

AGREEMENT FOR SERVICE

THIS AGREEMENT is effective on the 1st day of October, 2017, by and between the **FAIRFAX COUNTY WATER AUTHORITY**, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "FW", and **VANGUARD UTILITY SERVICES, INC.** hereinafter referred to as the "Contractor" (collectively referred to as the "parties").

WITNESSETH:

In consideration of the mutual covenants set forth herein, the parties agree as follows:

The Contractor shall test and repair cold meters in accordance with the terms and conditions contained herein.

No representations, arrangements, understandings or agreements relating to the subject matter exist amongst the parties except as expressed in this Agreement.

1.0 SPECIFICATIONS AND RELATED REQUIREMENTS

1.1 Requirements

- A. General: Onsite test and repair of cold water meters shall be performed at various locations throughout Fairfax County, Virginia (the Work). Testing and repair services will be comprehensive and in full conformance with these Specifications.
- B. Listed below are the estimated quantities, by size and type of meter, covered by this contract. It is the intent of Fairfax Water to have each of these meters tested.

Meters To Be Tested				
Item Number	Meter Size (inches)	Meter Type	Meter Manufacturer	Quantity
1	3	Compound	Neptune	160
2	3	Compound	Sensus	160
3	4	Compound	Neptune	100
4	4	Compound	Sensus	60
5	6	Compound	Sensus	36
6	6	Compound	Neptune	50
7	8	Protectus III	Neptune	4
8	8	Fire Service	Sensus	5
9	10	MFMT	Hersey	1
10	10	Fire Service	Sensus	1
11	3	Ultrasonic	Master Meter	7

1.2 Project Schedule

It is the intent of the Fairfax Water to have all the meters listed in section 1.1 B tested and any necessary repairs made to them prior to October 31, 2017. Fairfax Water may request retest of meters. This additional work shall be performed and priced as detailed under Extra Work in Section 4.0 Compensation.

1.3 Meter Evaluation

The contractor shall identify and immediately notify Fairfax Water of any improper meter application, sizing problems or outdated meters present in the system. Before testing or repairing any meter, the contractor shall determine if the meter is in need of replacement. The contractor shall submit a meter replacement recommendation to Fairfax Water's authorized representative. The written recommendation shall include the reason for the meter replacement and a suggested metering configuration. The recommendation shall be based on the contractor's experience, engineering judgment, industry standards and manufacturer specification. Fairfax Water's Project Manager will either approve the recommendation or authorize the meter to be tested and repaired. If Fairfax Water's Project Manager elects not to test and repair the meter, the contractor shall receive payment for the site visit and evaluation based on a cost not to exceed one crew hour of extra work as outlined in this contract.

1.4 Meter Testing Equipment

The contractor shall provide all labor and materials, including necessary testing apparatus to accurately determine the amount of water discharged. Each test meter shall be of a type designed to provide measuring accuracy to within $\pm 1\%$ of the actual quantity of water being discharged through the meter being tested for all rates of flow. The contractor will be required to have each test meter read in U.S. gallons. Each test meter shall be tested, repaired, calibrated, and certified with N.I.S.T. traceability. Certificates for each test meter shall be required if requested by FW. Test meter accuracy may be verified at Fairfax Water's facility, or other designated locations under Fairfax Water's supervision.

1.5 Calibration

All meters tested in accordance with, and determined to be in conformance with applicable American Water Works Association (AWWA) standards, shall be considered accurate and not in need of repair or replacement. Meters requiring repair shall be calibrated to within $\pm 2.5\%$.

1.6 Repairs

- A. All repairs shall be performed the same day of testing. A meter requiring repair shall be completely overhauled, i.e. all working units will be removed and worn parts replaced. All worn parts requiring replacement are to be bagged and

returned to Fairfax Water's Project Manager authorized representative or his designee. Each bag shall be labeled with the address and meter number where parts were replaced. After repair, the meter shall be tested to conform to test specifications outlined elsewhere in this Specification. Any meter requiring repairs in excess of 50% of the Authority's replacement cost for that meter shall not be repaired without prior approval from Fairfax Water's authorized representative or his designee.

