



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: March 17, 2016

Staff Contact: Laura Tadman and David Bruketta

Agenda Title: For Possible Action: To approve Contract No. 1516-119 for the repair and rehabilitation of centrifuge #1 at the Water Resource Recovery Facility to Andritz Separation, Inc. This work includes improvements to the existing controls, power system and centrifuge #1. This work will not exceed the amount of \$173,125.00 to be funded from the Sewer Capital-Construction account, as provided in FY 2016 (Laura Tadman, LTadman@carson.org and David Bruketta, DBruketta@carson.org).

Staff Summary: Solids from the sewage treatment process are broken down and stabilized through a digestion process. After this process, the majority of the water is removed by using polymer and high speed centrifuges. The output from this process, called biosolids, are then sent to the landfill. The Water Resource Recovery Facility has two centrifuges that are over 20 years old. Centrifuge #2 was rehabilitated several years ago. Centrifuge #1 is overdue for a rehabilitation. This contract is to provide the necessary repairs and rehabilitation of the existing centrifuge #1 and provides upgrades to the controls and power system. The repairs will be performed by the centrifuge manufacturer Andritz Separation, Inc. This contract was sole sourced in order to maintain the warranty and integrity of the centrifuge.

Agenda Action: Formal Action/Motion

Time Requested: 5 minutes

Proposed Motion

I move to approve Contract No. 1516-119 for the repair and rehabilitation of centrifuge #1 at the Water Resource Recovery Facility to Andritz Separation, Inc. This work includes improvements to the existing controls, power system and centrifuge #1. This work will not exceed the amount of \$173,125.00 to be funded from the Sewer Capital-Construction account, as provided in FY 2016.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

Background/Issues & Analysis

Applicable Statute, Code, Policy, Rule or Regulation

NRS 332 .115

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: 510-3205-434.70-40 Project: 051301.8

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: If approved the Sewer Capital-Construction account will be reduced by an amount not to exceed \$173,125.00 for FY 2016. There is currently over \$11 million available in this account. This project was not part of the CMAR phase 1A contract. It is a project that was approved in the FY 2016 Sewer Capital Improvement Plan.

Alternatives

Not award contract and provide other direction.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

THIS CONTRACT made and entered into this 17th day of March, 2016, by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as "CITY", and Andritz Separation, Inc., hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, the Purchasing and Contracts Manager for **CITY** is authorized pursuant to Nevada Revised Statutes (hereinafter referred to as "NRS") 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, CONTRACTOR'S compensation under this agreement (does X_) (does not ___) utilize in whole or in part money derived from one or more federal grant funding source(s); and

WHEREAS, it is deemed necessary that the services of **CONTRACTOR** for **CONTRACT No.1516-119** (hereinafter referred to as "Contract") are both necessary and in the best interest of **CITY**; and

NOW, THEREFORE, in consideration of the aforesaid premises, and the following terms, conditions and other valuable consideration, the parties mutually agree as follows:

1. REQUIRED APPROVAL:

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

2. SCOPE OF WORK (Incorporated Contract Documents):

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

2.2 **CONTRACTOR** represents that it is duly licensed by **CITY** for the purposes of performing the SERVICES.

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

2.4 **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**.

For P&C Use Only

CCBL expires _____

NVCL expires _____

GL expires _____

AL expires _____

WC expires _____

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

2.5 **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 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.

2.6 Before commencing with the performance of any SERVICES 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, it shall bear all the costs arising therefrom.

2.7 It is expressly understood and agreed that all SERVICES done by **CONTRACTOR** shall be subject to inspection and acceptance by **CITY** and approval of SERVICES shall not forfeit the right of **CITY** to require correction, and nothing contained herein shall relieve **CONTRACTOR** of the responsibility of the SERVICES required under the terms of this Contract until all SERVICES have been completed and accepted by **CITY**.

3. CONTRACT TERM:

3.1 This Contract shall be effective from March 17, 2016, subject to Carson City Board of Supervisors' approval (anticipated to be March 17, 2016) to December 31, 2016, unless sooner terminated by either party as specified in **Section 7** (CONTRACT TERMINATION).

