

**City of Carson City
Agenda Report**

Date Submitted: April 18, 2012

Agenda Date Requested: May 3, 2012
Time Requested: Consent

To: Mayor and Supervisors
From: Purchasing and Contracts

Subject Title: For Possible Action: To determine that Contract No. 1112-184 is a contract for items which may only be contracted from a sole source and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 1112-184 a request for Repair of D5LL rotating Assembly and Cyclo Gear for the Wastewater Treatment Plant provided by Andritz Separation Inc. for a not to exceed cost of \$82,625.87 to be funded from Sewer Equipment Repair and Maintenance Account Fund for Fiscal years 2011/2012 and 2012/2013. *(Kim Belt)*

Staff Summary: One of the final processes at the Waste Water Reclamation Plant is the dewatering of digested sludge through the use of two Andritz D5LL centrifuges. Both centrifuges are approximately 13 years old and one of the centrifuges has reached a point of failure; requiring the internal mechanisms to be overhauled. The centrifuges were installed to eliminate odors that resulted from a previous practice of diverting digested sludge to the drying beds, and thus are a critical component to the overall operations of the plant. Staff is recommending a sole source contract with Andritz Separation Inc. in order for the centrifuge to be brought back to manufacturer's standards and specifications.

Type of Action Requested: (check one)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to determine that Contract No. 1112-184 is a contract for items which may only be contracted from a sole source and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 1112-184 a request for Repair of D5LL rotating Assembly and Cyclo Gear for the Wastewater Treatment Plant provided by Andritz Separation Inc. for a not to exceed cost of \$82,625.87 to be funded from Sewer Equipment Repair and Maintenance Account Fund for Fiscal years 2011/2012 and 2012/2013. *(Kim Belt)*

Explanation for Recommended Board Action: Staff has provided a letter which states that Andritz Separation Inc. is original supplier of the D5LL units installed at the Carson City Wastewater Treatment Plant.

Pursuant to **NRS 332.115 subsection 1 (a) and (c)**, staff is requesting the Board of Supervisors declare that the contract is not adapted to award by competitive bidding.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including

contracts for:

- (a) Items which may only be contracted from a sole source;
- (c) Additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired or maintained by a certain person; are not subject to the requirements of this chapter for competitive bidding as determined by the governing body or its authorized representative.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1 (a) and (c)

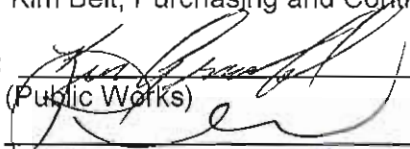
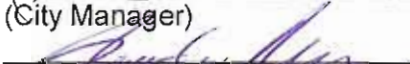
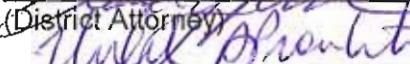
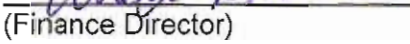
Fiscal Impact: \$82,625.87

Explanation of Impact: If approved below account will be decreased by \$82,625.87

Funding Source: Sewer Equipment Repair and Maintenance Account 510-3201-434-04-30 for Fiscal years 2011/2012 and 2012/2013.

Supporting Material: Letter from Andritz Separation Inc. and Contract No. 1112-184.

Prepared By: Kim Belt, Purchasing and Contracts Manager, Finance Department

Reviewed By:  Date: 4/24/12
 (Public Works)
 Date: 4/24/12
 (City Manager)
 Date: 4/24/12
 (District Attorney)
 Date: 4/24/12
 (Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
 2) _____ _____

(Vote Recorded By)

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

THIS CONTRACT, made and entered into this 3rd day of May, 2012, by and between the City and County of Carson City, a political subdivision of the State of Nevada, hereinafter referred to as the "**CITY**", and Andritz Separation Inc., hereinafter referred to as the "**CONTRACTOR**".

W I T N E S S E T H :

WHEREAS, the Purchasing and Contracts Manager for the City and County of Carson City is authorized, pursuant to Nevada Revised Statutes Chapter 332 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 that the services of **CONTRACTOR** for **CONTRACT No. 1112-184** are both necessary and in the best interests of **CITY**; and

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

1 **REQUIRED APPROVAL:**

1.1 This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2 **CONTRACT TERM:**

2.1 This Contract shall be effective from May 3, 2012 subject to Carson City Board of Supervisors' approval (anticipated to be May 3, 2012) to November 15, 2012, unless sooner terminated by either party as specified in **Section 7 Contract Termination**.

3 **NOTICE:**

3.1 Unless otherwise specified, termination shall not be effective until thirty (30) 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	_____
GL expires	_____
AL expires	_____
PL expires	_____
WC expires	_____

3.2 Notice to **CONTRACTOR** shall be addressed to:

Steve Huff, Vice President
Andritz Separation Inc.
1010 Commercial Blvd. S
Arlington, TX 76001
817-465-5611/FAX 817-468-3961
Environ.us@andritz.com

3.3 Notice to **CITY** shall be addressed to:

Carson City Purchasing and Contracts
Kim Belt, Purchasing and Contracts Manager
201 North Carson Street, Suite 3
Carson City, NV 89701
775-283-7137/ FAX 775-887-2107
KBelt@carson.org

4 SCOPE OF WORK:

4.1 **CONTRACTOR** shall provide and perform the following services set forth in **Exhibit A**, attached hereto and incorporated herein by reference for and on behalf of **CITY** hereinafter referred to as the "**SERVICES**".

4.2 **CONTRACTOR** represents that it is duly licensed by Carson City for the purposes of performing the **SERVICES**.

4.3 **CONTRACTOR** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the **SERVICES**.

4.4 **CONTRACTOR** represents that it and/or the persons it may employ possess all skills and training necessary to perform the **SERVICES** described herein and required hereunder. **CONTRACTOR** shall perform the **SERVICES** faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. **CONTRACTOR** shall be responsible for the professional quality and technical accuracy of all **SERVICES** furnished by **CONTRACTOR** to **CITY**.

4.5 **CONTRACTOR** represents that neither the execution of this Contract nor the rendering of services by **CONTRACTOR** hereunder will violate the provisions of or constitute a default

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under any other contract or agreement to which **CONTRACTOR** is a party or by which **CONTRACTOR** is bound, or which would preclude **CONTRACTOR** from performing the **SERVICES** required of **CONTRACTOR** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such **SERVICES**.

4.6 Before commencing with the performance of any work under this Contract, **CONTRACTOR** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONTRACTOR** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONTRACTOR** performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom.