- B. Based on past experience of similar meter repairs, Fairfax Water estimates that on average, most meters can be repaired within an hour. The labor required to repair meters will be paid for in accordance with Section 4.0 Compensation. The repair parts will be paid for in accordance with Section 1.8 Repair Parts. No separate payment will be made for retesting the meter after repairs are made.

1.7 Materials

Charges for parts provided by the contractor shall be at the manufacturer's current catalog price, at the time of bid, less the discount indicated in Section 4.0 Compensation. The Contractor shall provide copies of the price lists prior to start of contract.

1.8 Repair Parts

Repair parts shall be manufactured by the original equipment manufacturer or approved original equipment manufacturer and supplied by a factory authorized distributor.

1.9 Extra Work

Additional work not specified in this contract may be required as directed in writing by Fairfax Water's Project Manager. This work will be paid for under separate unit prices as indicated in Section 4.0 Compensation.

1.10 Flow of Water

Contractor shall provide a suitable water course to direct the flow of water being expended in the testing of the water meter so as to have a minimal impact upon the environment, private property, roadway and pedestrian traffic. Any damages caused by discharge of water are the responsibility of the contractor.

1.11 Additional Tasks

The Work includes additional tasks incidental to the stated requirement as follows:

- Scheduling of test with customers.

- Pumping surface water from meter vaults
- Install test nipple(s) when necessary
- Furnish traffic and pedestrian control in work area
- Clean-up work areas
- Submit reports of material used and registration accuracies before and after repairs

1.12 Safety

- A. Contractor shall perform all Work in accordance with applicable Occupational Safety and Health (OSHA) standards and regulations.
- B. Contractor shall be solely and completely responsible for maintaining a safe and healthful working environment for its employees, the safety of the general public, and the preservation of property.
- C. Contractor shall be responsible for ensuring compliance with OSHA's permit required for confined space standard at 29 CFR 1910.146 when performing work within meter vaults or other spaces meeting the definition of confined space.
 - a. All confined space equipment necessary for safe entry shall be provided by the Contractor (i.e., atmospheric monitors, confined space ventilators, retrieval equipment, etc.)
 - b. Only trained and authorized personnel shall be permitted by the Contractor to enter confined spaces.
 - c. The Fairfax Water Project Manager shall communicate the hazards identified within meter vaults and communicate Fairfax Water's confined space entry procedures prior to entry.
- D. Contractor's failure to thoroughly familiarize itself with applicable OSHA regulations and industry recognized safe work practices shall not relieve it from compliance and penalties set forth.
- E. Contractor shall furnish a copy of its written and implemented safety program to the Fairfax Water Project Manager no later than seven days after the contract award and prior to initiating field work.
- F. In the event of a death or serious injury to, or caused by, the Contractor's personnel, the accident shall be reported immediately to Fairfax Water. If a claim is made by anyone against the Contractor on account of any accident, the Contractor shall promptly report the facts in writing to Fairfax Water, giving full details of the claim.

1.13 Crew Size

- A. Contractor shall furnish crews sufficient in number and size to complete the Work in the designated time. However, the contractor shall furnish a minimum of two 2-man crews to perform the work. Under no circumstance shall the crew size be less than two members, at least one of whom shall be a technician approved by Fairfax Water's Project Manager.
- B. A work plan outlining the testing procedures and stating the number and size of crews that will be assigned to this contract shall be provided within two (2) business days of request from FW.
- C. Contactor shall provide a list of each employee's previous experience prior to start of the contract work.
- D. Prior to beginning work, the contractor shall submit a list of crew assignments. The contractor shall designate one employee who shall function as the point-of-contact for all matters regarding the contract.

1.14 Subcontracting

The contractor shall not subcontract or sublet any portion of the work covered by this contract.