4. NOTICE:

4.1 Except any applicable bid and award process where notices may be limited to postings by **CITY** on its Finance Department/Bid Opportunities website (www.carson.org), 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, by 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.

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

Steve Huff
Andritz Separation, Inc.
1010 Commercial Blvd. South
Arlington, TX 76001
925-336-7515
brian.lent@andritz.com

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

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

Carson City Purchasing and Contracts Department
Laura Tadman, Purchasing & Contracts Administrator
201 North Carson Street, Suite 3
Carson City, NV 89701
775-283-7137 / FAX 775-887-2107
LTadman@carson.org

5. COMPENSATION:

5.1 The parties agree that **CONTRACTOR** will provide the SERVICES specified in **Section 2** (SCOPE OF WORK) and **CITY** agrees to pay **CONTRACTOR** the Contract's compensation based upon Time and Materials and the Scope of Work Fee Schedule for a not to exceed maximum amount One Hundred Seventy Three Thousand One Hundred Twenty Five Dollars and 00/100 (\$173,125.00), and hereinafter referred to as "Contract Sum".

5.2 Contract Sum represents full and adequate compensation for the completed SERVICES, 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 SERVICES.

5.3 **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 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:

7.1.1 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.

7.1.2 **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 SERVICES actually completed. If termination occurs under this provision, in no event shall **CONTRACTOR** be entitled to anticipated profits on items of SERVICES 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 require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subcontractor to make claims against **CONTRACTOR** for damages due to breach of contract, lost profit on items

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

of SERVICES not performed, or unabsorbed overhead, in the event of a convenience termination.

7.2 Termination for Nonappropriation:

7.2.1 All payments and SERVICES provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that Carson City does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract, the Contract shall automatically terminate upon **CITY'S** notice to **CONTRACTOR** of such nonappropriation, and no claim or cause of action may be based upon any such nonappropriation.

7.3 Cause Termination for Default or Breach:

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

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

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

7.3.2.2 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 or any services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

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

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

7.3.2.5 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 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

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

7.4 Time to Correct (Declared Default or Breach):

7.4.1 Termination upon a declared default or breach may be exercised only after providing 7 (seven) calendar days written notice of default or breach, and the subsequent failure of the defaulting or breaching party, within five (5) calendar days of providing that default or breach notice, to provide evidence satisfactory to the aggrieved party demonstrating that the declared default or breach has been corrected. Time to correct shall run concurrently with any notice of default or breach and such time to correct is not subject to any stay with respect to the

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

nonexistence of any Notice of Termination. Untimely correction shall not void the right to termination otherwise properly noticed unless waiver of the noticed default or breach is expressly provided in writing by the aggrieved party. There shall be no time to correct with respect to any notice of termination without cause or termination for nonappropriation.

7.5 Winding Up Affairs Upon Termination:

7.5.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this **Subsection 7.5** survive termination:

7.5.1.1 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; and

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

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

7.5.1.4 **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with "**Section 19**".

7.6 Notice of Termination:

7.6.1 Unless otherwise specified in this Contract, termination shall not be effective until seven (7) calendar days after a party has provided written notice of default or breach, or notice of without cause termination. Notice of Termination may be given at the time of notice of default or breach, or notice of without cause termination. Notice of Termination may be provided separately at any time after the running of the 7-day notice period, and such termination shall be effective on the date the Notice of Termination is provided to the party unless a specific effective date is otherwise set forth therein. Any delay in providing a Notice of Termination after the 7-day notice period has run without a timely correction by the defaulting or breaching party shall not constitute any waiver of the right to terminate under the existing notice(s).

8. REMEDIES:

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 attorney's 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**.

9. LIMITED LIABILITY:

CITY 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 expressly provided for elsewhere in this Contract. 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.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

10. 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.

11. INDEMNIFICATION:

11.1 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 Section.

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:

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

11.2.2 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.

11.3 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.