5 CONSIDERATION:

5.1 The parties agree that **CONTRACTOR** will provide the **SERVICES** specified in **Section 4 Scope of Work** and **CITY** agrees to pay **CONTRACTOR** the **CONTRACT SUM** based upon time and materials and the attached Quote for a not to exceed maximum amount of Eighty Two Thousand Six Hundred Twenty Five Dollars and Eighty Seven Cents (\$82,625.87).

5.2 **CONTRACT SUM** represents full and adequate compensation for the completed **WORK**, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the **WORK**.

5.3 **CITY** has provided a sample invoice and **CONTRACTOR** shall submit its request for payment using said sample invoice.

5.4 Payment by **CITY** for the **SERVICES** rendered by **CONTRACTOR** shall be due within thirty (30) calendar days from the date **CITY** acknowledges that the performance meets the requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **CITY** employee designated on the sample invoice, whichever is the latter date.

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

6 TIMELINESS OF BILLING SUBMISSION:

6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONTRACTOR** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs

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to CITY of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to CONTRACTOR.

7 CONTRACT TERMINATION:

7.1 Termination Without Cause:

7.2 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.

7.3 Termination for Nonappropriation:

7.4 The continuation of this Contract beyond June 30, 2012, 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.

7.5 Cause Termination for Default or Breach:

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

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

7.7.1 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

7.7.2 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

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

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

7.7.5 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

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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

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

7.8 Time to Correct:

7.9 Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in Section 3 Notice, and the subsequent failure of the defaulting party within fifteen (15) calendar days of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

7.10 Winding Up Affairs Upon Termination:

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

7.11.1 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;

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

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

7.11.4 **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with **Section 23 City Ownership of Proprietary Information**.

8 REMEDIES:

8.1 Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONTRACTOR** to **CITY**.

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9 LIMITED LIABILITY:

9.1 CITY will not waive and intends to assert available Nevada Revised Statutes 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 CITY 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.

10 FORCE MAJEURE:

10.1 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.

11 INDEMNIFICATION:

11.1 To the extent permitted by law, including, but not limited to, the provisions of Nevada Revised Statutes 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.

11.2 Except as otherwise provided in Subsection 11.4 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:

11.3 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.4 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.5 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

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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.

11.6 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall 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.

12 INDEPENDENT CONTRACTOR:

12.1 An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his 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.

12.2 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.

12.3 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.

12.4 **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.

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

13 INSURANCE REQUIREMENTS:

13.1 **CONTRACTOR**, as an independent contractor and not an employee of **CITY**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **CITY** shall have no liability except as specifically provided in this Contract.

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13.2 **CONTRACTOR** shall not commence work before: (1) **CONTRACTOR** has provided the required evidence of insurance to Carson City Purchasing and Contracts, and (2) **CITY** has approved the insurance policies provided by **CONTRACTOR**.

13.3 Prior approval of the insurance policies by **CITY** shall be a condition precedent to any payment of consideration under this Contract and **CITY'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **CITY** to timely approve shall not constitute a waiver of the condition.

13.4 Insurance Coverage:

13.5 **CONTRACTOR** shall, at **CONTRACTOR'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **CITY**, the required insurance shall be in effect prior to the commencement of work by **CONTRACTOR** and shall continue in force as appropriate until the latter of:

13.5.1 Final acceptance by **CITY** of the completion of this Contract; or

13.5.2 Such time as the insurance is no longer required by **CITY** under the terms of this Contract.

13.6 Any insurance or self-insurance available to **CITY** shall be in excess of and non-contributing with any insurance required from **CONTRACTOR**. **CONTRACTOR'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **CITY**, **CONTRACTOR** shall provide **CITY** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONTRACTOR** has knowledge of any such failure, **CONTRACTOR** shall immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

13.7 General Requirements:

13.8 Certificate Holder: Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701 as a certificate holder.

13.9 Additional Insured: By endorsement to the general liability insurance policy evidenced by **CONTRACTOR**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

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13.10 Waiver of Subrogation: Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

13.11 Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

13.12 Deductibles and Self-Insured Retentions: Insurance maintained by **CONTRACTOR** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONTRACTOR** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by **CITY**.

13.13 Policy Cancellation: Except for ten (10) calendar days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701.

13.13.1 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

13.13.2 **Evidence of Insurance:** Prior to commencement of work, **CONTRACTOR** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street Suite 3, Carson City, NV 89701:

13.13.3 **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONTRACTOR**.

13.13.4 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 13.5.2.

13.13.5 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

13.14 Review and Approval: Documents specified above must be submitted for review and approval by Carson City Purchasing and Contracts prior to the commencement of work by **CONTRACTOR**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by

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CONTRACTOR shall relieve **CONTRACTOR** of **CONTRACTOR'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONTRACTOR** or its sub-contractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

14 COMMERCIAL GENERAL LIABILITY INSURANCE:

14.1 Minimum Limits required:

14.2 Two Million Dollars (\$2,000,000.00) - General Aggregate

14.3 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations Aggregate

14.4 One Million Dollars (\$1,000,000.00) - Each Occurrence

14.5 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

15 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

15.1 Minimum Limit required:

15.2 One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage

15.3 Coverage shall be for "any auto", including owned, non-owned and hired vehicles. The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

16 PROFESSIONAL LIABILITY INSURANCE:

16.1 Minimum Limit required: One Million Dollars (\$1,000,000.00)

16.2 Retroactive date: Prior to commencement of the performance of this Contract

16.3 Discovery period: Three (3) years after termination date of this Contract.

16.4 A certified copy of this policy may be required.

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17 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

17.1 **CONTRACTOR** shall provide workers' compensation insurance as required by Nevada Revised Statutes Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.

17.2 **CONTRACTOR** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONTRACTOR** is a sole proprietor; that **CONTRACTOR** will not use the services of any employees in the performance of this Contract; that **CONTRACTOR** has elected to not be included in the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive.

18 BUSINESS LICENSE:

18.1 **CONTRACTOR** shall not commence work before **CONTRACTOR** has provided a copy of his Carson City business license to Carson City Purchasing & Contracts.

18.2 The Carson City business license shall continue in force until the latter of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

19 COMPLIANCE WITH LEGAL OBLIGATIONS:

19.1 **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 government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with Nevada Revised Statutes 361.157 and 361.159. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

20 WAIVER OF BREACH:

20.1 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.

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21 SEVERABILITY:

21.1 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 did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

22 ASSIGNMENT/DELEGATION:

22.1 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 **CITY**, 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 **CITY**.

23 CITY OWNERSHIP OF PROPRIETARY INFORMATION:

23.1 Any files, reports, histories, studies, tests, manuals, instructions, 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 the exclusive property of **CITY** and all such materials shall be delivered into **CITY** 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 performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

23.2 **CITY** 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.