1.15 Hours of Work and Scheduling

- A. The work may be performed during normal business hours, (7:00AM – 5:00 PM), Monday through Saturday. The contractor shall conduct its operations so as not to interrupt or otherwise disturb Fairfax Water's customers. Whenever the contractor intends to change from Fairfax Water's normal working hours, written notification must be furnished to Fairfax Water's Project Manager. Written approval from Fairfax Water's Project Manager is required before commencement of change in work schedule(s).
- B. The contractor is responsible for scheduling meter test with all retail customers. In cases where a retail customer operates a secured facility, the contractor shall provide the customer at least 72-hours prior notice of a desired appointment. Fairfax Water will provide the contractor a list of all retail customers included under the contract, indicating those customers known to operate secured facilities.

1.16 Inspection and Repairs

- A. Fairfax Water reserves the right to inspect any and all work either in progress or completed. If work is found to be unsatisfactory or in conflict with the provisions set forth in these specifications, Fairfax Water will deduct from payment the amount for work not accepted by Fairfax Water. However, written or verbal notification of the unsatisfactory work must be given by Fairfax Water's Project Manager to the Contractor. Unless the contractor makes the necessary repairs

within 10 days, Fairfax Water may choose to make repairs itself and shall not make payment for that work. Fairfax Water also reserves the right to have the work completed by another contractor and deduct the cost of such repair from any monies owed to the contractor.

- B. If repairs are necessary within the one year warranty period; the contractor will have 10 days to affect the repairs after written or verbal notification from Fairfax Water's Project Manager to the contractor's designated contact. All warranty repairs shall be performed at no cost to Fairfax Water. Repairs not made within the 10-day period, shall be accomplished by Fairfax Water, or its designee, and repair costs charged to the contractor, or deducted from any monies owed to the contractor.
- C. Fairfax Water will randomly check the quality of work performed under this contract. The quality control checks will involve testing and visual inspection to verify the meter has been repaired in its entirety and meets AWWA specifications. Should any meter fail to pass a quality control check, Fairfax Water may withhold any or all monies due, or which may be due for that repair. Fairfax Water shall determine the cause of the failure. If, in the sole judgment of Fairfax Water, failure is determined to be the result of the contractor's inadequate performance, Fairfax Water reserves the right to make repairs at the contractor's expense. Should five or more meters fail the quality control check, Fairfax Water may elect to terminate the contract.

1.17 Storage of Materials

The contractor shall make all necessary arrangements and provisions for the storage of materials and equipment to be used on the contract. Fairfax Water will not be responsible for storing any materials or equipment belonging to the contractor.

1.18 Employee Identification

The contractor's employees working on the contract shall possess and have on their person at all times photo identification. Upon notice of contract award, the Contractor will submit to Fairfax Water the names of employees to be assigned to this project. Fairfax Water will issue special identification which must be prominently displayed by the Contractor's employees at all times while working on this project and while at any Fairfax Water facility. No Contractor employee shall be assigned to the project until and unless the employee has been issued proper identification by Fairfax Water.

1.19 Deliverables

The contractor shall provide at the beginning of each Monday, Wednesday and Friday Meter Test Results covering 2 workdays to Fairfax Water's authorized representative. A copy of the Authority's current report form is attached as Exhibit

A. The contractor may or may not elect to use their own form provided that all necessary information is included and approved by the Authority's authorized representative. References

Fairfax Water's Approved Products List (APL), latest Version. Comply with the provisions identified in the Butterfly Valves section of the APL, as applicable.

1.20 Warranty

Each meter repaired shall be warranted to be free from defects in materials and workmanship for a period of 1 year after date of test and/or repair.

1.21 Estimated Quantities and Delivery Locations

The quantities specified herein are estimates based upon current consumption and projected demand for the next contract year, and shall not be construed to represent an amount which FW shall be obligated to purchase. The exact amounts ordered may be more or less subject to FW's actual needs. Contractor acknowledges and agrees that FW will only be responsible for the amounts actually purchased. The exact amounts ordered may be more or less subject to FW's actual needs.

1.22 Warranty

- A. In addition to any other warranties expressed or implied, the specific warranties of Merchantability and Fitness for a Particular Purpose apply to all orders placed as a result of this solicitation.
- B. If at any time, any contract item fails to conform to the contract specifications, the Contractor shall, at no additional cost to FW, promptly replace the defective item. If the Contractor is unable to remedy such nonconformity during a time period consistent with the requirements, FW may undertake to remedy the nonconformity and in such case Contractor shall reimburse FW for any costs thereby incurred.
- C. Provide one-year parts and labor warranty. Warranty is to be effective upon receipt at FW. Warranty is to be with either the manufacturer or a service facility authorized by the manufacturer to perform warranty services. All costs for warranty service (including shipping and insurance) shall be included in the warranty and at no additional cost to FW.