11.4 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 **CONTRACTOR**, as 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 **CITY**, except as to the results of the SERVICES, 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.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

12.4 **CONTRACTOR**, in addition to **Section 11** (INDEMNIFICATION), 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 (GENERAL):

13.1 NOTICE: The following general insurance requirements shall apply unless these general requirements are altered by any specific requirements set forth in CITY'S solicitation for bid document, the adopted bid or other document incorporated into this Contract by the parties.

13.2 **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.

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

13.4 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.

13.5 *Insurance Coverage (13.6 through 13.23):*

13.6 **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 later of:

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

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

13.6.3 Any insurance or self-insurance available to **CITY** under its coverage(s) 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 Insurance Requirements (13.8 through 13.23):*

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.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

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.

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 \$5,000.00 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 mail to Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 3, Carson City, NV 89701.

13.14 **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.

13.15 **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:

13.16 **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**.

13.17 **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 13.9** (Additional Insured).

13.18 **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.

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

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

13.20 COMMERCIAL GENERAL LIABILITY INSURANCE:

13.20.1 *Minimum Limits required:*

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

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

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

13.20.5 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).

13.21 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

13.21.1 *Minimum Limit required:*

13.21.2 One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.

13.21.3 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.

13.22 PROFESSIONAL LIABILITY INSURANCE (Architects, Engineers and Land Surveyors)

13.22.1 *Minimum Limit required:*

13.22.2 One Million Dollars (\$1,000,000.00).

13.22.3 Retroactive date: Prior to commencement of the performance of this Contract.

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

13.22.5 A certified copy of this policy may be required.

13.23 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

13.23.1 **CONTRACTOR** shall provide workers' compensation insurance as required by NRS Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000.00 each employee per accident for bodily injury by accident or disease.

13.23.2 **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 NRS Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive.

14. BUSINESS LICENSE:

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

14.2 The Carson City business license shall continue in force until the later 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.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

15. COMPLIANCE WITH LEGAL OBLIGATIONS:

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 or any 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 NRS Chapter 361 generally and NRS 361.157 and 361.159, specifically regarding for profit activity. **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.

16. 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.

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

18. 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 **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**. The parties do not intend to benefit any third party beneficiary regarding their respective performance under this Contract.

19. CITY OWNERSHIP OF PROPRIETARY INFORMATION:

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.

20. PUBLIC RECORDS:

Pursuant to NRS 239.010, information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the 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 **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.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

21. 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.

22. FEDERAL FUNDING:

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

22.1.1 **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.

22.1.2 **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.

22.1.3 **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 Executive Order 11478 (July 21, 2014) and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, sexual orientation, gender identity, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

22.1.4 If and when applicable to the particular federal funding and the Scope of Work under this Contract, **CONTRACTOR** and its subcontractors shall comply with: American Iron and Steel (AIS) provisions of P.L. 113- 76, Consolidated Appropriations Act, 2014, Section 1605 – Buy American (100% Domestic Content of iron, steel and manufactured goods); Federal Highway Administration (FHWA) 23 U.S.C. § 313 – Buy America, 23 C.F.R. §635.410 (100% Domestic Content of steel, iron and manufactured products); Federal Transit Administration (FTA) 49 U.S.C. § 5323(j), 49 C.F.R. Part 661 – Buy America Requirements (See 60% Domestic Content for buses and other Rolling Stock).

23. LOBBYING:

23.1 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:

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

23.1.2 Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

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

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

24. GENERAL WARRANTY:

CONTRACTOR warrants that it will perform all SERVICES required hereunder in accordance with the prevailing standard of care by exercising the skill and care normally required of individuals performing the same or similar SERVICES, under the same or similar circumstances, in the State of Nevada.

25. 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 this Contract. Any SERVICES performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective is performed at the sole risk of **CONTRACTOR**.

26. 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 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.

27. 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. Conflicts in language between this Contract and any other agreement between **CITY** and **CONTRACTOR** on this same matter shall be construed consistent with the terms of this Contract. The parties agree that each has had their respective counsel review this Contract which shall be construed as if it was jointly drafted.