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

24 PUBLIC RECORDS:

24.1 Pursuant to Nevada Revised Statute 239.010, information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the duty to

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

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 Nevada Revised Statute 332.061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

25 CONFIDENTIALITY:

25.1 **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.

26 FEDERAL FUNDING:

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

26.2 **CONTRACTOR** certifies, 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.

26.3 **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.

26.4 **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 regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

27 LOBBYING:

27.1 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:

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

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

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

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

28 GENERAL WARRANTY:

28.1 **CONTRACTOR** warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications as set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

29 PROPER AUTHORITY:

29.1 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 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**.

30 ALTERNATIVE DISPUTE RESOLUTION:

30.1 Pursuant to NRS 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 engaged on the public work cannot otherwise be settled. Therefore, in the event that a dispute arising between **CITY** and **CONTRACTOR** cannot otherwise be settled, **CITY** and **CONTRACTOR** agree that, before judicial action may be initiated, **CITY** and **CONTRACTOR** will submit the dispute to non-binding mediation. **CITY** 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 **CITY**. The person selected as mediator shall determine the rules governing the mediation.

31 GOVERNING LAW; JURISDICTION:

31.1 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 principle of conflict-of-law that would require the application of the law of 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.

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

32 ENTIRE CONTRACT AND MODIFICATION:

32.1 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.

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
Contract No. 1112-184
Titled: D5LL Rotating Assembly Repair

33 ACKNOWLEDGMENT AND EXECUTION:

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


CARSON CITY

Purchasing and Contracts Department
Attn: Kim Belt
Purchasing and Contracts Manager
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
KBelt@carson.org

CITY'S LEGAL COUNSEL

Neil A. Rombardo, District Attorney

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

By: 
Kim Belt

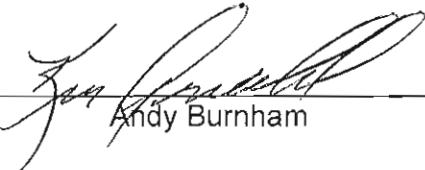
By: 
Deputy District Attorney

DATED 4/24/12

DATED 4/24/12

CITY'S ORIGINATING DEPARTMENT

BY: Andy Burnham, Director
Carson City Public Works Department
3505 Butti Way
Carson City, NV 89701
Telephone: 775-887-2355
Fax: 775-887-2164
ABurnham@carson.org

By: 
Andy Burnham

DATED 4/24/12

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

Steve Huff deposes and says: That he is the **CONTRACTOR** or authorized agent of the **CONTRACTOR**; that he has read the foregoing Contract; and that he understands the terms, conditions, and requirements thereof.

CONTRACTOR

BY: Steve Huff

TITLE: Vice President

FIRM: Andritz Separation Inc.

CARSON CITY BUSINESS LICENSE #: 12-

Address: 1010 Commercial Blvd. S

City: Arlington **State:** Texas **Zip Code:** 76001

Telephone: 817-465-5611/ **Fax #:** 817-468-3961

E-mail Address: Environ.us@andritz.com

(Signature of **CONTRACTOR**)

DATED _____.

STATE OF _____)
County of _____) **ss**

Signed and sworn (or affirmed) before me on this _____ day of _____, 2012,
by _____.

(Signature of Notary)

(Notary Stamp)

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-184

Titled: D5LL Rotating Assembly Repair

CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of May 3, 2012 approved the acceptance of **CONTRACT No. 1112-184**. 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 3rd day of May, 2012.

ATTEST:

ALAN GLOVER, CLERK-RECORDER

DATED this 3rd day of May, 2012.



A. ANDRITZ Sludge

ANDRITZ D5LL Repair Quote

April 4, 2012

In Response

To

Jeff McGoodwin
Maintenance Division
City of Carson City

City of Carson City

ANDRITZ REPRESENTATIVE

MISCO

This proposal is the confidential and proprietary information of Andritz Separation Inc. Any party accepting receipt of this proposal does so on the express understanding and agreement that it will neither copy, reproduce, disclose to third parties or use this proposal for any purpose other than those expressly agreed to by Andritz Separation Inc. in writing. Such party also agrees to indemnify of Andritz Separation Inc. against losses or damages suffered by of Andritz Separation Inc. as a result of such parties' improper reproduction, disclosure or use of this proposal.

ANDRITZ Repair Quote Table of Contents

1. Cover Letter

2. ANDRITZ Quote

- A) General Scope of Supply***
- B) Pricing Summary***
- C) Commercial Conditions***

April 4, 2012

04042012

Jeff McGoodwin
City of Carson City
Carson City, NV

Subject: Repair Quote for D5LL – Carson City

Dear Jeff

Per our meetings and conversations we have prepared the following quote for the repair of the D5LL rotating assembly.

Andritz is the OEM for all Andritz equipment for the USA. We are quoting the repair of you D5LL rotating assembly and cyclo gear. The quote covers all the required parts and services that we discussed including:

- Repair of the D5LL rotating assembly
- Retile, balance and assembly of the conveyor
- Two stage repair costing for the cyclo gear unit
- Installation assistance
- On site inspection of the second centrifuge with internal scoping, vibration and thermal evaluations
- Extended Warranty period for 2 years
- Onsite training for Operations and Maintenance after installation

Please review the attached information and advise. Please feel free to contact me or our representative at anytime, my direct number is 925-336-7515.

Once again, we thank you for your time and look forward to hear from you soon.

Sincerely,
ANDRITZ Separation, Inc.

Brian Lent

Brian Lent
Western
Regional Aftermarket Sales Manager

Cc: MISCO - North

A. Scope of Supply

- | | | |
|----|-------|--|
| 1 | 1 Lot | <p>Repair of the D5LL rotating assembly including parts & labor
Includes a complete DCI report w/ pictures
Includes main bearings ,scroll and bowl
Retiling on conveyor with same as Tungsten Carbide tiles
Replacement of the feed ports
Replacement of the cake discharge ports
Balance at operating speed of bowl & conveyor
All parts to be OEM</p> <p>Additional Services beyond equipment package - None</p> <p>Freight:..... FOB, City of Carson City NV Plant location</p> |
| 2. | 1 Lot | <p>Minor repair of the cyclo gear unit
Includes bearings, seals and labor
Assemblies returned to OEM tolerances</p> <p>Additional Services beyond equipment package - None</p> <p>Freight:..... FOB, City of Carson City NV Plant location</p> |
| 3. | 1 Lot | <p>Major repair of the cyclo gear unit
Includes bearings, seals and labor
New cams, rollers and pins
Assemblies returned to OEM tolerances</p> <p>Additional Services beyond equipment package - None</p> <p>Freight:..... FOB, City of Carson City NV Plant location</p> |
| 4. | 1 Lot | <p>On site Services</p> <p>Installation assistance – 2 days
On site inspection of second machine with internal scoping,
vibration and thermal evaluation – 2 days
Onsite training – 1 day</p> <p>5 days Total on site time</p> |

