuals Include:

- (a) American Indians
Persons having origins in any of the original peoples of North America. To qualify in this group, a person must be a citizen of the United States and meet one or more qualifying criteria including:
 - (1) Be at least one-fourth Indian descent (as evidenced by registration with the Bureau of Indian Affairs);
 - (2) Characteristic Indian name;
 - (3) Recognition in the community as an Indian;
 - (4) Membership in a tribe, band or group of American Indians (recognized by the Federal Government), as evidenced by a tribal enrollment number or similar indication; and
 - (5) Characteristic Indian appearance and features.
- (b) Black Americans
U.S. citizens, other than Hispanic, having origins in any of the black racial groups of Africa.
- (c) Asian Americans
U.S. citizens having origins in any of the original peoples of the Far East, Southern Asia, the Indian subcontinent or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands and Samoa. The Indian subcontinent takes in the countries of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Sikkim, and Bhutan.
- (d) Hispanic Americans
U.S. citizens of Mexican, Puerto Rican, Cuban, or other Spanish culture or origin, regardless of race. Only those persons from Central and South American countries who are of Spanish origin, descent, or culture should be included in this category. Persons from Brazil, Guyana, Surinam or Trinidad, for example, would be classified according to their race and would not necessarily be included in the Hispanic category. In addition, the category does not include persons from Portugal, who should be classified according to race.
- (e) American Eskimos and American Aleuts

SDWSRF-Procurement Categories-Model Category Definitions

Background: SDWSRF, MBE/WBE requirements apply to procurement of Construction, Services, Equipment, and Supplies. Based upon a review of federal agency references (regulations and guidance), the following definitions may be utilized in the process of documentation of the "good faith effort."

"Construction" means a process of construction, improvement/alternation, or repair, remodeling, of any public structure, or public improvement of any kind to any real property. As used in this definition, the terms "buildings, structure, or other real property" typically include but are not limited to improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharfs, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels. Construction does not include the routine operation, routine repair or routine maintenance of existing facilities. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing, or assembling of personal property.

"Services" means (1) the furnishing of labor, time or effort by a contractor which does not involve the delivery of a specific end product other than required reports and performance; (2) a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. [Note: Typically construction related services (electrical, plumbing, etc., integral to the construction of a specific end product which is attached to, or part of, real property is considered part of "construction" rather than "services."

"Equipment" means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Rental or lease of equipment may be included in this category.

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"Supplies" means all tangible personal property other than equipment as defined above. (i.e. personal property having a useful life of less than one year and an acquisition cost of less than \$5,000 per unit.)

MBE/WBE Forms

The following forms are provided to report project MBE/WBE information.

All Forms, where applicable, must have original signature and date.

The following table provides information on who completes each form and where the forms are to be sent:

Form#	Description	Completed By	Submit To	Forward To
1	Solicitation	Prime Contractor	Carson City	BSDW
2	Bids Received List	Prime Contractor	Carson City	BSDW
3	Self-Certification	MBE/WBE Subs	Prime Contractor	BSDW
4	Selected Subcontractors	Prime (with bid)	Carson City	BSDW

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FORM 1

Hydro Resources Nevada Inc. dba: Humboldt Drilling and Pump Co Inc.

PRIME CONTRACTOR BIDDER

MBE/WBE GOOD FAITH EFFORT

LOG OF MBE/WBE CONTRACTORS/SUPPLIERS SOLICITED

for Carson City Production Well #1 Drilling, Construction and Testing Project

WATER SYSTEM/PROJECT NAME

Contractor Name	Contractor Address	Category (MBE or WBE)	How Located	Date of Contact	Contact Method	Task Description	Delivery Schedule	Response (Yes/No)
<i>See Attachments</i>								

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FORM 2

Hydro Resources Nevada Inc., dba: Humboldt Drilling and Pump Co Inc.
PRIME CONTRACTOR BIDDER

MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE (MBE/WBE)

"GOOD FAITH" EFFORT BIDS RECEIVED LIST

for Carson City Production Well 41, Drilling, Construction and Testing Project

WATER SYSTEM/PROJECT NAME

Contractor Name	Category (MBE or WBE)	Task Description	Bid Amount	Selected (Check)	Explanation for Not Selecting
<i>See Attachments</i>					

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*NA-
See Attachments*

FORM 3

MINORITY BUSINESS ENTERPRISE/WOMEN'S BUSINESS ENTERPRISE (MBE/WBE)¹ SELF CERTIFICATION

Firm Name: _____ Phone: _____

Address: _____

Principal Service or Product: _____

- MBE

- WBE

- Prime Contractor

- Supplier of Material/Service

- Subcontractor

- Broker

- Sole Ownership

- Corporation

- Partnership

- Joint Venture

Names of Owners	Percent Ownership	MBE- Ethnic Identity ¹	WBE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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Additional proofs may be required upon written challenge of this certification by any person or agency. Falsification of this certification by a firm selected to perform Federally funded work may result in a determination that the firm is nonresponsive and ineligible for future contracts.

Certified by: _____ Title: _____
(Signature)

Name: _____ Date: _____

¹ Refer to definitions above.