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

28. ACKNOWLEDGMENT AND EXECUTION:

This Contract may be executed in counterparts. The parties hereto have caused this Contract to be signed and intend to be legally bound thereby as follows:

CITY

Chief Financial Officer
Attn: Laura Tadman, Purchasing & Contracts Administrator
Purchasing and Contracts Department
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
LTadman@carson.org

CITY'S LEGAL COUNSEL

Carson City District Attorney

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

By: _____
Nancy Paulson, Chief Financial Officer

By: _____
Deputy District Attorney

Dated _____

Dated _____

CITY'S ORIGINATING DEPARTMENT

CONTRACTOR will not be given authorization to begin work until this Contract has been signed by Purchasing and Contracts

BY: Darren Schulz, Director
Public Works

Funding Source: #510-3205-434.70-40
Project # 051301.8

By: _____

Dated _____

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

Undersigned deposes and says under penalty of perjury: That he/she is **CONTRACTOR** or authorized agent of **CONTRACTOR**; that he/she has read the foregoing Contract; and that he/she understands the terms, conditions and requirements thereof.

CONTRACTOR
BY: Steve Huff
TITLE: President
FIRM: Andritz Separation, Inc.
CARSON CITY BUSINESS LICENSE #: 16-XXXX
Address: 1010 Commercial Blvd. South
City: Arlington **State:** TX **Zip Code:** 76001
Telephone: 925-336-7515
E-mail Address: brian.lent@andritz.com

(Signature of Contractor)

DATED _____

STATE OF _____)

)ss

County of _____)

Signed and sworn (or affirmed before me on this _____ day of _____, 20__.

(Signature of Notary)

(Notary Stamp)

INDEPENDENT CONTRACTOR AGREEMENT
Contract No.1516-119
Title: WRRF Centrifuge #1 Repair and Rehabilitation

CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of March 17, 2016 approved the acceptance of the attached Contract hereinbefore identified as **CONTRACT No. 1516-119**. 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 17th day of March, 2016.

ATTEST:

SUSAN MERRIWETHER, CLERK-RECORDER

DATED this 17th day of March, 2016.

QUOTATION

Customer: 117848
Carson City
 Carson City WWTP
 3505 Butti Way
 Carson City NV 89701-3498

Supplier: **Andritz Separation Inc.**
 Contact: **Gina Mongardo**
 Phone: **+18174191790**
 Fax: **+18174191990**
 E-mail: **gina.mongardo@andritz.com**

Contact: **Mr. Jeff McGoodwin**
 Fax: **+17758872354**
 Copy to:
 Your inquiry:

Date: **01/07/2016**

Sales Responsible: **SPOONER, BRIAN**

Our quote no: **20341008**

Dear Mr. Jeff McGoodwin,

We thank you for your inquiry and are pleased to quote as follows:

1. Scope of supply

Delivery Time :
 Submittals: None From acknowledgement of PO
 Equipment: 6 to 8 weeks From acknowledgement of PO

Freight: Included

Installation: Andritz as noted in the attachment

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
10	Machine Assembly Rebuild of a D5LL See attachment for description	129999900		1	PC	92,136.00	92,136.00
20	Field Service removal & Installation See attachment for description	129999900		1	PC	6,600.00	6,600.00
Total Amount						USD	98,736.00

* S = Spare Parts, W = Wear Parts

Technical contact: Mr Brian Lent

Our quote no: 20341008

Terms and Conditions

2. **Delivery Time:**
after receipt of order and any clarifications.
3. **Terms of delivery:**
Our terms of delivery are FCA Origin, prepaid, add, according to INCOTERMS 2010.
4. **Terms of Payment:**
Within 30 days Due net
(1% default interest per month for delayed payment).
5. **Validity of quotation:**
This quotation is valid to 03/19/2016.

Other Terms:

6. See Attached Terms & Conditions.

505859688 | B | ASep-NA TC

Please do not hesitate to contact us if you require further information.

Yours sincerely

Andritz Separation Inc.