B. Pricing Summary

D5LL Repair and Services

ITEM Nr.	DESCRIPTION
1	Repair of D5LL rotating assembly with DCI report, bearings, seals, complete retiling of conveyor, balance and all labor costs
	Parts include – T/C tiles, ports, flex connectors, case seals and 2 years warranty on workmanship
2	Minor repair of cyclo gear with bearings and seals
3	Major repair of cyclo gear to include cams, rollers and pins (labor in repair costs)
	Onsite Services to include
4	Installation assistance – 2 days On site inspection of second machine with internal scoping, vibration and thermal evaluation – 2 days Onsite training – 1 day
	5 days Total time on site

TOTAL COST for D5LL repair with Minor Cyclo Repair\$ 77,921.77

TOTAL COST for D5LL repair with Major Cyclo Repair\$ 82,625.87

Complete parts list with Major cyclo parts included

Part No.	SAP	Description	Qty	Sales Each	Sales Ext
Front Pillow Block A.					
VIS/I-CHC-M10*80*030	131398456	CZ263 Screw	4	\$6.00	\$24.00
VIS/I-H-M16*070*065	131042316	CS231 Screw	4	\$18.00	\$72.00
26646 C	131382462	Washer on Feed Pipe	1	\$231.32	\$231.32
VIS/I-CHC-M06*025*025	131045033	CS200 Screw	6	\$1.00	\$6.00
CIR-I-D205	131071335	CQB205 Retaining Ring	1	\$42.00	\$42.00
CIR-I-D200	100022291	CQB200 Retaining Ring	1	\$44.00	\$44.00
RLT-NU222/M/C3	131182836	Roller Bearing	1	\$490.00	\$490.00
RDL/I-P-M08	100004671	Washer	4	\$1.00	\$4.00
VIS/I-H-M08*025*025	100003791	CZ80 B- Screw	4	\$3.00	\$12.00
VIS/I-CHC-M10*130*032	131128705	CZ347 Screw	6	\$5.00	\$30.00
VIS/I-CHC/M10*025*025	131041858	CZ80 B-Screw	16	\$2.00	\$32.00
RDL/I-P-M10	100004621	Washer	16	\$1.00	\$16.00
VIS/I,A4/C80-CHC/M12*070*036	131024981	St. Steel Screw Class 80	30	\$3.00	\$90.00
JNT/T/N-BU/PRP390-D532,18*5.33	131128834	CS586 O-Ring	1	\$9.00	\$9.00
JNT/T/RO/PRP351-D120.02*5.33	131128745	CS579 O-Ring	2	\$1.00	\$2.00
JNT/B/VR-NI-V140A	131071714	CS657 V-Ring	1	\$15.00	\$15.00
JNT/T/N-BU/PRP008-D4.47*1.78	131128747	CS652 O-Ring	2	\$1.00	\$2.00
RLT-6220/C3	131045575	CR0160 Bearing	1	\$141.00	\$141.00
VIS/I-FHC90-M06*015*013	131189279	CS350 Screw	15	\$1.00	\$15.00
VIS/I-CHC-M06*012*012	131044951	CS93 Screw	1	\$1.00	\$1.00
JNT/R/RR-CU-D06*10*1	131157857	Copper Ring	1	\$2.00	\$2.00
JNT/B/LE-N-IE,074*90*13	131058741	CS741 Lip Ring	1	\$36.00	\$36.00
JNT/P-PO20*10*1000	131882457	Polyurethane Bar 10 Shores	1	\$19.35	\$19.35
JNT/T/N-BU/PRP170-D196.25*2.65	131750682	CS559 O-Ring	1	\$1.00	\$1.00
VIS/A/H-M16*080*080	100003138	CZ94 Screw Clas 10.9	4	\$4.00	\$16.00
RDL/AT-P-E16	131130482	Washer	4	\$7.00	\$28.00
VIS/I-H-M08*020*020	131045569	CZ60 Screw	2	\$1.00	\$2.00
RDL/I-P-M08	100004671	Washer	2	\$1.00	\$2.00
JNT/T/N-BU/PRP242-D101.2*3.53	131128796	CS533 O-Ring	1	\$1.00	\$1.00
JNT/T/N-BU/PRP329-D050.2*5.33	131128827	CS191 O-Ring	2	\$1.00	\$2.00
Cover and Frame Assembly					
JNT/P-PO-20x10x1000	131882457	Joint Rectangular Section	7	\$19.35	\$135.45
VIS/I-FHC/90-M08*020*018	131045095	CZ348 Screw	4	\$1.00	\$4.00
VIS/I-CHC-M12*30*30	100020438	CZ096 Screw (2 Hoods)	22	\$3.00	\$66.00
RD6/I-P-M12	100004599	Washer	22	\$2.00	\$44.00
Bowls and Screw Conveyor Ass.					
26277 C	131382649	Sleeve on Screw Hub	1	\$1,358.50	\$1,358.50
VIS/I-CHC-M06*025*025	131045033	CZ200 - Screw	6	\$5.00	\$30.00
JNT/T/N-BU-PRP040-D72.75*1.78	131140703	CS0699- O-Ring	1	\$5.00	\$5.00
CIR-E-D100	131027656	CQA 100 Retaining Ring	1	\$6.00	\$6.00
VIS/I-CHC-M12*030*030	100020438	CZ096- Screw	12	\$1.00	\$12.00
14994 TEF	131127349	Teflon Ring	1	\$100.00	\$100.00
VIS/I,A4/C80_CHC-M12*070*036	131024981	Screw SS Class 80	30	\$6.00	\$180.00
VIS/I-FHC/90-M06*015*013	131189279	CZ350 Screw	30	\$1.00	\$30.00
VIS/I-CHC/M08*030*030	131044467	CZ75 B-Screw	2	\$3.50	\$7.00

