

SOLE SOURCE PURCHASE REPORT

To: Purchasing Officer

From: Jared Ray

Date: 10/31/19

1. Name and address and contact information of supplier:

Jim Stanley with UE Compression, 9461 Willow Ct, Henderson CO 80640, tel# 303-515-8600

2. Goods and/or services to be purchased:

PLC Hardware and programming to run (3) Digester Gas Compressors for Cogen Facility

3. Estimated total dollar amount of expenditures pursuant to this request: \$ 75,037

4. Term for which goods and/or services will be purchased pursuant to this request (mark only the option which applies):

- a. _____ Years/Months/Weeks/Days (circle one)
b. This is a one-time sole source purchase, to be completed within the next fiscal year.

5. Identify the specific circumstances that require a sole source purchase of the goods and/or services requested:

- a. Brief description of the purpose of the goods or services to be purchased:

The purpose of this purchase is to replace the PLC hardware and program them to run and control the compressors. UE Compression installed the original job and is familiar with their controls. They need to purchase the hardware to program the PLC's in their shop before bringing to our facility for commissioning. Original hardware is obsolete and is already degrading.

- b. Reasons for need of goods and/or services from the specific supplier. Any one reason, by itself, does not necessarily justify a sole source purchase (mark all that apply):

- i. A diligent inquiry failed to identify any source for the same or similar goods and/or services that will substantially accomplish the same or similar functions to those provided by the source identified above. If so, identify which of the following steps were taken to establish a good-faith review of available alternative sources and provide written justification verifying the actions below were taken (mark all that apply):
- Contacted various suppliers of similar goods to discuss alternative options;
 - Performed product research for potential alternative sources;
 - Consulted with subject matter experts to identify potential alternative sources;
 - Other (specifically describe any actions taken, attach additional sheets if necessary):

SOLE SOURCE PURCHASE REPORT

(Inability to locate other sources via internet search will not suffice as acceptable due diligence.)

- ii. The goods and/or services offered are unique or proprietary in form, fit, and function. If so, describe the unique or proprietary qualities of the goods and/or services; if available, provide documentation of their unique or proprietary nature, e.g. evidence of patent/copyright/secret processes/limited rights in data (attach additional sheets if necessary):

Vendor did initial install 7 or 8 years ago and is familiar with their proprietary controls scheme for this specialized equipment. They are qualified to commission this equipment.

- iii. Use of goods and/or services from sources other than an Original Equipment Manufacturer will require substantial modification to equipment or systems currently in use, resulting in substantial duplication in cost to the Water Authority that is not expected to be recovered through competition and/or unacceptable delays in fulfilling the Water Authority's requirements. If so, describe the modifications, potential costs, and/or delays associated with making substitute goods and/or services compatible with current equipment or systems (attach additional sheets if necessary):

- iv. The procurement requires a specific supplier of goods or services. If so, identify one or more of the following reasons and provide written justification verifying that the statement below is true:

1. Limited availability of goods or services;
2. Proven quality, accuracy, and/or dependability;
3. Compatibility considerations;
4. Safety considerations;
5. Warranty issues or guarantee of parts performance;
6. During the system design process, several alternatives were evaluated and the current proprietary process was selected;
7. Other (specifically describe any other reasons, attach additional sheets if necessary):

New equipment will need to be compatible with existing equipment. Limited 12 month warranty in effect per quote.

SOLE SOURCE PURCHASE REPORT

- v. The goods and/or services cannot be purchased by the Water Authority from any other supplier, e.g. the supplier has a protected territory established by the original producer of the goods or services. If so, attach written documentation from the original producer verifying the availability of sources for goods and/or services.

6. Describe the reasons the purchase is in the public's interest (attach additional sheets if necessary):

Cheapest option to replace outdated equipment and update it for future use and years of service.

7. Attach negotiated cost or fee schedule, as applicable, along with evidence confirming that the price is most advantageous to the Water Authority.

Requirement:

At least fifteen days before a sole source contract is awarded, the Central Purchasing Office shall post this notice of intent to award any sole source contracts for goods, services, or construction, on its website.

Any qualified potential contractor may protest an intent to award a sole source procurement to the Central Purchasing Office. The protest shall be submitted in writing within fifteen calendar days of the notice of intent to award a contract being posted by the Central Purchasing Office.

The signature below certifies that this justification is accurate and complete to the best knowledge and belief of the individuals signing:

Requestor's Signature:

Jared Ray

Title: Assistant Superintendent

10/31/19

Date

Signature Acknowledgement from the Division Manager:

Charles A. Leder

Division Manager

10/31/19

Date

Review and Verification by Purchasing Officer:

[Signature]

Purchasing Officer

11/1/19

Date

9461 Willow Court
Henderson, CO 80640
9/25/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Jared Ray
(502) 289-3449
JRay@abcwua.org

Reference: Original Project # 941278

Mr. Ray,

Thank you for the opportunity to provide the controls upgrades on the UECompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

As UECompression was the original packager of the units, we are uniquely familiar with the units and specifically the controls strategy that was developed for this equipment and package. We are proposing to upgrade the existing controls for better compatibility with the site. This is being done as part of the obsolescence plan that the site has already begun making upgrades to other components.

The HMI's will be shipped to UECompression's facility before going to site. This will allow us to pre-load the software. Additionally any upgrades to the software can be done while the HMIs are at our facility to incorporate any changes in our base program since these units were first installed.