2.0 TERMS AND CONDITIONS

This Agreement is subject to the following Terms and Conditions:

2.1 Term of Contract and Contract Renewal

- A. Term: The contract term shall be from June 1, 2017 through May 31, 2018, with the option to extend the contract for an additional four one-year periods, for a maximum total of five years.
- B. Renewal: Renewal will be at the then current rates, terms and conditions (see section 2.2"Annual Economic Price Adjustment"). Issuance of a written renewal document and/or purchase order for the optional years will constitute notice of renewal. Failure to renew by the expiration date of the then current contract year will not automatically cancel the contract. FW may retroactively renew the contract at any time prior to the last day of the following contract year providing that FW has not formally canceled the contract.

2.2 Annual Economic Price Adjustment

- A. The Contractor may submit a request for contract price increases once annually for each renewal year. Economic increases shall be limited to the increase specified in the Bureau of Labor Statistics for the 12 month period ending 90 days prior to the end of the then current contract year.
- B. For services: Annual rate increases will be based on the Consumer Price Index-U (CPI-U).
- C. Negative BLS index: If the agreed upon index is a negative number the contractor shall reduce contract rates by the same amount for new contract year.

2.3 Anti-Discrimination

Bidder certifies to FW that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §11-51 of the Virginia Public Procurement Act.

- A. During the performance of the contract, the Contractor agrees as follows:
 - 1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - 2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- B. The Contractor will include the provisions above in every subcontract or purchase order so that the provisions will be binding upon each subcontractor or vendor.
- C. Fairfax Water does not discriminate against faith-based organizations on the basis of the organization's religious character, or impose conditions that (a) restrict the religious character of the faith-based organization, except as provided by law, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.

2.4 Antitrust

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to FW all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by FW.

2.5 Assignment of Interest

The Contractor shall not assign any interest in any resulting Contract and shall not transfer any interest in the same without prior written consent of FW, which FW shall be under no obligation to grant.

2.6 Availability of Funds

It is understood and agreed between the parties herein that FW shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

2.7 Compliance with Laws, Regulations and Codes

The Contractor hereby represents and warrants that:

- A. It is qualified and properly licensed to do business in the Commonwealth of Virginia and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing FW, the Commonwealth of Virginia, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and

- D. It shall obtain at its expense, all licenses, permits, insurance, and governmental approval, if any, necessary to the performance of its obligations under this Contract.

2.8 Contract Changes / Change Orders

- A. No verbal agreement or conversation with any officer, agent or employee of FW either before or after the execution of any Contract resulting from this solicitation or follow-on negotiations, shall affect or modify any of the terms, conditions, specifications, or obligations contained in the solicitation, or resulting Contract. No alterations to the terms and conditions of the Contract shall be valid or binding upon FW unless made in writing and signed by the purchasing contact identified on the cover page. Contract changes shall be in writing, and shall be on official FW Purchasing Department letterhead. In any event and in all circumstances, the Contractor shall be solely liable and responsible for any Contract changes, deviations, etc., made without first receiving written authorization to deviate from the Contract by the FW Project Manager.
- B. Changes can be made to the contract in any of the following ways:
 - 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 - 2. FW may order changes within the general scope of the contract at any time by Notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give FW a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to FW's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present FW with all vouchers and records of expenses incurred and savings realized. FW shall have the right to audit the records of the Contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by Notice to the Purchasing Department. Neither the existence

of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by FW or with the performance of the contract generally.