Environment & Process

JNT/R/RR-CU-D08.2*11.3*1	131205523	JM28-84 Copper Gasket	2	\$3.50	\$7.00
JNT/T/N-BU/PRP390-D532.18*5.33	131128834	CS0586 O-Ring	2	\$9.00	\$18.00
BUS/CA-30129+30130	201816043	Nozzle Assembly	8	\$330.00	\$2,640.00
25998C+25997	300001264	Nozzle Carbide	8	\$529.00	\$4,232.00
VIS/I-CHC-M12*025*025	131044903	CZ86-Screw	16	\$2.00	\$32.00
JNT/T/N-BU/PRP139-D55.25*2.62	131128749	CS0550 O-Ring	8	\$2.00	\$16.00
BOU/R-BHC15GC-1/2GAZ	131130062	CY423 Male Plug "RAFIX	1	\$21.36	\$21.36
VIS/AT-CHC-M12*050*050	131126171	CZ029-Screw	10	\$2.00	\$20.00
JNT/T/RO-PRP358-D142.24*5.33	131750036	CS0586 O-Ring	1	\$2.00	\$2.00
JNT/T/N-BU/PRP237-D85.32*3.53	131128795	CS0540	1	\$1.00	\$1.00
T/C tiles			250	\$24.75	\$6,187.50
JNT/P-PO-20*10*1000	131882457	Joint Rectangular Section	1	\$19.35	\$19.35
26674	131382711	Hood Protection	1	\$1,043.76	\$1,043.76
VIS/I-FHC/90-M08*020*018	131045095	CZ348 Screw	4	\$1.00	\$4.00
26673	131060015	Lateral Protection	2	\$259.13	\$518.27
Flec Connectors			2	\$2,892.86	\$5,785.71

Cyclo Unit ZS219/87

CYC-ZS/219/87-15	131464389	Axle (44)	1	\$546.00	\$546.00
CYC-ZS/219/87-16	131950073	Outer Bush (88)	1	\$2,822.00	\$2,822.00
CYC-ZS/219/87-06	131464383	Driving Bush (12)	1	\$792.00	\$792.00
CYC-ZS/219/87-41	131554039	Cycloid Disc (2)	1	\$4,729.00	\$4,729.00
CYC-ZS/219/87-44	131828478	Eccentric	1	\$2,226.00	\$2,226.00
CYC-ZS/219/87-76	131464440	Thrust Washer	2	\$78.01	\$156.02
CYC-ZS/219/87-50	131464435	Spacer Ring	1	\$216.98	\$216.98
JNT/R/RR-CU-D12.2*18*1	131157860	Copper Joint Hex Head Plug DIn910	2	\$3.00	\$6.00
CYC/ZS/000/00	131325347	12x1.5	2	\$7.00	\$14.00

Rear Pillow Block Assembly

VIS/I-CHC-M10*25*25	131041858	CZ080 B-Screw	6	\$2.00	\$12.00
JNT/T/N-BU/PR277-D291.69*3.53	131750037	CS712 O-Ring	1	\$14.00	\$14.00
CIR-E-D120	100022198	CQA 120 Retaining Ring	1	\$7.00	\$7.00
RLT-6024	132032496	CR0170-Ball Bearing	2	\$121.00	\$242.00
JNT/T/N-BU/PRP383-D354.97*5.33	131128832	CS0531 O-Ring	2	\$4.00	\$8.00
CIR-E-D050	100022260	CQA 50 - Retaining Ring	1	\$1.00	\$1.00
24368F	131127350	FrictionRing	1	\$463.49	\$463.49
VIS/I-CHC-M12*050*050	131044462	CZ205 Screw	8	\$4.00	\$32.00
VIS/AT-CHC-M12*120*030	131283239	CZ351 Screw	12	\$3.00	\$36.00
VIS/AT-CHC-M06*016*016	131126161	CZ002- Screw	6	\$1.00	\$6.00
JNT/P-PO-20X10X1000	131882457	Joint Rectangular Section	1	\$19.35	\$19.35
30088A	131382216	Pillow Block Bearing	1	\$4,043.77	\$4,043.77
VIS/AT-CHC-M06*016*016	131126161	CZ002- Screw	6	\$1.00	\$6.00
JNT/T/N-BU/PRP153-D88.57*2.62	131128783	CS0603 O-Ring	1	\$1.00	\$1.00
RLT-NUP2210/C3	131060381	CT2100-Roller Bearing	1	\$40.00	\$40.00
CIR-E-D110	100022176	Retaining Ring	1	\$5.00	\$5.00
RLT-NU2208/ECP/C3	131060380	CR2103 Roller Bearing	1	\$135.00	\$135.00
CIR-I-D080	131045744	CQB080 Retaining Ring	1	\$3.00	\$3.00
JNT/B/LE-N-BAD050*80*10	131721809	CS005 Lip Seal	1	\$21.00	\$21.00
VIS/AT-CHC-M08*040*030	131123166	CZ009 Screw	12	\$2.00	\$24.00
JNT/T/N-BU/PRP125-D32.99*2.65	131750617	CS0596-O-Ring	1	\$1.00	\$1.00
RLT-NU2222/M/C3	131045830	Roller Bearing	1	\$1,247.00	\$1,247.00
VIS/AT-CHC-M10*020*020	131126168	CZ014 Screw	6	\$2.00	\$12.00
VIS/AT-CHC-M08*040*030	131123166	CZ009 Screw	6	\$2.00	\$12.00
24871 A	131127038	Eccentric Spacer	1	\$54.29	\$54.29

Environment & Process

08754.12063X	131127253	Key	1	\$216.96	\$216.96
VIS/I-FHC/90-M06*015*013	131189279	CZ350 Screw	8	\$1.00	\$8.00
JNT/R/RR-CU-D10.2*20*1	131828667	JM28-80 Copper Washer	2	\$3.00	\$6.00
VIS/I-CHC/M10*025*025	131041858	CZ080 B-Screw	2	\$2.00	\$4.00
26630C	300015863	Plug	2	\$33.77	\$67.55
CIR-I-D100	100022271	COB 100-RetainingRing	1	\$4.00	\$4.00
JNT/T/N-BU/PRP154-D94.92*2.65	131320424	O-Ring AS 568A	1	\$2.00	\$2.00
CIR-I-D180	100022273	COB 180 - RetainingRing	1	\$30.00	\$30.00
JNT/T/N-BU/PRP262-D177.4*3.53	131128821	CS0536-O-Ring	1	\$1.50	\$1.50
11526.5R REPR	201820379	Plug Screw	1	\$2.00	\$2.00
JNT/T/RO-PRP351/D120.02*5.33	131284681	CS0579-O-Ring	2	\$8.00	\$16.00
Redex Assembly					
VIS/I-CHC-M10*020*020	131045031	CS098 Screw	1	\$2.00	\$2.00
26254 B	131127093	Redex Washer	1	\$80.00	\$80.00
Redex RDX		Redex RDX/SR30.3-K2	1	\$3,150.00	\$3,150.00
SPB2000	132057904	V-Belt	4	\$36.00	\$144.00
LS-EP-O	131883309	Grease Energrease	1	\$210.00	\$210.00
NBU15	131411050	Grease NBU15	6	\$169.00	\$1,014.00
LGMT2	131411051	Grease LGMT2	6	\$10.00	\$60.00
Flexible Coupling	131130043	Flexible Coupling	1	\$130.00	\$130.00

E. Commercial Conditions

ANDRITZ Separation Inc.'s (ANDRITZ) commitment to execute and deliver an Agreement is conditioned upon negotiating mutually acceptable terms.