ATTACHMENT

Design Criteria

ANDRITZ Separation is offering to provide the repair service for the D5LL centrifuge assembly. The inspection a year ago showed normal wear on the conveyor and other wear items. The repair includes replacement of the conveyor tiles as we did to the first machine. The repair cost includes a major repair of the cyclo gear, (as the first unit had) as well as a new redex gear. There will also be onsite service. One day to assist with the RA removal, 3 days for installation, alignment and startup. This quote is for the mechanical repair of the rotating assembly only and is not part of the controls upgrade project

Brian Lent – Centrifuge Product Specialist: 925-336-7515
 BJ Spooner – Northern California Area Sales Manager: 510-453-0051

Scope of Supply:

ANDRITZ will supply the parts and components for the repair of the D5LL centrifuge. The repair will include a complete DCI report. All new bearings and seals for the bowl and conveyor assemblies. Retiling of the conveyor including new feed ports and cake ports. Balance of each component and final assembly. A major rebuild of the cyclo gear (including cams, rollers, pins, bearings & seals and the supply of a new redex gear (the customer can have the old redex rebuilt at a later date and held as a spare). All parts are OEM specified

ANDRITZ will supply 5 days total on site services. One day to assist in the removal and 3 for assistance for installation and startup. Travel time included.

Not in Scope:

- Any refurbishment or repair beyond the defined scope of the existing machine will to be handled separately. The customer will be notified before any other work is undertaken
- Scope does not include inspection of the cake conveyance system, polymer of feed systems
- Civil and structural engineering work including preparation of foundations, platforms, and channels where container will be installed
- Piping connections
- Static calculations of foundations, building and building plans (ANDRITZ will furnish load data)
- 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
- Any Sludge Feed Pump work or polymer system repairs

Attachment Page 1 of 2

ANDRITZ Separation Inc.
 1010 Commercial Blvd. South
 Arlington, TX 76001 USA

Tel: +1 (817) 465-5611
 Fax: +1 (817) 468-3961

Remit to:
 ANDRITZ Separation Inc.
 Dept: 0312
 P.O. Box 120312
 Dallas, TX 75312-0312
 Federal Tax ID Number: 59-3773483

Wire instructions:
 Nordea Bank Finland PLC
 New York Branch
 SWIFT: NDEAUS3N
 Account: 8879433001
 ABA: 026010786



- Conveyors
- Valves for ancillary and flushing systems

Spares

No spare or spare parts included

Shipping

Shipping to and from Carson City NV included

Warranty

Warranty to be per attached ANDRITZ Terms and Conditions

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 furnish 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 claims made in a suit or proceeding brought against Buyer by an unaffiliated third party that any Product infringes a device claim of a United States or Canadian patent issued as of the effective date of this Agreement and limited to the field of the specific Products provided under this Agreement; provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such claims; (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer on such claims so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using any Product, then Seller will, 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 that Seller has received. 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.

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 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 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 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 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.

QUOTATION

Customer: 117848

Carson City

Carson City WWTP
 3505 Butti Way
 Carson City NV 89701-3498

Contact: **Mr. Cory Dow**
 Fax: **+17758872164**
 Copy to:
 Your inquiry:

Our quote no: **20305530**

Supplier: **Andritz Separation Inc.**
 Contact: **Gina Mongardo**
 Phone: **+18174191790**
 Fax: **+18174191990**
 E-mail: **gina.mongardo@andritz.com**

Date: **02/19/2016**

Sales Responsible: **LENT, BRIAN F.**

Dear Mr. Cory Dow,

We thank you for your inquiry and are pleased to quote as follows:

1. Scope of supply

Revised 02/19/2016

Delivery Time:

Submittals-8 weeks after acknowledgement of PO

Equipment-16 weeks after acknowledgement of PO

Freight: Included to site

Installations by: Others

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
10	Centrifuge Control System Upgrade See Attachment For Description	129999900		1	PC	74,389.00	74,389.00
Total Amount						USD	74,389.00

* S = Spare Parts, W = Wear Parts

Technical contact: Mr Jeff Congleton

Our quote no: 20305530

Terms and Conditions

2. **Delivery Time:**
after receipt of order and any clarifications.
3. **Terms of delivery:**
Our terms of delivery are FCA Origin, prepaid, add, according to INCOTERMS 2010.
4. **Terms of Payment:**
Within 30 days Due net
(1% default interest per month for delayed payment).
5. **Validity of quotation:**
This quotation is valid to 03/19/2016.