2.9 Contractor's Responsibilities

- A. The Contractor shall be responsible for all products and/or services as required by this Contract. The use of subcontractors is prohibited unless:
 - 1. The Bidder receives written approval to use a subcontractor prior to, or as part of the formal contract between the parties.
- B. Even when properly authorized by FW, the use of a subcontractor does not relieve the Contractor of liability under the contract.
- C. The Contractor, at its sole expense, shall be responsible for damage to FW and non-FW property as a result of its failure, or its subcontractor's failure to protect such facilities and utilities.
- D. The Contractor, at its sole expense, shall immediately repair or replace FW property damaged by (or caused by) the Contractor or its Subcontractor(s). Replacements will be of equal or better quality than the property damaged property, and all such work must be approved by FW Project Manager.

2.10 Delivery

In the case of solicitations that require delivery to FW:

- A. Failure to deliver within the time specified, or as amended in writing by FW, or failure to make replacements of rejected Contract items, shall constitute a breach of contract and may be grounds for a declaration of default in addition to any other remedies FW may be entitled to.
- B. Deliveries shall be made by within the delivery time specified in the bid submission document. If a delay is anticipated, the Contractor shall provide as much advanced notice as possible to FW. Failure to honor a delivery schedule may result in damages to FW. The Contractor is liable for any and all costs incurred by FW due to such failures.
- C. Homeland Security Advisory System: If the Homeland Security Advisor System places the water / waste water industry in Codes Orange or Red, all deliveries shall be between the hours 7:30 a.m. and 2:00 p.m., Monday through Friday unless specially requested by the plant. As each delivery leaves the Contractor's yard, the Plant is to be advised as to the driver's name and trailer number and estimated arrival time. Upon arrival, the driver will be required to show photo ID and the trailer number will be checked and verified before

delivery is allowed on site. Failure to follow these procedures may result in a refusal of the delivery at the Contractor's risk and expense.

2.11 Ethics in Public Contracting

Contractor hereby certifies that it has familiarized itself with Article 4 of Title 11 of the Virginia Public Procurement Act, Section 11-72 through 80, Virginia Code Annotated, and that all amounts received by it, pursuant to a contract resulting from this solicitation, are proper and in accordance therewith.

2.12 Examination of Records

Contractor agrees that either FW or its duly authorized representative shall have access to and the right to examine and copy any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to any resulting contract. This obligation shall expire five years after the final payment for the final service performed as a result of any and all contract(s) awarded pursuant to this solicitation, or until audited by FW, whichever is sooner. Contractor will provide reasonable access to any and all necessary documents and upon demand provide copies of documents if so required by FW or its representative(s). FW will reimburse the Contractor for any reasonable expenses it incurs as a result of such a request.

2.13 Governing Law; Venue; Waiver of Jury Trial

Notwithstanding any provision to the contrary this Contract shall be governed in all respects by the laws of the Commonwealth of Virginia. Any dispute arising hereunder which is not otherwise resolved by the parties shall be resolved by a court of competent jurisdiction in the Commonwealth of Virginia. The Contractor and FW hereby waive any right such party may have to a trial by jury in connection with any such litigation.

2.14 Indemnification and Responsibility for Claims and Liability

Bidder is bound by the following:

- A. The Contractor shall indemnify, save harmless and defend FW, or any employee of FW, against liability for any suits, actions, or claims of any character whatsoever arising from or relating to the performance of the Contractor or its subcontractors under this contract.
- B. FW has no obligation to provide legal counsel or defense, or pay attorney's fees to the Contractor or its subcontractors in the event that a suit or action of any character is brought by any person not party to the contract, against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.

- C. FW has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.
- D. The Contractor shall pay all royalties and license fees necessary for performance of the contract. The Contractor shall defend all suits or claims for infringement of any patent rights or other proprietary rights arising from or related to performance of the resulting contract and shall save FW harmless from any loss, including Attorneys' fees arising out of any such claim.