Special Information

- Price quoted is delivered
- Prices do not include any unloading or any applicable fees or taxes (Local, Federal, or Final Destination).
- Does not include any installation costs beyond stated in Proposal
- Quotation is valid for sixty (60) days.

Shipment

Refurbished rotating assemblies will be schedule with customer coordination

Refurbishment of existing rotating assembly will be **6-10 weeks** after receipt of rotating assembly from customer. The Option of an exchange conveyor may be used to shorten the delivery schedule

Project Management

ANDRITZ will appoint a Project Manager for the duration of the contract. Project Management services are included in this package and are as follows:

- a) Production of a complete critical path project schedule for ANDRITZ equipment;
- b) Coordinating with the parts and services proposed in the quote
- c) Coordinating with manufacturing on material procurement and construction to ensure ANDRITZ commitments are maintained.

Erection, Training, and Start-Up Assistance

Andritz will supply the agreed on site services and inspection as stated in this quote

ANDRITZ will provide additional erection and start-up supervision for which the purchaser shall pay \$1,500.00/day plus expenses, eight (8) hours/day. At the request of the Purchaser, overtime service will be provided at a rate of 1.5 times quoted rates for weekdays and 2.0 times quoted rates for weekends. Expenses are defined as the cost of travel from Seller's plant to the point of installation and return, together will all living expenses during the period of service.

The above charges shall be made for time involved including delays which are beyond the Seller's control.

Warranty

Project to include a 2 year warranty period to cover workmanship and parts

Scope Not Included in ANDRITZ Price *(to be provided by client)*

- All utilities required for operation and erection
- Cranes or other lifting devices
- Unloading and unpacking at site
- Polymers and Polymer Systems
- Electrical wiring other than centrifuge and control panel as delivered
- Other instruments not specified in our scope of supply / outside of container
- On-site wiring or installation, between components or to control panel
- Sludge Feed Pumps
- Conveyors
- Valving
- **FREIGHT TO & FROM THE CITY OF CARSON CITY IS INCLUDED**



ANDRITZ SEPARATION INC. STANDARD TERMS AND CONDITIONS OF SALE AND/OR SERVICE

1. TERMS APPLICABLE

The Terms and Conditions of Sale listed below are the exclusive terms and conditions applicable to quotations made and orders acknowledged by ANDRITZ Separation Inc. or the applicable ANDRITZ entity supplying the same ("Seller") for the sales of products, equipment, parts and services relating thereto ("Products" and "Services"). If this quotation or acknowledgment contains terms additional to or different from those offered by Buyer, then any acceptance by Seller is expressly made conditional upon Buyer's assent to such additional or different terms. Any of Buyer's terms and conditions that are in addition to or different from those contained herein, which are not separately agreed to by Seller in writing, are hereby objected to and shall be of no effect. The term "this Agreement" as used herein means this quotation or acknowledgment or purchase order, together with any attachment hereto, any documents expressly incorporated by reference, and these Terms and Conditions of Sale and/or Service.

2. DELIVERY

Delivery or performance dates are good faith estimates and do not mean that "time is of the essence." Buyer's failure to promptly make advance or interim payments, supply technical information, drawings and approvals will result in a commensurate delay in delivery. Installation of any Product shall not be Seller's responsibility unless specifically provided for in this Agreement. Upon and after delivery, risk of loss or damage to the Products shall be Buyer's. Delivery of the Products hereunder will be made on the terms agreed to by the parties as set forth in this Agreement, according to INCOTERMS 2010.

3. WARRANTY

(a) In the case of the purchase of NEW EQUIPMENT the Seller warrants to Buyer that the NEW EQUIPMENT manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the NEW EQUIPMENT to Buyer and shall expire on the earlier to occur of 12 months from initial operation of the NEW EQUIPMENT and 18 months from delivery thereof (the "Warranty Period").

(b) In the case of PARTS or used or reconditioned machinery or equipment, and unless otherwise indicated, Seller warrants to Buyer that the PARTS or the used or reconditioned machinery or equipment manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the PARTS or the used or reconditioned machinery or equipment to the buyer and shall expire 6 months from delivery thereof (the "Warranty Period").

(c) If during the Warranty Period Buyer discovers a defect in material or workmanship and gives Seller written notice thereof within 10 days of such discovery, Seller will, at its option, either deliver to Buyer, on the same terms as the original delivery was made, according to INCOTERMS 2010, a replacement part or repair the defect in place. Any repair or replacement part furnished pursuant to this warranty are warranted against defects in material and workmanship for one period of 12 months from completion of such repair or replacement, with no further extension. Seller will have no warranty obligations under paragraph 3(a) or

(b), as applicable, (i) if the Products have not been operated and maintained in accordance with generally approved industry practice and with Seller's specific written instructions; (ii) if the Products are used in connection with any mixture or substance or operating condition other than that for which they were designed, (iii) if Buyer fails to give Seller such written 10 day notice; (iv) if the Products are repaired by someone other than Seller or have been intentionally or accidentally damaged; (v) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable; or (vi) for expenses incurred for work in connection with the removal of the defective articles and reinstallation following repair or replacement.

(d) In the case of SERVICES, Seller warrants to Buyer that the SERVICES performed will be free from defects in workmanship and will conform to any mutually agreed upon specifications. If any failure to meet this warranty appears within 12 months from the date of completion of the SERVICES, on the condition that Seller be promptly notified in writing thereof, Seller as its sole obligation for breach of this warranty will correct the failure by re-performing any defective portion of the Services furnished. Seller does not warrant the accuracy of, or performance results of, any conclusions or recommendations provided, nor that any desired objective will result from the Service provided and Seller shall not be liable for any loss of use or any production losses whatsoever.

(e) Seller further warrants to Buyer that at delivery, the Products manufactured by it will be free of any liens or encumbrances. If there are any such liens or encumbrances, Seller will cause them to be discharged promptly after notification from Buyer of their existence.

(f) THE EXPRESS WARRANTIES SELLER MAKES IN THIS PARAGRAPH 3 ARE THE ONLY WARRANTIES IT WILL MAKE. THERE ARE NO OTHER WARRANTIES, WHETHER STATUTORY, ORAL, EXPRESS OR IMPLIED. IN PARTICULAR, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(g) The remedies provided in paragraphs 3(a), 3(b), 3(c), 3(d), and 3(e) are Buyer's exclusive remedy for breach of warranty.