Other Terms:

6. See Attached Terms & Conditions.

505859688 | B | ASep-NA TC

Please do not hesitate to contact us if you require further information.

Yours sincerely

Andritz Separation Inc.



ATTACHMENT

Design Criteria:

Provide for upgrading the PLC and OIT system for the two (2) existing D5LL centrifuge control system. This will include replacing the hot swap backup CPU system with new Quantum CPU with Unity operating system, communication module, power supplies and one Magelis Operator Interface Terminals (OIT); the existing I/O will be maintained. The PLC program will be converted to Unity software and two TCP/IP Ethernet communication networks will be established. One network will be setup for the PLC system/OIT, Centrifuge VFD and Sludge Feed Pump VFD's; the other network will be for the Plant Operating system. The operating and control philosophy will be revised to allow for dual centrifuge operation and will include improved operation features currently incorporated on newer units.

Scope of Supply:

ANDRITZ will supply the components, engineering, revised documentation, programming and on-site functional testing and start-up. The customer will supply the manpower for removal of obsolete components and installation and wiring of new components based on ANDRITZ supplied documentation, drawings and recommendations.

Components:

Centrifuge Operator Panel

- Modicon Quantum Processor – Unity 140CPU
- Modicon 6 Slot Backplane – 140XBP00600
- Modicon Power Supply – 140CPS (x2)
- Modicon Backplane Expander – 140XBE
- Modicon Ethernet com Card – 140NOE
- Hirschman or equal Ethernet Switch, 8 port
- Miscellaneous Cables

Engineering services provided

- Electrical drawings –Revised control panel layout, schematics, point to point wiring detail.
- Bill of Material of new components
- Annotated PLC code, OIT application code
- PLC data exchange table tag list.
- Operating and maintenance manuals for new components.
- All documentation and programs to be provided in hard copy and electronic format.



Site Work

- ANDRITZ will provide Service Engineer for coordinating with customer Instrumentation and Control Engineers and start-up of unit.
- One (1) trip, one (1) day on site for control system and communication coordination.
 - One (1) trip, four (4) days on site for functional testing and start-up of each centrifuge system

Additional time required due to delays outside of ANDRITZ control or request for additional programming will be charged per the attached Service Rate Sheet.

Spares

- No Spares included in this proposal.

Software

- No Software included in this proposal.

Shipping

- Shipping of components to site is included, off loading and storage is by customer.

Warranty

- Warranty of supplied components is per the attached ANDRITZ Terms & Conditions.

Scope Not Included in ANDRITZ Price: (To be provided by others)

- v Demolition and installation and wiring of control panels
- v Disposal of obsolete equipment.
- v Field wiring and plumbing modifications outside of centrifuge control panels
- v Civil and structural engineering work including preparation of foundations, platforms, and channels
- v Building modifications
- v All utilities required for operation
- v Cranes or other lifting devices
- v Unloading at site and on site storage if required
- v Components and other instruments not specified in our scope of supply

Attachment Page 2 of 3

ANDRITZ Separation Inc.
1010 Commercial Blvd. South
Arlington, TX 76001 USA

Tel: +1 (817) 465-5611
Fax: +1 (817) 468-3961

Remit to:
ANDRITZ Separation Inc.
Dept 0312
P.O. Box 120312
Dallas, TX 75312-0312
Federal Tax ID Number: 59-3773483

Wire instructions:
Nordea Bank Finland PLC
New York Branch
SWIFT: NDEAUS3N
Account: 8879433001
ABA: 026010786



Additional Information:

- The components will be shipped to customer site. Customer to provide off loading and temporary storage.
- Customer to provide the services of Plant SCADA system programmer for Data exchange tag list if PLC communication is required and coordination during ANDRITZ engineering program development and during on-site functional testing phase for system check out.