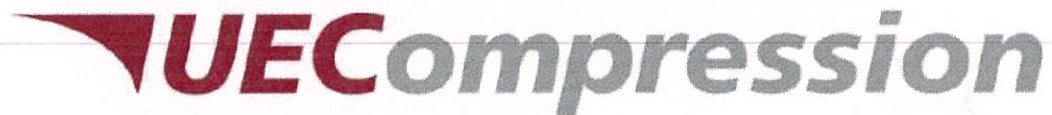
The program that is loaded onto the HMI's was custom tailed by UECompression for these units. We have an extensive knowledge of the fuel gas booster market with more than 300 installed units worldwide. UECompression's integration and controls make these packages successful.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com



Fuel Gas Compressor Controls Upgrade

PREPARED FOR:

Albuquerque Bernalillo County Water Utility Authority

Attn: Dean Brush

UECQ 16458 Rev1



9461 Willow Court
Henderson, CO 80640
6/19/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Dean Brush
(505) 289-3474
DBrush@abcwua.org

Reference: Controls Upgrade
UEC Quote: 16458 Rev1

Mr. Brush,

Thank you for the opportunity to provide the service work on the UECompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

This proposal outlines the scope of work to prepare to change out the control panel graphic terminal and processor. The existing L61 processor will be upgraded to the L72.

Revision one is a quote refresh for the current date. The pricing remained the same.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com

SCOPE OF WORK

Compressor Service

The following scope is an outline of the items that UEC will look to perform while at site;

- Change the program over from the previous processor to the new L72 processor
- Update to the newest versions of UEC code

Client Scope of Work

The following scope has been identified as the client's responsibility;

- Provide the most recent code
- Provide updated door cutouts
 - a. Existing cutout = 15.35" wide by 10.11" tall
 - b. New cutout = 10.59" wide by 8.82" tall

Parts Supplied

Qty (3) of each of the following items will be included in this proposal;

AB 2711P-T10C22A9P PANELVIEW PLUS 7
GRAPHIC TERMINAL
Pn: 959181

AB 1756-L72 CONTROLLOGIX 4 MB
CONTROLLER
Pn: 207339

PT MVI56E-MNET MODBUS TCP/IP
CLIENT/SERVER COMM MODULE
Pn: 138526

ASSUMPTIONS AND EXCEPTIONS

The following assumptions and exceptions have been made while preparing this proposal. If any of these items impact the scope of the project, then UEC reserves the right to provide a change order for additional scope.

1. The labor is based on UEC rates and not based on Union labor rates
2. Client is responsible for daily monitoring of all equipment.
3. Client to provide location for disposal of any replaced parts, accumulated consumable waste.
4. Client to provide air and power sources.
5. Provide an operator to start, stop and operate units.
6. Components not repaired by UEC are not covered under UEC warranty
7. After inspections, it may be noted that additional work is required. This is not included in this scope of work and will be sent in a separate quote.
8. Any standby time or additional time beyond this quote will be billed per standard rates applicable at the time of the work.

PRICING AND DELIVERY

ON-SITE SERVICES (Estimated):	\$	0
PARTS and ENGINEERING	\$	63,170

SHIPPING TERMS

ON-SITE:	FCA, Client Site (Albuquerque, NM)
HARDWARE:	FCA, UEC Shop (Henderson, CO)

Free Carrier, UEC Shop (Henderson, CO). Loading by UEC at UEC shop onto customer supplied carrier by others. Should transportation be required, terms to be as prepaid and added to invoice at time of shipment at freight and associated costs plus 10% margin.

EQUIPMENT DELIVERY AND SUBMITTALS

Shipment above based on current shop loading and vendor delivery promises. Orders received prior to ordering of this equipment will impact our shop schedule. Standard document submittals are provided, subject to engineering workload at time of order. Shipment and drawings can run concurrently if long lead items are released at time of order. Delivery schedule does not start until approved contract has been mutually agreed upon.

PROPOSAL TERMS

Proposal is valid for thirty (30) days from quotation date. Pricing provided in USD currency. All orders are subject to approval by an officer of UEC Compression. No taxes/assessments/duties are included in the pricing shown. Any applicable taxes/assessments/duties are for the end user's account and should be remitted by the end user directly to the appropriate local tax collection agencies.

Proposal subject to standard terms and conditions attached, negotiated terms and conditions to follow prior to award of order. Progress payments will be required with proposed payment schedule outlined within proposal. Pricing is based on the quantity outlined within this proposal, please advise if an alternate quantity is required as there may be a pricing impact. This proposal is proprietary and may not be disseminated to anyone other than the intended customer or their client without UEC consent.

WARRANTY

Standard manufacturer's warranties are included with duration of 12 months from startup or 18 months from shipment, whichever occurs first. To ensure warranty validity, operator must maintain proper logs or preferably data trending of key information (such as major equipment vibration, bearing temperatures, fluid temperatures, process conditions, or any other information that could affect operating performance, etc.).

STANDARD RATES FOR FIELD SERVICES

NATURAL GAS

HOURLY RATES

Service Technician	\$145.00 USD
Service Specialist/Supervisor	\$170.00 USD
Controls Specialist	\$195.00 USD
Consulting Engineer	\$220.00 USD
Fabricator, Trades, Millwright	\$ 85.00 USD
E & I Technician	\$ 125.00 USD

OVERTIME CHARGES

All hourly rates will be adjusted as follows for overtime:

Over 8 hours/day and first 12 hours on Saturday:	Rate x 1.5
Sundays, holidays, and hours over 12 hours/day (any day):	Rate x 2.0

STANDBY TIME

Standby time will be billed at applicable standard rates shown above.