(h) With respect to any Product or part thereof not manufactured by Seller, Seller shall pass on to Buyer only those warranties made to Seller by the manufacturer of such Product or part which are capable of being so passed on.

4. LIMITATION OF LIABILITY

Notwithstanding any other provision in this Agreement, the following limitations of liability shall apply:

(a) In no event, whether based on contract, tort (including negligence), strict liability or otherwise, shall Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable to Buyer or any third party for loss of profits, revenue or business opportunity, loss by reason of shutdown of facilities or inability to operate any facility at full capacity, or cost of obtaining other means for performing the functions performed by the Products, loss of future contracts, claims of customers, cost of money or loss of use of capital, in each case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature.

(b) The aggregate liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach thereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the contract price.

(c) The limitations and exclusions of liability set forth in this paragraph 4 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise. The remedies provided in this Agreement are Buyer's exclusive remedies.

(d) All liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach thereof shall terminate on the third anniversary of the date of this Agreement.

(e) In no event shall Seller be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects or defects inherent in the design of goods serviced (unless such discovery or repair is normally discoverable by tests expressly specified in the scope of work under this Agreement) or caused by the use of goods by the Buyer against the advice of Seller. If Seller furnishes Buyer with advice or assistance concerning any products or systems which is not required pursuant to the contract, the furnishing of such advice or assistance will not subject Seller to any liability whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise.

5. CHANGES, DELETIONS AND EXTRA WORK.

Seller will not make changes in the Products unless Buyer and Seller have executed a written Change Order for such change. Buyer, without invalidating the contract, may make changes by altering, adding to or deducting from the general scope of the Services by written Change Order. Any such Change Order will include an appropriate adjustment to the contract price and delivery terms. If the change impairs Seller's ability to satisfy any of its obligations to Buyer, the Change Order will include appropriate modifications to this Agreement. If, after the date of this quotation or acknowledgment, new or revised governmental requirements should require a change in the Products, the change will be subject to this paragraph 5.

6. TAXES

Seller's prices do not include any sales, use, excise or other taxes. In addition to the price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale or use of the Products or Services shall be billed to and paid by Buyer unless Buyer provides to Seller a tax-exemption certificate acceptable to the relevant taxing authorities.

7. SECURITY INTEREST

Seller shall retain a purchase money security interest and Buyer hereby grants Seller a lien upon and security interest in the Products until all payments hereunder have been made in full. Buyer acknowledges that Seller may file a financing statement or comparable document as required by applicable law and may take all other action it deems reasonably necessary to perfect and maintain such security interest in Seller and to protect Seller's interest in the Products.

8. SET OFF

Neither Buyer nor any of its affiliates shall have any right to set off claims against Seller or any of its affiliates for amounts owed under this Agreement or otherwise.

9. PATENTS

Unless the Products or any part thereof are designed to Buyer's specifications and provided the Product or any part thereof is not used in any manner other than as specified or approved by Seller in writing, (i) Seller shall defend against any suit or proceeding brought against Buyer to the extent based on a claim that any Product, or any part thereof, infringes any United States device patent; provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such suit or proceeding; (ii) Seller shall satisfy any judgment for damages entered against Buyer in such suit; and (iii) if such judgment enjoins Buyer from using any product or a part thereof, then Seller shall, at its option: (a) obtain for Buyer the right to continue using such Product or part; (b) eliminate the infringement by replacing or modifying all or part of the Products; or (c) take back such Product or part and refund to Buyer all payments on the purchase price which Seller has received, in which case neither Buyer nor Seller will have any claim against the other under this Agreement or arising out of the subject matter of this Agreement. The foregoing states Seller's entire liability for patent infringement by any Product or part thereof.

10. SITE RISKS

(a) Concealed Conditions. The parties acknowledge and agree that increased costs or schedule extensions due to any concealed conditions at the job site shall be to Buyer's account. Buyer shall hold Seller harmless for increased costs and grant any necessary schedule extensions if any concealed or hazardous conditions are found.

(b) Environmental Remediation. Buyer acknowledges that Seller is not an expert in environmental remediation and shall not be directed by change order or otherwise to perform any environmental remediation as part of the Services, including but not limited to asbestos and lead paint removal. If any environmental remediation becomes necessary, Buyer will contract directly with a qualified third party to perform such work.

11. TERMINATION

Buyer may only terminate its order upon written notice to Seller and upon payment to Seller of Seller's termination charges, which shall be specified to Buyer and shall take into account among other things expenses (direct and indirect) incurred and commitments already made by Seller and an appropriate profit; provided, that in no event shall Seller's termination charges be less than 25% of the contract price. Seller shall have the right to suspend and/or terminate its obligations under this Agreement if payment is not received within 30 days of due date. In the event of the bankruptcy or insolvency of Buyer or in the event of any bankruptcy or insolvency proceeding brought by or against Buyer, Seller shall be entitled to terminate any order outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its cancellation charges.

SEPARATION TECHNOLOGIES

12. CONFIDENTIALITY

Buyer acknowledges that the information which Seller submits to Buyer in connection with this quotation, acknowledgment or performance of this Agreement includes Seller's confidential and proprietary information, both of a technical and commercial nature. Buyer agrees not to disclose such information to third parties without Seller's prior written consent. Seller grants to Buyer a non-exclusive, royalty-free, perpetual license to use Seller's confidential and proprietary information for purposes of this specific order and the Products that are the subject hereof only. Buyer further agrees not to permit any third party to fabricate the Products or any parts thereof from Seller's drawings or to use the drawings other than in connection with this specific order. Buyer will defend and indemnify Seller from any claim, suit or liability based on personal injury (including death) or property damage related to any Product or part thereof which is fabricated by a third party without Seller's prior written consent and from and against related costs, charges and expenses (including attorneys fees). All copies of Seller's drawings shall remain Seller's property and may be reclaimed by Seller at any time.

13. END USER

If Buyer is not the end user of the Products sold hereunder (the "End User"), then Buyer will use its best efforts to obtain the End User's written consent to be bound to Seller by the provisions hereof. If Buyer does not obtain such End User's consent, Buyer shall defend and indemnify Seller and Seller's agents, employees, subcontractors and suppliers from any action, liability, cost, loss, or expense for which Seller would not have been liable or from which Seller would have been indemnified if Buyer had obtained such End User's consent.