Contact Support for This Proposal:

Jeff Congleton at (817) 419-1753 / jeff.congleton@andritz.com – Service Automation Product Specialist

Brian Lent at (925) 336-7515 / brian.lent@andritz.com – Local Area Service Sales Manager

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 claims made in a suit or proceeding brought against Buyer by an unaffiliated third party that any Product infringes a device claim of a United States or Canadian patent issued as of the effective date of this Agreement and limited to the field of the specific Products provided under this Agreement; provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such claims; (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer on such claims so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using any Product, then Seller will, 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 that Seller has received. 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.

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 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 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 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 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.

2016 FIELD SERVICE POLICY AND RATE SHEET

Installation and Start-up Assistance

All the equipment furnished by ANDRITZ Separation Inc. shall be installed and started up by, and at the expense of the purchaser. There is available, however, upon the request of the purchaser, the service of ANDRITZ Separation Inc. field service personnel for consultation and advice in the installation and start-up of ANDRITZ Separation Inc. equipment. This service is provided with the understanding that ANDRITZ Separation Inc. will function only as technical consultants and coordinators in an advisory capacity, and shall have no responsibility for the supervision or the quality of workmanship of such an installation and/or start-up. Such responsibility will be that of the purchaser.

Certain types of ANDRITZ Separation Inc. equipment, such as that with mechanical seals, require the check out of the equipment by experienced field personnel before the equipment is put into operation. In these instances, the equipment is so tagged upon time of shipment. The failure to have proper mechanical check out by ANDRITZ Separation Inc. field personnel will void our mechanical warranty. For the check out, power and all necessary utilities for the operation of equipment must be available.

Service Rates (Rates/Pricing are in US currency)

Service Rates are applicable for all the time the field service employee spends on the job. This includes traveling to or from either our designated plant or point of residence of the employee. Any holdover time, i.e. time where the employee is required to stay on the job site because time does not permit travel home, or for the convenience of the customer, shall be at regular rates, listed below:

Description	Standard Rates	Overtime Rates
Monday - Friday		
Service Technician	\$1,400.00/ 8 hr. day	\$262.50/ hr. up to 4 hrs
Saturday	\$2,100.00/ 8hr. day	\$262.50/ hr. up to 4 hrs
Sunday	\$2,800.00/ 8hr. day	\$350.00/ hr. up to 4 hrs
Holidays	\$2,800.00/ 8hr. day	\$350.00/ hr. up to 4 hrs
Travel Days:		
Monday - Friday	\$850.00/ day up to 8 hrs	\$225.00/ hr. after 8 hrs
Saturday Travel Day	\$1,250.00/ day up to 8 hrs	\$225.00/ hr. after 8 hrs
Sunday & Holiday	\$1,500/ day up to 8 hrs	\$300.00/ hr. after 8 hrs
Phone Support	\$175.00/ 1 st hr.	\$150.00/ per additional hr.

ANDRITZ SEPARATION INC.

1010 Commercial Blvd. S.
Arlington, Texas 76001
Tel. (817) 465-5611
Fax (817) 468-3961
enviro.us@andritz.com

Travel & Holiday Service

If travel and work requirements carry through weekends and holidays, the premium rates above will be charged. (For example, if a customer requires field service personnel to be on site early Monday, necessitating the need to travel Sunday or a Holiday, the Sunday/Holiday rate will be charged. If work continues through a weekend and/or holiday, the Sunday/Holiday rate will be charged.)

Cancellation Notice

In an effort to keep costs down for our customers, service personnel will book advanced, non-refundable tickets as quickly as possible after the request for service is received. This is a conscientious effort to keep costs to the customer, for air travel, as low as possible. If such expenses have been incurred in good faith, and the customer must cancel, we must invoice for those expenses to be fairly reimbursed.