NA
See Attachments

BID PROPOSAL FORM 4

WATER SYSTEM NAME:	WATER SYSTEM NUMBER-PROJECT NUMBER:
PROJECT DESCRIPTION:	PROJECT LOCATION:
NAME AND ADDRESS (Include ZIP code):	TYPE OF CONTRACT <input type="checkbox"/> ARCHITECT/ENGINEER (A/E) <input type="checkbox"/> CONSTRUCTION <input type="checkbox"/> SUPPLIER/SERVICE (S/S)
	AMOUNT OF CONTRACT/BID: \$
<input type="checkbox"/> SUBCONTRACTOR <input type="checkbox"/> SUPPLIER/SERVICES <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> BROKER <input type="checkbox"/>	NAME AND ADDRESS (include ZIP code): PHONE:
CONTRACT AMOUNT \$	TYPE OF CONTRACT:
<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SUBCONTRACTOR <input type="checkbox"/> SUPPLIER/SERVICES <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> BROKER <input type="checkbox"/>	NAME AND ADDRESS (include ZIP code): PHONE:
CONTRACT AMOUNT \$	TYPE OF CONTRACT:

BID PROPOSAL

<input type="checkbox"/> MBE <input type="checkbox"/> WBE	NAME AND ADDRESS (Include ZIP code): PHONE:					
<input type="checkbox"/> SUBCONTRACTOR <input type="checkbox"/> SUPPLIER/SERVICES <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> BROKER <input type="checkbox"/>	CONTRACT AMOUNT \$					
CONTRACT AMOUNT \$		TYPE OF CONTRACT:				
	% MBE	% WBE	MBE \$	MBE %	WBE \$	WBE %
Construction	12%	10%	\$	%	\$	%
Equipment	11%	23%	\$	%	\$	%
Services	7%	25%	\$	%	\$	%
Total			\$ _____		\$ _____	
NAME	TITLE		PHONE			
SIGNATURE	DATE		EMAIL			

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BP. 32

CONTRACTOR'S ARRA COMPLIANCE CERTIFICATION

This project, the Production Well 41 Drilling, Construction and Testing Project, is funded in part or whole by the American Reinvestment and Recovery Act of 2009 (ARRA), also known as Federal Stimulus Money. The Contractor and all named Subcontractors shall certify in writing their understanding of and compliance with the ARRA requirements. The General Contractor shall submit a signed copy of this compliance statement with the Bid, per Specification Sections 00200. The General Contractor shall submit all named Subcontractors' signed compliance forms to the Owner within 10 business days after bid opening.

Failure to provide the General Contractor's signed certification with the Bid and the Subcontractors' signed certifications within ten (10) business days following Bid Opening shall render the Bid non-responsive and shall be the basis for rejection of the Bid.

By signing this document, the Contractor certifies they are fully compliant with ARRA Requirements, as summarized below:

- B. **Buy American:** Section 1605 of the ARRA requires that all Iron, Steel, and Manufactured Goods used in the project shall be produced in the United States.
 - 1. Steel is further defined as:
 - a. An alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
 - b. Production in the United States of the iron or steel used in the project requires that all manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives.
 - c. These requirements do not apply to iron or steel used as components or subcomponents of manufactured goods used in the project.
 - 2. Manufactured goods are further defined as goods brought to the construction site for incorporation into the building or work that have been:
 - a. Processed into a specific form and shape; or
 - b. Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.
 - c. There is no requirement with regard to the origin of components or subcomponents in manufactured goods, as long as the manufacture of the goods occurs in the United States.
- C. Contractor acknowledges that all submittals shall include material manufacturers' certification of ARRA compliance forms. Note that un-certified manufacturers shall be a basis for rejection of product, unless a waiver has been granted. Contractor shall replace all rejected items (due to noncompliance with ARRA guidelines) with ARRA compliant manufacturers, at no cost to the owner.
- D. **Waste, Fraud, and Abuse:** Waste, Fraud or Abuse of public funds will not be tolerated. Contractor understands that Project accounting must be strict, accurate, and timely.

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- E. Whistleblower Rights Notice: The Contractor understands that Federal whistleblower protections and rights must be posted at the job site. This posting shall be public, conspicuous, and readily available to all personnel working at or visiting the job site.
- F. Reporting: The Contractor understands that in addition to standard Project reporting requirements that certain additional reports are required, on a weekly and quarterly basis, including the tracking of goals per Section 1512 of the ARRA. Specific report items are expected to include jobs created, jobs saved, and other information related to the administration of the Project, and will be updated on the following website:
<http://www.federalreporting.gov/>
- G. Prevailing Wages: The Contractor understands that the payment of Nevada State and Federal Davis Bacon prevailing wages and timely submission of prevailing wage documentation is mandatory.
- H. For further clarification on how to implement ARRA guidelines, see the following website:

<http://ndep.nv.gov/recovery/index.html>

Certification:

I (undersigned) have read, understand, and will comply with the ARRA requirements for the Production Well 41 Drilling, Construction and Testing Project due to financing from the American Reinvestment and Recovery Act of 2009.

Michelle Strother
(Name - Print)

Corporate Secretary
(Title of person authorized to sign)

Michelle Strother 2/4/2010 Hydro Resources Nevada Inc.
(Signature) (Date) (Company) d/b/a: Humboldt Drilling and Pump Co Inc.

END OF SECTION

END OF BID PROPOSAL