TRAVEL TIME

Time spent traveling to and from job site will be charged at appropriate standard or overtime rates shown above.

CALL-OUT

Call-Outs (Service calls initiated outside 7:30 am – 4:00 pm, M-F) have a minimum labor charge of eight (8) hours.

TOOLING (DOES NOT INCLUDE LABOR)

Laser Alignment Equipment	\$250.00/Day
Vibration Analyzer	\$150.00/Day

TRAVEL, ROOM, BOARD AND PER DIEM/LIVING EXPENSES

Travel (Air, bus, taxi, etc.)	Actual cost + 15%
Room/Board	Actual cost + 15%
Per Diem	\$75.00/day
Service Vehicle	1.75/ mile
Rental Vehicle	Actual cost + 15%

START-UP SERVICE

(14) Day notice to schedule personnel for new equipment start-up is required.

Rates are subject to change without notice.

TERMS & CONDITIONS OF SALE

These terms and conditions, the attendant quotation or acknowledgment, and all documents incorporated by reference therein, bind UEC, LLC, which issued the quotation or acknowledgment for the sale of goods (“Goods”) to be provided hereunder (hereinafter “Seller”) and the buyer (hereinafter “Buyer”) and constitute the entire agreement (“Agreement”) between Buyer and Seller regarding such sale and any related services provided by Seller (“Services”). By accepting the Goods, the Buyer agrees to these terms and conditions and further understands that Seller is only agreeing to provide the Goods and Services at the prices stated, based on the terms and conditions contained herein.

These terms and conditions supersede all previous terms and conditions, understandings, quotations, and purchase orders entered into between Seller and the Buyer, whether oral or written, and shall govern all transactions concerning Goods and Services between the Buyer and Seller. Any contrary terms and conditions issued by Buyer in any form whatsoever are expressly rejected by Seller.

- A. **TERMS OF PAYMENT:** Subject to the approval of the Seller’s credit department, terms are Ex Works Seller’s Henderson, Colorado facility, net due upon notice of intent to ship. If any payment owed to Seller hereunder is not paid when due, it shall bear interest, at a rate to be determined by Seller which shall not exceed the maximum rate permitted by law, from the date of which it is due until it is paid. Seller shall have the right, among other remedies, either to terminate the Agreement or to suspend further deliveries under this and/or other agreements with Buyer in the event Buyer fails to make any payments hereunder when due. Buyer shall be liable for all expenses attendant to collection of past due amounts, including attorney’s fees.
- B. **PRICES:** Unless otherwise specified by Seller and subject to Paragraph I below, Seller’s prices for the applicable Goods and Services shall remain in effect for thirty (30) days after the date of Seller’s quotation or acceptance of the order for the Goods and Services, whichever occurs first, provided an unconditional, complete authorization for the immediate manufacture and shipment of the Goods and performance of Services pursuant to Seller’s standard order processing procedures is received and accepted by Seller within such time period. If such authorization is not received by Seller within such thirty (30) day period, Seller shall have the right to change the prices to the Seller’s prices in effect at the time the order is released for final manufacture of Goods or performance of the Services. Notwithstanding any of the forgoing to the contrary, the price for the Goods, or components of Goods sold by the Seller, but manufactured by others or not included within the quotation, shall be Seller’s price in effect at the time of notice of shipment to the Buyer. Quotes are subject to upward adjustment for increases in steel pricing in accordance with the most recent US Department of Labor, Bureau of Labor Statistics Producer Price Index – for “Iron and Steel” https://www.bls.gov/regions/mid-atlantic/data/producerpriceindexmetals_us_table.htm or applicable successor index.
- C. **ACCEPTANCE, INSPECTION AND DELIVERY:** Acceptance shall occur the later of Buyer’s written acceptance of Seller’s quotation or Seller’s written acceptance of the order. Delivery terms shall be Ex Works Seller’s Henderson Colorado facility. Buyer may inspect the Goods prior to shipping upon reasonable notice. All notice of intent to ship and performance dates are approximate and are based upon Seller’s prompt receipt of all necessary information from Buyer to properly process and perform the order. Seller shall provide Buyer with the Goods and Services together with such data and documentation which is specifically identified in the quotation.