Other Considerations

Because our Field Service employees are away from home for extended periods for most of the year, we feel they should be with their families over the Christmas and New Year holidays. Except for breakdowns or comparable and equally critical service requirements, our personnel are not available at these times.

When our field service personnel travel international and required on site for periods in excess of four weeks, they are allowed to return home to be with their families. The allowable time period is determined on a case-to-case basis. The cost only of transportation to the employee's home and return will be included with the service charges.

It is required that our service personnel have single rooms in first class hotel or motel accommodations where these are available. The charges for all living and travel expense will be for the account of the customer. Travel, if by public conveyance or rented automobile, will be at cost. Travel, if by employee-owned or company owned automobile will be at the rate of US \$ 0.56.5 per mile plus all toll and parking charges. A 15% administrative fee will apply only to travel and living expenses incurred.

It is the responsibility of the purchaser to provide for all necessary permits, clearances, visas, and other pertinent information required for our personnel to travel to the job site. In the event that public facilities are not available near the job site, it is the purchaser's responsibility to provide the equivalent of first class facilities in single rooms for our personnel at the site. For overseas jobs intended to be of an extended duration in excess of thirty (30) days, special arrangements will

be negotiated immediately (and prior to the requirement for personnel to be at the job site) with regard to visits home with their families.

Service Requirement Notification

Our objective is to provide the best service possible. Experience has proven that one of the best ways to accomplish this is for our employees to arrive on the job site when they are needed - but not before. Our personnel are in short supply from time to time and personnel with the special skills you may require may not be available on short notice. We request, therefore, that for projects requiring extended service (in excess of thirty (30) days) and/or special skills, ANDRITZ Separation Inc. be given at least sixty (60) days notice as to when field service personnel are required on site. We also ask that this be confirmed within fourteen (14) days of the start of their services. In other instances, for a shorter duration of service, we request that at least a minimum of ten (10) days notice be given prior to requirement of our service personnel. After receipt of such advance notice, while we endeavor to comply with all requested time schedules, purchaser should be aware that on rare occasions we may not be able to meet all demands immediately. Negotiations will continue until the best schedule is attained. In the event that emergencies arise, we will work to meet the customers' needs as quickly and as completely as possible.

Please Note: If time is scheduled and the customer must cancel on short notice, there is no guarantee of the immediate availability of field service personnel for rescheduling.

Insurance & Warranty

ANDRITZ Separation Inc. service personnel are fully covered by Worker's Compensation Insurance. ANDRITZ Separation Inc. makes no warranty either express or implied or by trade usage in connection with the services of its field personnel and shall have no liability direct, indirect or for any loss, damage, injury or expense resulting from or arising out of their services other than by reason of their negligence, and in no event for consequential injury or damage or for any amount in excess of the cost of repair or replacement of specific part damaged by their negligence

Rev -01_18_2016

February 26, 2016

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. Jim Morris

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 has located the repair centers for regional coverage and does not use local shops because of their limited knowledge and procedures.

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. This allows Andritz to stand behind its warranty and insure proper refurbishment of its centrifuges.

Andritz Service will bring your D5LL unit back to the original manufactured tolerances from the wear items to balancing the units back to factory specifications at full operating speeds. A third party may not have the correct machining and balancing and will not have the factory specifications that have allowed the City of Carson to have such a long period os smooth and proper machine operation.

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 unit after the repair is completed and in operation.

Andritz Service group can meet any need for the refurbishment of any Andritz supplied dewatering device or system.

Please feel free to contact me at Andritz Separation – 925 336 7515 if you have any question or your Area Aftermarket Salesman, Brian Spooner at 510-453-0051.

Kind Regards,

Brian Lent
SEPARATION
Regional North America
Centrifuge Product Specialist

ANDRITZ Separation Inc.

1010 Commercial Blvd S
Arlington, TX 76001 USA
Ph: 817-375-4495
Fax: 817-375-6495
Mobile Phone: 925-336-7515
brian.lent@andritz.com
www.andritz.com