14. FORCE MAJEURE

(a) **Force Majeure Defined.** For the purpose of this Agreement "Force Majeure" will mean all unforeseeable events, beyond the reasonable control of either party which affect the performance of this Agreement, including, without limitation, acts of God, acts or advisories of governmental or quasi-governmental authorities, laws or regulations, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, insurrections, riots, epidemics, pandemics, outbreaks of infectious disease or other threats to public health, lightning, earthquakes, fires, storms, severe weather, floods, sabotage, delays in transportation, rejection of main forgings and castings, lack of available shipping by land, sea or air, lack of dock lighterage or loading or unloading facilities, inability to obtain labor or materials from usual sources, serious accidents involving the work of suppliers or sub-suppliers, thefts and explosions.

(b) **Suspension of Obligations.** If either Buyer or Seller is unable to carry out its obligations under this Agreement due to Force Majeure, other than the obligation to make payments due hereunder, and the party affected promptly notifies the other of such delay, then all obligations that are affected by Force Majeure will be suspended or reduced for the period of Force Majeure and for such additional time as is required to resume the performance of its obligations, and the delivery schedule will be adjusted to account for the delay.

(c) **Option to Terminate.** If the period of suspension or reduction of operations will extend for more than four (4) consecutive months or periods of suspension or reduction total more than six (6) months in any twelve (12) month period, then either Buyer or Seller may terminate this Agreement.

15. INDEMNIFICATION AND INSURANCE

(a) **Indemnification.** Seller agrees to defend and indemnify Buyer from and against any third-party claim for bodily injury or physical property damage ("Loss") arising in connection with the goods provided by Seller hereunder or the Services performed by Seller hereunder, but only to the extent such Loss has been caused by the negligence, willful misconduct or other legal fault ("Fault") of Seller. Buyer shall promptly tender the defense of any such third-party claim to Seller. Seller shall be entitled to control the defense and resolution of such claim, provided that Buyer shall be entitled to be represented in the matter by counsel of its choosing at Buyer's sole expense. Where such Loss results from the Fault of both Seller and Buyer or a third party, then Seller's defense and indemnity obligation shall be limited to the proportion of the Loss that Seller's Fault bears to the total Fault.

(b) **Insurance.** Seller shall maintain commercial general liability insurance with limits of not less than \$2,000,000 per occurrence and in the aggregate covering claims for bodily injury (including death) and physical property damage arising out of the Products or Services. Seller shall also provide workers' compensation insurance or the like as required by the laws of the jurisdiction where the Services will be performed, and owned and non-owned auto liability insurance with limits of not less than \$1,000,000 combined single limit. Seller will provide a Certificate of Insurance certifying the existence of such coverages upon request.

16. GENERAL

(a) Seller represents that any Products or parts thereof manufactured by Seller will be produced in compliance with all applicable federal, state and local laws applicable to their manufacture and in accordance with Seller's engineering standards. Seller shall not be liable for failure of the Products to comply with any other specifications, standards, laws or regulations.

(b) This Agreement shall inure only to the benefit of Buyer and Seller and their respective successors and assigns. Any assignment of this Agreement or any of the rights or obligations hereunder, by either party without the written consent of the other party shall be void.

(c) This Agreement contains the entire and only agreement between the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings between Buyer and Seller concerning the Products, Services and any prior course of dealings or usage of the trade not expressly incorporated herein.

(d) This Agreement (including these standard terms and conditions of sale) may be modified, supplemented or amended only by a writing signed by an authorized representative of Seller. Seller's waiver of any breach by Buyer of any terms of this Agreement must also be in writing and any waiver by Seller or failure by Seller to enforce any of the terms and conditions of this Agreement at any time, shall not affect, limit or waive Seller's right thereafter to enforce and compel strict compliance with every term and condition thereof.

(e) (i) If the Products or Services are delivered or performed in the United States, this Agreement and the performance thereof will be governed by and construed according to the laws of the State of Georgia.

(ii) In the circumstances of (i) above, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled by arbitration, to the exclusion of courts of law, administered by the American Arbitration Association ("AAA") in accordance with its Construction Industry Arbitration Rules in force at the time this Agreement is signed and to which the parties declare they will adhere (the "AAA Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Atlanta, Georgia by a panel of three members, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the panel and will be appointed by mutual agreement of the two party-appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party-appointed arbitrators to agree within forty-five (45) days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the AAA in accordance with the AAA Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within thirty (30) days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the AAA in accordance with the AAA Rules.

(f) (i) If the Products or Services are delivered or performed in Canada, this Agreement and the performance thereof will be governed by and construed according to the laws of the Province of New Brunswick.

(ii) In the circumstances of (i) above, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled under the auspices of the Canadian Commercial Arbitration Centre ("CCAC"), by means of arbitration and to the exclusion of courts of law, in accordance with its General Commercial Arbitration Rules in force at the time the Agreement is signed and to which the parties declare they will adhere (the "CCAC Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Saint John, New Brunswick by a panel of three arbitrators, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the arbitral tribunal and will be appointed by mutual agreement of the two party-appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party-appointed arbitrators to agree within forty-five (45) days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the CCAC in accordance with the CCAC Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within thirty (30) days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the CCAC in accordance with the CCAC Rules.

(g) The parties hereto have required that this Agreement be drawn up in English. Les parties aux présentes ont exigé que la présente convention soit rédigée en anglais.

ANDRITZ
Environment & Process

April 4, 2012

City of Carson City
3320 E Fifth St
Carson City, NV
89701

Re – Sole Source for Andritz D5LL Repair – Serial Numbers 2307 & 2308

Atten: Mr. Jeff McGoodwin

Andritz is the original supplier of the D5LL units installed at the Carson City WWTP. And as same we have all the correct manufacturing drawings and supply only OEM parts in our repairs. The Service branch of the company has several Andritz owned Service Facility and the closest to your plant is the San Leandro CA facility. The shop has all the necessary equipment, procedures and can repair all facets of repairs for the D5LL units.

Andritz Service formulates machine specific procedures, DCI reports and uses the OEM parts from our factory to refurbish your centrifuges to the original specifications and tolerances that have allowed your plant to operate these units for over 12 years without failures and loss of any on line reliability.

Andritz is the only company that can supply the exact drawings and tolerances for each component and will return the centrifuge to as new specifications.

Andritz Service will bring your D5LL units back to the original manufactured tolerances from the wear items to balancing the units back to factory specifications at full operating speeds.

Andritz will prepare and full report of the repair including pictures of the individual components and parts to the assembly of the unit for shipment back to your facility.

The complete repair will be monitored by the shop Manager and the repair project will receive the proper attention from the minute it arrives to the on site operation and follow up inspection of the second centrifuge as well as bringing your staff up to speed on the operation and maintenance of your units after the repair is completed and in operation.

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