- D. **EXCUSED PERFORMANCE:** Seller shall not be liable for delays in performance or for non-performance arising from delays or changes to the order proposed by Buyer or Buyer's contractors or customers, acts of God, war, riot, fire, labor trouble, unavailability of material or components, explosion, accident, compliance with governmental requests, laws, regulations, orders actions, or unforeseen circumstances or causes beyond Seller's reasonable control.
- E. **TERMINATION AND SUSPENSION BY BUYER:** Prior to delivery, Buyer may terminate or suspend its order for any or all of the Goods and Services covered by the Agreement provided that Buyer gives Seller reasonable advance written notice of such termination or suspension. Buyer shall then pay to the Seller a net amount equal to: (1) actual costs incurred by the Seller including, but not limited to, the purchase of materials, equipment, and services to be used in the Goods; plus (2) all labor costs incurred by the Seller including but not limited to, engineering, design, purchasing, fabricating, manufacturing, and project management of the Goods, to be determined using the Seller's standard, fully burdened rates (which shall include general and administrative costs, but which shall not include any profit); plus (3) reasonable costs incurred by the Seller to cancel any orders for materials and equipment to be used in the Goods; plus (4) fifteen percent (15%) of the total of items (1) through (3) above to account for the Seller's profit; minus (5) the net salvage value of any materials and equipment purchased by the Seller to be used in the Goods after subtracting the Seller's reasonable costs to salvage such materials and equipment.
- F. **LIMITED WARRANTY:** Seller warrants that Goods provided by Seller hereunder will be free from defect in material or workmanship under normal use and service for the period contained in any applicable manufacturer's warranty and, if there is no applicable manufacturer's warranty, then for twelve (12) months from the date on which the Goods are placed in service, but in no event to exceed eighteen (18) months from the date of Seller's notice of intent to ship to Buyer. Seller further warrants that Services provided by Seller hereunder will be performed in a workmanlike manner free from defects in workmanship for a period of six (6) months from the date of performance.

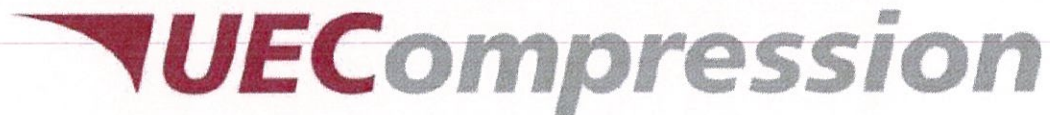
Seller agrees to repair or replace, at its sole option, any Goods or components of Goods which prove to be defective within the applicable warranty period, and to correct any defect in Services discovered by Buyer within the applicable warranty period. Buyer shall promptly notify Seller in writing of any defect in the Goods found during the warranty period and Seller shall have the right to make an investigation of the reported defect before corrective action is undertaken. Seller shall have the option to repair, replace or correct any defect in the field or at its facilities. Buyer shall provide Seller access to a defect in the Goods in order to repair, replace or correct same. Seller's warranty excludes expedited shipping costs and installation costs associated with repairing or replacing the defective Goods. THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

For individual parts sold by Seller, manufactured by third parties, and not included in a package or lot with other parts, any transferable manufacturer's warranty will be passed through to the Buyer, or Seller will assist Buyer with warranty administration. Parts purchased from Seller that are unused and unopened may be able to be returned depending upon the situation and part as Seller may determine. A restocking fee may apply.

- G. **LIMITATION OF REMEDY AND LIABILITY:** Seller shall not be liable for damages caused by excused delays in performance. Buyer agrees that in no event shall Seller's liability to Buyer and/or its

customers extend to include incidental, consequential or punitive damages. The term "consequential damages" shall include but not be limited to, loss of anticipated profits, loss of use, loss of revenue or profit and cost of capital. Seller's warranty and obligations hereunder do not extend or apply to: (1) Goods which are functioning within Seller's published specification; (2) Goods which are selected, designed or assembled in reliance upon information supplied by Buyer that varies from the use or conditions represented or otherwise described by Buyer; (3) Goods installed or serviced by other than an authorized representative of Seller; (4) damages arising when the Goods are combined or used with items not supplied by Seller; (5) failure to operate or maintain the Goods according to the operator's manual; or (6) Goods subjected to misuse, use for unforeseeable purposes, abuse or alteration. Notwithstanding any other provision hereof to the contrary, Seller's total, cumulative liability arising out of or related to the performance or non-performance of this Agreement shall be limited to the amount of the applicable Agreement price, and Buyer shall hold harmless and indemnify Seller from and against all liability in excess of such limitation.

- H. **INSTALLATION:** Buyer shall be responsible for receiving, storing, installing, starting up and maintaining all Goods unless Services to assist Buyer in these functions have been agreed upon.
- I. **TAXES:** Any current, new or increased tax, tariff or governmental charge or tax or tariff increasing the cost to Seller of producing, selling, or delivering the Goods or of procuring material used therein, or payable by the Seller because of the manufacture, sale, or delivery of the Goods, may at Seller's option, be added to the price herein specified.
- J. **OWNERSHIP AND USE OF INFORMATION:** Each party agrees to keep the other party's confidential and proprietary information and trade secrets, in whatever form received by such party, confidential, with authorized disclosure and use limited to compliance with applicable laws and regulations and to fulfill the purposes set forth in this Agreement. Seller retains all right, title and interest, including all intellectual property rights, in the ownership and use of the design, manufacture and fabrication of the Goods and grants to Buyer a perpetual, non-exclusive, royalty free right and license to use the Goods for the purposes specified or reasonably foreseeable. This license and right of use does not extend to modification or unauthorized use of the Goods including use with goods and or software not supplied by Seller and Buyer shall hold harmless and indemnify Seller from and against all liability arising from modification or unauthorized use of the Goods.
- K. **MUTUAL INDEMNIFICATION:** Each party shall indemnify and hold harmless the other party together with its affiliates, owners, directors, employees, contractor, and invitees from damages, claims and losses sustained or incurred by such group to the extent such damages, claims and losses arise out of bodily injury or property damages incurred by such group.
- L. **GENERAL PROVISIONS:** (a) Buyer shall not assign its rights or obligations under the Agreement without Seller's prior written consent. (b) There are no understandings, agreements or representation, express or implied not specified in the Agreement. (c) No action, regardless of form, arising out of transactions under the Agreement, may be brought by either party more than two (2) years after the cause of action has accrued, and the parties agree to first undertake informal good faith negotiations to resolve any disputes or claims. (d) Any change to an order or modification of these terms and conditions must be set forth in a written instrument signed by a duly authorized representative of Seller. (e) The Agreement shall be construed, performed and enforced under the laws of the State of Colorado. (f) There are no third party beneficiaries to the Agreement.