2.15 Insurance

- A. Before commencing the work, the Contractor shall procure and maintain at its own expense, minimum insurance in forms and with insurance companies acceptable to FW to cover loss or liability arising out of the Work. All insurance policies must be underwritten by insurers authorized to conduct business within the Commonwealth of Virginia and must have a Best's rating of at least A- and a financial size of class VIII or better in the latest edition of Best's Insurance Reports.
- B. The Contractor shall immediately notify FW of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or related to the Contractor's obligations under the contract. If such a claim or suit is brought, the Contractor will cooperate, assist, and consult with FW in the defense or investigation of any suit or action made or filed against FW as a result of or relating to the Contractor's performance under this contract.
- C. With the exception of Workers' Compensation and Employers' Liability Insurance, all additional insurance policies specified herein shall name FW as an additional insured with regard to work performed under any subsequent Contract
- D. The Contractor will provide FW with copies of certificates of insurance coverage and proof of payment of all premiums. Each certificate of insurance must include: (a) an endorsement from the insurer that certifies that the Contractor maintains the referenced policy in full force and effect; (b) where applicable, a statement indicating that FW is included as an additional insured; and (c) a provision requiring that not less than 30 days written notice will be given to FW before any policy or coverage is canceled or modified in any material respect. Without limiting the requirements set forth above, the insurance coverages will include a minimum of:
 - 1. Workers' Compensation and Employers' Liability Insurance: Statutory requirements and benefits as required by the Commonwealth of Virginia; and

2. Required Commercial General Liability Insurance: This insurance must be written on an "occurrence" basis and shall be endorsed to include FW as an additional insured and shall provide at a minimum the following:

◆ General Aggregate Limit (Other than Products-Completed Operations)	\$1,000,000
◆ Products-Completed Operations Aggregate Limit	\$ 500,000
◆ Personal & Advertising Injury Limit	\$ 500,000
◆ Each Occurrence Limit	\$ 500,000
For Construction Contracts:	
◆ Directors & Officers – Errors & Omissions	\$2,000,000

E. Business Automobile Liability Insurance: This insurance coverage must extend to any motor vehicles or other motorized equipment regardless of whether it is owned, hired, or non-owned and must cover Bodily Injury and Property Damage with a combined single limit of at least \$500,000 each accident. This insurance must be written in comprehensive form and must protect the Contractor and FW against claims for injuries to members of the public and/or damage to the property of others arising from the Contractor's use of motor vehicles or other equipment and must cover both on-site and off-site operations.

F. Nothing contained herein will be deemed to operate as a waiver of FW's sovereign immunity under the law.

2.16 No Waiver or Estoppel

Neither the inspection by FW nor any of its employees, nor any payment of money, nor payment for, nor acceptance of any Commodity by FW, nor any extension of time shall operate as a waiver of any provision of this Contract, or of any power herein reserved to the Owner or of any right to damage herein provided. No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. All remedies provided in this Contract to FW shall be construed as cumulative and shall be in addition to each and every other remedy herein provided. Neither FW, nor any officer, employee, or authorized representative of FW, will be bound, precluded, or estopped by any action, determination, decision, acceptance, return, certificate, or payment made or given under or in connection with the Contract by any officer, employee or authorized representative of the Owner, at any time either before or after final completion and acceptance of the Work and payment therefore from: (a) showing the true and correct classification, amount, quality, or character of the Commodities delivered, or that any determination, decision, acceptance, return certificate or payment was incorrect or was improperly made in any respect, or that the Commodities or any part thereof do not in fact conform to the requirements of the Contract; (b) demanding and recovering from the Contractor any overpayment made to the Contractor or such damages as FW may sustain by reason of the Contractor's

failure to comply with the requirements of the Contract; or (c) both of the foregoing clauses (a) and (b).

2.17 Pass-through Price Increases and Decreases

For annually renewable contracts:

- A. Increases: FW recognizes that the Contractor's sources of supply and transportation may pass onto the Contractor unanticipated and significant price increases. FW will consider requests by the Contractor to allow "pass-through" price increases when accompanied with sufficient proof. Only the Contractor's direct supplier's price increases will be considered. FW reserves the right to accept or reject all such requests. FW will not allow price increases that are greater than the amount passed on to the Contractor, or for a period outside of the then current contract year.
- B. Decreases:
1. Pass through price increases shall cease at the end of the then current contract year and contract pricing will return to the pre-pass through rate. The contractor will be eligible for and only upon request, the annual economic price increase as defined in subsection 2.2 above.
 2. Prior to the end of the then current contract year, the pass through increase shall be reduced or eliminated when and as the cause of the increase is reduced or eliminated.
- C. Pass through price increases will not be a substitute for poor planning by the Contractor. Pass through increase will not be allowed for the first six months of any contract year. Price increases will be effective upon the date such a request is received in writing; and will not be made retroactive.