Fuel Gas Compressor Controls Upgrade – in field support

PREPARED FOR:

Albuquerque Bernalillo County Water Utility Authority

Attn: Dean Brush

UECQ 16459 Rev1



9461 Willow Court
Henderson, CO 80640
6/19/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Dean Brush
(505) 289-3474
DBrush@abcwua.org

Reference: Controls In Field Support
UEC Quote: 16458 Rev1

Mr. Brush,

Thank you for the opportunity to provide the service work on the UECCompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

This proposal outlines the in field support to be provided.

This revision of the proposal is a quote refresh from earlier in the year. We have also adjusted from 2 to 3 days onsite for additional support. As this will be time and material, we will bill based on the actual hours incurred onsite.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com

SCOPE OF WORK

Compressor Service

The following scope is an outline of the items that UEC will look to perform while at site;

- Support the change out of the hardware provided by UEC as proposal 16458.

Client Scope of Work

The following scope has been identified as the client's responsibility;

- Provide updated door cutouts
 - a. Existing cutout = 15.35" wide by 10.11" tall
 - b. New cutout = 10.59" wide by 8.82" tall

The above scope of work is based on the following estimates;

On-Site Labor	
UEC Representative(s)	1
Duration	3 days
Hours per day	8 hours / day
Work Week	Monday – Saturday
Mobilization(s)	1
Hours per day	8 hours / day (2 days per person)
On-Site Equipment	
Job box included	No

Parts Supplied

No parts are being supplied as this scope of work.

ASSUMPTIONS AND EXCEPTIONS

The following assumptions and exceptions have been made while preparing this proposal. If any of these items impact the scope of the project, then UEC reserves the right to provide a change order for additional scope.

1. The labor is based on UEC rates and not based on Union labor rates
2. Client is responsible for daily monitoring of all equipment.
3. Provide adequate / safe access to the equipment.
4. Client to provide location for disposal of any replaced parts, accumulated consumable waste.
5. Client to provide air and power sources.
6. Provide an operator to start, stop and operate units.
7. Components not repaired by UEC are not covered under UEC warranty
8. Any standby time or additional time beyond this quote will be billed per standard rates applicable at the time of the work.

PRICING AND DELIVERY

ON-SITE SERVICES (Estimated):	\$	11,867.00
PARTS	\$	0

SHIPPING TERMS

ON-SITE:	FCA, Client Site (Albuquerque, NM)
HARDWARE:	FCA, UEC Shop (Henderson, CO)

Free Carrier, UEC Shop (Henderson, CO). Loading by UEC at UEC shop onto customer supplied carrier by others. Should transportation be required, terms to be as prepaid and added to invoice at time of shipment at freight and associated costs plus 10% margin.

EQUIPMENT DELIVERY AND SUBMITTALS

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5. Identify the specific circumstances that require a sole source purchase of the goods and/or services requested:

- a. Brief description of the purpose of the goods or services to be purchased:

The purpose of this purchase is to replace the PLC hardware and program them to run and control the compressors. UE Compression installed the original job and is familiar with their controls. They need to purchase the hardware to program the PLC's in their shop before bringing to our facility for commissioning. Original hardware is obsolete and is already degrading.

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- i. A diligent inquiry failed to identify any source for the same or similar goods and/or services that will substantially accomplish the same or similar functions to those provided by the source identified above. If so, identify which of the following steps were taken to establish a good-faith review of available alternative sources and provide written justification verifying the actions below were taken (mark all that apply):

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SOLE SOURCE PURCHASE REPORT

(Inability to locate other sources via internet search will not suffice as acceptable due diligence.)

- ii. The goods and/or services offered are unique or proprietary in form, fit, and function. If so, describe the unique or proprietary qualities of the goods and/or services; if available, provide documentation of their unique or proprietary nature, e.g. evidence of patent/copyright/secret processes/limited rights in data (attach additional sheets if necessary):

Vendor did initial install 7 or 8 years ago and is familiar with their proprietary controls scheme for this specialized equipment. They are qualified to commission this equipment.

- iii. Use of goods and/or services from sources other than an Original Equipment Manufacturer will require substantial modification to equipment or systems currently in use, resulting in substantial duplication in cost to the Water Authority that is not expected to be recovered through competition and/or unacceptable delays in fulfilling the Water Authority's requirements. If so, describe the modifications, potential costs, and/or delays associated with making substitute goods and/or services compatible with current equipment or systems (attach additional sheets if necessary):

- iv. The procurement requires a specific supplier of goods or services. If so, identify one or more of the following reasons and provide written justification verifying that the statement below is true:
1. Limited availability of goods or services;
 2. Proven quality, accuracy, and/or dependability;
 3. Compatibility considerations;
 4. Safety considerations;
 5. Warranty issues or guarantee of parts performance;
 6. During the system design process, several alternatives were evaluated and the current proprietary process was selected;
 7. Other (specifically describe any other reasons, attach additional sheets if necessary):

New equipment will need to be compatible with existing equipment. Limited 12 month warranty in effect per quote.

SOLE SOURCE PURCHASE REPORT

- v. The goods and/or services cannot be purchased by the Water Authority from any other supplier, e.g. the supplier has a protected territory established by the original producer of the goods or services. If so, attach written documentation from the original producer verifying the availability of sources for goods and/or services.

6. Describe the reasons the purchase is in the public's interest (attach additional sheets if necessary):

Cheapest option to replace outdated equipment and update it for future use and years of service.

7. Attach negotiated cost or fee schedule, as applicable, along with evidence confirming that the price is most advantageous to the Water Authority.

Requirement:

At least fifteen days before a sole source contract is awarded, the Central Purchasing Office shall post this notice of intent to award any sole source contracts for goods, services, or construction, on its website.

Any qualified potential contractor may protest an intent to award a sole source procurement to the Central Purchasing Office. The protest shall be submitted in writing within fifteen calendar days of the notice of intent to award a contract being posted by the Central Purchasing Office.

The signature below certifies that this justification is accurate and complete to the best knowledge and belief of the individuals signing:

Requestor's Signature:

Jared Ray

Title: Assistant Superintendent

10/31/19

Date

Signature Acknowledgement from the Division Manager:

Charles A. Leder

Division Manager

10/31/19

Date

Review and Verification by Purchasing Officer:

[Signature]

Purchasing Officer

11/1/19

Date

9461 Willow Court
Henderson, CO 80640
9/25/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Jared Ray
(502) 289-3449
JRay@abcwua.org

Reference: Original Project # 941278

Mr. Ray,

Thank you for the opportunity to provide the controls upgrades on the UECompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

As UECompression was the original packager of the units, we are uniquely familiar with the units and specifically the controls strategy that was developed for this equipment and package. We are proposing to upgrade the existing controls for better compatibility with the site. This is being done as part of the obsolescence plan that the site has already begun making upgrades to other components.

The HMI's will be shipped to UECompression's facility before going to site. This will allow us to pre-load the software. Additionally any upgrades to the software can be done while the HMIs are at our facility to incorporate any changes in our base program since these units were first installed.

The program that is loaded onto the HMI's was custom tailed by UECompression for these units. We have an extensive knowledge of the fuel gas booster market with more than 300 installed units worldwide. UECompression's integration and controls make these packages successful.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com



UECCompression

Fuel Gas Compressor Controls Upgrade

PREPARED FOR:

Albuquerque Bernalillo County Water Utility Authority

Attn: Dean Brush

UECQ 16458 Rev1

UEC
UECompression

9461 Willow Court
Henderson, CO 80640
6/19/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Dean Brush
(505) 289-3474
DBrush@abcwua.org

Reference: Controls Upgrade
UEC Quote: 16458 Rev1

Mr. Brush,

Thank you for the opportunity to provide the service work on the UECCompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

This proposal outlines the scope of work to prepare to change out the control panel graphic terminal and processor. The existing L61 processor will be upgraded to the L72.

Revision one is a quote refresh for the current date. The pricing remained the same.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com

SCOPE OF WORK

Compressor Service

The following scope is an outline of the items that UEC will look to perform while at site;

- Change the program over from the previous processor to the new L72 processor
- Update to the newest versions of UEC code

Client Scope of Work

The following scope has been identified as the client's responsibility;

- Provide the most recent code
- Provide updated door cutouts
 - a. Existing cutout = 15.35" wide by 10.11" tall
 - b. New cutout = 10.59" wide by 8.82" tall

Parts Supplied

Qty (3) of each of the following items will be included in this proposal;

AB 2711P-T10C22A9P PANELVIEW PLUS 7
GRAPHIC TERMINAL
Pn: 959181

AB 1756-L72 CONTROLLOGIX 4 MB
CONTROLLER
Pn: 207339

PT MVI56E-MNET MODBUS TCP/IP
CLIENT/SERVER COMM MODULE
Pn: 138526

ASSUMPTIONS AND EXCEPTIONS

The following assumptions and exceptions have been made while preparing this proposal. If any of these items impact the scope of the project, then UEC reserves the right to provide a change order for additional scope.

1. The labor is based on UEC rates and not based on Union labor rates
2. Client is responsible for daily monitoring of all equipment.
3. Client to provide location for disposal of any replaced parts, accumulated consumable waste.
4. Client to provide air and power sources.
5. Provide an operator to start, stop and operate units.
6. Components not repaired by UEC are not covered under UEC warranty
7. After inspections, it may be noted that additional work is required. This is not included in this scope of work and will be sent in a separate quote.
8. Any standby time or additional time beyond this quote will be billed per standard rates applicable at the time of the work.

PRICING AND DELIVERY

ON-SITE SERVICES (Estimated):	\$	0
PARTS and ENGINEERING	\$	63,170

SHIPPING TERMS

ON-SITE:	FCA, Client Site (Albuquerque, NM)
HARDWARE:	FCA, UEC Shop (Henderson, CO)

Free Carrier, UEC Shop (Henderson, CO). Loading by UEC at UEC shop onto customer supplied carrier by others. Should transportation be required, terms to be as prepaid and added to invoice at time of shipment at freight and associated costs plus 10% margin.