2.18 Payment Clauses Required in All Contracts

Section § 2.2-4352 of the Virginia Public Procurement Act requires the following:

- A. That any contract awarded by FW include the following clauses:
1. The Contractor shall take one of the two following actions within seven days after receipt of amounts paid to the contractor by FW for work performed by any subcontractor(s) under the contract:
 - a. The Contractor shall pay its subcontractor(s) for the proportionate share of the total payment received from FW attributable to the work performed by the subcontractor under that contract; or
 - b. Notify FW and any subcontractor(s), in writing, of his intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

2. Bidders shall include in their offer submissions either: (i) if an individual contractor, their social security numbers; and (ii) proprietorships, partnerships, and corporations to provide their federal employer identification numbers.
 3. The contractor shall pay interest to the subcontractor(s) on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the Contractor of payment from FW for work performed by the subcontractor under the contract, except for amounts withheld as allowed in subdivision 1.
 4. Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month.
- B. The contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.
- C. A contractor's obligation to pay an interest charge to a subcontractor pursuant to the payment clause in this section shall not be construed to be an obligation of FW. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

2.19 Payment

- A. Invoices: All invoices are to be sent directly to FW Accounts Payable department by mail, fax, or e-mail. Invoices shall include the FW Purchase Order / Contract number and the contractor's FEIN. Invoices are not to be sent to the contract Project Manager, or other departmental reps. Failure to comply may result in late payments for which FW will not be liable.
- B. Terms: All payments will be Net 30 from the date of receipt of a valid invoice at FW Finance Department. Payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- C. Invoices: The Contractor shall submit invoices for items ordered, delivered and accepted, directly to the Finance Department, to the attention of Accounts Payable. Invoices shall show FW Purchase Order or contract number and are subject to review and approval by FW Project Manager
- D. Partial Payments: Requests for partial payments or advanced payments must be submitted as part of the Price Bid along with a justification. FW reserves the right to accept, reject or negotiate requests for partial payments. If the request is rejected, the Bidder must waive the requirement in order to remain in consideration.

- E. Refunds: If the Contractor is declared to be in default, FW will be eligible for a full and immediate refund for all payments made to the Contractor. Partial Payments: Requests for partial payments or advanced payments must be submitted as part of the Price Offer along with a justification. FW reserves the right to accept, reject or negotiate requests for partial payments. If the request is rejected, the Bidder must waive the requirement in order to remain in consideration.
- F. Unreasonable Charges: Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, final payment is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, FW shall promptly notify the Contractor, in writing, as to those charges that it considers unreasonable and the basis for the determination.

2.20 Price and Title

All prices are for Commodities delivered F.O.B. the facility set forth on the Purchase Order and shall represent the entire cost to FW. Title for such Commodities shall pass to FW upon receipt and acceptance thereof at FW's designated facility.

2.21 Taxes

FW is exempt from Federal Excise Taxes, Virginia State Sales and Use Taxes, and the District of Columbia Sales Taxes and Transportation Taxes. FW's tax identification number is 54-6025290.

2.22 Termination of Contract

- A. For Cause. In the event that the Contractor: (1) fails to deliver any Commodity or Service in accordance with the time period established therefore in the Contract; or (2) fails to furnish any Commodity or Service which conforms in all respects to the requirements of the Contract; then FW, without prejudice to any other rights or remedies it may have at law or in equity (including its right to seek damages from the Contractor), shall have the right to terminate the Contract and any outstanding Purchase Orders by issuing a written notice of termination to the Contractor. Such notice of termination shall describe in reasonable detail the grounds for the termination and shall take effect immediately upon receipt by the Contractor.