EQUIPMENT DELIVERY AND SUBMITTALS

Shipment above based on current shop loading and vendor delivery promises. Orders received prior to ordering of this equipment will impact our shop schedule. Standard document submittals are provided, subject to engineering workload at time of order. Shipment and drawings can run concurrently if long lead items are released at time of order. Delivery schedule does not start until approved contract has been mutually agreed upon.

PROPOSAL TERMS

Proposal is valid for thirty (30) days from quotation date. Pricing provided in USD currency. All orders are subject to approval by an officer of UEC Compression. No taxes/assessments/duties are included in the pricing shown. Any applicable taxes/assessments/duties are for the end user's account and should be remitted by the end user directly to the appropriate local tax collection agencies.

Proposal subject to standard terms and conditions attached, negotiated terms and conditions to follow prior to award of order. Progress payments will be required with proposed payment schedule outlined within proposal. Pricing is based on the quantity outlined within this proposal, please advise if an alternate quantity is required as there may be a pricing impact. This proposal is proprietary and may not be disseminated to anyone other than the intended customer or their client without UEC consent.

WARRANTY

Standard manufacturer's warranties are included with duration of 12 months from startup or 18 months from shipment, whichever occurs first. To ensure warranty validity, operator must maintain proper logs or preferably data trending of key information (such as major equipment vibration, bearing temperatures, fluid temperatures, process conditions, or any other information that could affect operating performance, etc.).

STANDARD RATES FOR FIELD SERVICES

NATURAL GAS

HOURLY RATES

Service Technician	\$145.00 USD
Service Specialist/Supervisor	\$170.00 USD
Controls Specialist	\$195.00 USD
Consulting Engineer	\$220.00 USD
Fabricator, Trades, Millwright	\$ 85.00 USD
E & I Technician	\$ 125.00 USD

OVERTIME CHARGES

All hourly rates will be adjusted as follows for overtime:

Over 8 hours/day and first 12 hours on Saturday:	Rate x 1.5
Sundays, holidays, and hours over 12 hours/day (any day):	Rate x 2.0

STANDBY TIME

Standby time will be billed at applicable standard rates shown above.

TRAVEL TIME

Time spent traveling to and from job site will be charged at appropriate standard or overtime rates shown above.

CALL-OUT

Call-Outs (Service calls initiated outside 7:30 am – 4:00 pm, M-F) have a minimum labor charge of eight (8) hours.

TOOLING (DOES NOT INCLUDE LABOR)

Laser Alignment Equipment	\$250.00/Day
Vibration Analyzer	\$150.00/Day

TRAVEL, ROOM, BOARD AND PER DIEM/LIVING EXPENSES

Travel (Air, bus, taxi, etc.)	Actual cost + 15%
Room/Board	Actual cost + 15%
Per Diem	\$75.00/day
Service Vehicle	1.75/ mile
Rental Vehicle	Actual cost + 15%

START-UP SERVICE

(14) Day notice to schedule personnel for new equipment start-up is required.

Rates are subject to change without notice.

TERMS & CONDITIONS OF SALE

These terms and conditions, the attendant quotation or acknowledgment, and all documents incorporated by reference therein, bind UEC, LLC, which issued the quotation or acknowledgment for the sale of goods (“Goods”) to be provided hereunder (hereinafter “Seller”) and the buyer (hereinafter “Buyer”) and constitute the entire agreement (“Agreement”) between Buyer and Seller regarding such sale and any related services provided by Seller (“Services”). By accepting the Goods, the Buyer agrees to these terms and conditions and further understands that Seller is only agreeing to provide the Goods and Services at the prices stated, based on the terms and conditions contained herein.

These terms and conditions supersede all previous terms and conditions, understandings, quotations, and purchase orders entered into between Seller and the Buyer, whether oral or written, and shall govern all transactions concerning Goods and Services between the Buyer and Seller. Any contrary terms and conditions issued by Buyer in any form whatsoever are expressly rejected by Seller.

- A. **TERMS OF PAYMENT:** Subject to the approval of the Seller’s credit department, terms are Ex Works Seller’s Henderson, Colorado facility, net due upon notice of intent to ship. If any payment owed to Seller hereunder is not paid when due, it shall bear interest, at a rate to be determined by Seller which shall not exceed the maximum rate permitted by law, from the date of which it is due until it is paid. Seller shall have the right, among other remedies, either to terminate the Agreement or to suspend further deliveries under this and/or other agreements with Buyer in the event Buyer fails to make any payments hereunder when due. Buyer shall be liable for all expenses attendant to collection of past due amounts, including attorney’s fees.
- B. **PRICES:** Unless otherwise specified by Seller and subject to Paragraph I below, Seller’s prices for the applicable Goods and Services shall remain in effect for thirty (30) days after the date of Seller’s quotation or acceptance of the order for the Goods and Services, whichever occurs first, provided an unconditional, complete authorization for the immediate manufacture and shipment of the Goods and performance of Services pursuant to Seller’s standard order processing procedures is received and accepted by Seller within such time period. If such authorization is not received by Seller within such thirty (30) day period, Seller shall have the right to change the prices to the Seller’s prices in effect at the time the order is released for final manufacture of Goods or performance of the Services. Notwithstanding any of the forgoing to the contrary, the price for the Goods, or components of Goods sold by the Seller, but manufactured by others or not included within the quotation, shall be Seller’s price in effect at the time of notice of shipment to the Buyer. Quotes are subject to upward adjustment for increases in steel pricing in accordance with the most recent US Department of Labor, Bureau of Labor Statistics Producer Price Index – for “Iron and Steel” https://www.bls.gov/regions/mid-atlantic/data/producerpriceindexmetals_us_table.htm or applicable successor index.
- C. **ACCEPTANCE, INSPECTION AND DELIVERY:** Acceptance shall occur the later of Buyer’s written acceptance of Seller’s quotation or Seller’s written acceptance of the order. Delivery terms shall be Ex Works Seller’s Henderson Colorado facility. Buyer may inspect the Goods prior to shipping upon reasonable notice. All notice of intent to ship and performance dates are approximate and are based upon Seller’s prompt receipt of all necessary information from Buyer to properly process and perform the order. Seller shall provide Buyer with the Goods and Services together with such data and documentation which is specifically identified in the quotation.