If, after issuance of a notice of termination under this Section it is determined for any reason that cause for such termination did not exist, then the rights and

obligations of the parties shall be the same as if the notice of termination had been delivered under the provisions of subsection B (termination for convenience) hereof; provided, however, that the Contractor in such event shall be deemed to have received seven days prior written notice of such termination. Any compensation due the Contractor pursuant to subsection B shall be offset by the cost to FW of remedying the default by the Contractor. The Contractor shall in no event be entitled to receive any consequential damages or any anticipated profits with respect to Commodities not yet furnished to, and accepted by, FW as of the effective date of any such termination.

- B. For Convenience. FW shall have the right to terminate the Contract and/or any outstanding Purchase Orders issued hereunder at its own convenience for any reason by giving seven business days prior written notice of termination to the Contractor. In such event, the Contractor shall be paid an amount equal to the actual cost of any Commodity delivered to, and accepted by, FW and the actual cost of any equipment, goods or materials ordered by the Contractor hereunder in good faith which could not be canceled, less the salvage value thereof, provided sufficient substantiation is furnished to FW. Any subcontract entered into by the Contractor in connection with the transactions contemplated hereby shall contain a similar termination provision for the benefit of the Contractor and FW. The Contractor shall in no event be entitled to receive anticipated profits on any Commodities not yet furnished to and accepted by FW as of the effective date of any such termination.

2.23 Virginia Freedom of Information Act

Except as provided herein, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act.

3.0 SPECIAL TERMS AND CONDITIONS

3.1 Force Majeure

If a delivery is delayed by Act of God, terrorism, war, embargo, fire, or explosion not caused by the negligence or intentional act of the Contractor or his subcontractors or supplier(s), a reasonable extension of time as FW deems appropriate may be granted. Upon receipt of a written request and justification for any extension from the Contractor FW may in its sole discretion (i) extend the time for delivery of the Commodity; (ii) suspend the Contract in whole or in part and obtain one or more of the Commodities elsewhere for a time, or (iii) terminate the Contract; all without liability to Contractor on the part of FW, as the case may be. Contractor's request and justification shall be subject to such substantiation and further inquiries as FW may require.

3.2 Time Is Of The Essence

Time is of the essence! This is a time critical project! Once started, this project must continue without delay or interruption, and unauthorized delays by the Contractor are prohibited. After prior written warning to the Contractor, FW may declare the Contractor in default for unacceptable delays. If such a declaration is made, FW reserves the unilateral right to cure the default by obtaining the services of a qualified Contractor to complete the project and charge any additional or increased costs to the Contractor.

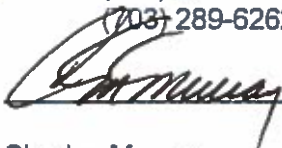
4.0 COMPENSATION

<u>Item</u>	<u>Test Only Price</u>
3-inch Neptune Compound	\$160.00
3-inch Sensus Compound	\$160.00
4-inch Neptune Compound	\$175.00
4-inch Sensus Compound	\$175.00
6-inch Neptune Compound	\$185.00
6-inch Sensus Compound	\$185.00
8-inch Neptune Protectus III	\$240.00
8-inch Sensus Fire Service	\$240.00
10-inch Hersey FMCT	\$240.00
10-inch Sensus Fire Service	\$240.00
3-inch Ultrasonic Master Meter	\$175.00
 Repair Parts	 15% off list
 <u>Repair Labor</u>	
Labor/Two Person Crew	\$75.00 hr.
 <u>Extra Work</u>	
Two Person Crew	\$145.00 hr.

FAIRFAX COUNTY WATER AUTHORITY

8570 Executive Park Avenue
Fairfax, VA 22031

Phone: (703) 289-6261
Fax: (703) 289-6262

By:  _____
Name: Charles Murray

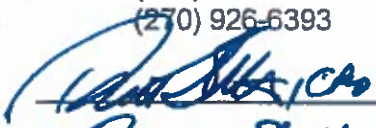
Title: General Manager

Date: 10/30/17

VANGUARD UTILITY SERVICES, INC.

1421 W. 9th Street
Owensboro, KY 42301

Phone: (270) 926-4646
Fax: (270) 926-6393

By:  _____
Name: Robert Shelton

Title: CFO

Date: 10/2/17