- D. **EXCUSED PERFORMANCE:** Seller shall not be liable for delays in performance or for non-performance arising from delays or changes to the order proposed by Buyer or Buyer's contractors or customers, acts of God, war, riot, fire, labor trouble, unavailability of material or components, explosion, accident, compliance with governmental requests, laws, regulations, orders actions, or unforeseen circumstances or causes beyond Seller's reasonable control.
- E. **TERMINATION AND SUSPENSION BY BUYER:** Prior to delivery, Buyer may terminate or suspend its order for any or all of the Goods and Services covered by the Agreement provided that Buyer gives Seller reasonable advance written notice of such termination or suspension. Buyer shall then pay to the Seller a net amount equal to: (1) actual costs incurred by the Seller including, but not limited to, the purchase of materials, equipment, and services to be used in the Goods; plus (2) all labor costs incurred by the Seller including but not limited to, engineering, design, purchasing, fabricating, manufacturing, and project management of the Goods, to be determined using the Seller's standard, fully burdened rates (which shall include general and administrative costs, but which shall not include any profit); plus (3) reasonable costs incurred by the Seller to cancel any orders for materials and equipment to be used in the Goods; plus (4) fifteen percent (15%) of the total of items (1) through (3) above to account for the Seller's profit; minus (5) the net salvage value of any materials and equipment purchased by the Seller to be used in the Goods after subtracting the Seller's reasonable costs to salvage such materials and equipment.
- F. **LIMITED WARRANTY:** Seller warrants that Goods provided by Seller hereunder will be free from defect in material or workmanship under normal use and service for the period contained in any applicable manufacturer's warranty and, if there is no applicable manufacturer's warranty, then for twelve (12) months from the date on which the Goods are placed in service, but in no event to exceed eighteen (18) months from the date of Seller's notice of intent to ship to Buyer. Seller further warrants that Services provided by Seller hereunder will be performed in a workmanlike manner free from defects in workmanship for a period of six (6) months from the date of performance.

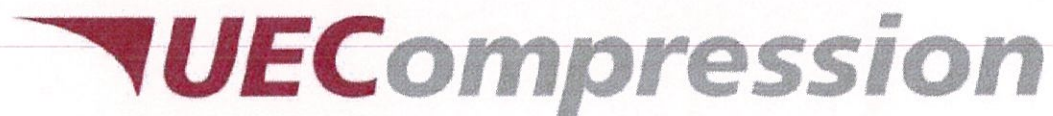
Seller agrees to repair or replace, at its sole option, any Goods or components of Goods which prove to be defective within the applicable warranty period, and to correct any defect in Services discovered by Buyer within the applicable warranty period. Buyer shall promptly notify Seller in writing of any defect in the Goods found during the warranty period and Seller shall have the right to make an investigation of the reported defect before corrective action is undertaken. Seller shall have the option to repair, replace or correct any defect in the field or at its facilities. Buyer shall provide Seller access to a defect in the Goods in order to repair, replace or correct same. Seller's warranty excludes expedited shipping costs and installation costs associated with repairing or replacing the defective Goods. THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

For individual parts sold by Seller, manufactured by third parties, and not included in a package or lot with other parts, any transferable manufacturer's warranty will be passed through to the Buyer, or Seller will assist Buyer with warranty administration. Parts purchased from Seller that are unused and unopened may be able to be returned depending upon the situation and part as Seller may determine. A restocking fee may apply.

- G. **LIMITATION OF REMEDY AND LIABILITY:** Seller shall not be liable for damages caused by excused delays in performance. Buyer agrees that in no event shall Seller's liability to Buyer and/or its

customers extend to include incidental, consequential or punitive damages. The term "consequential damages" shall include but not be limited to, loss of anticipated profits, loss of use, loss of revenue or profit and cost of capital. Seller's warranty and obligations hereunder do not extend or apply to: (1) Goods which are functioning within Seller's published specification; (2) Goods which are selected, designed or assembled in reliance upon information supplied by Buyer that varies from the use or conditions represented or otherwise described by Buyer; (3) Goods installed or serviced by other than an authorized representative of Seller; (4) damages arising when the Goods are combined or used with items not supplied by Seller; (5) failure to operate or maintain the Goods according to the operator's manual; or (6) Goods subjected to misuse, use for unforeseeable purposes, abuse or alteration. Notwithstanding any other provision hereof to the contrary, Seller's total, cumulative liability arising out of or related to the performance or non-performance of this Agreement shall be limited to the amount of the applicable Agreement price, and Buyer shall hold harmless and indemnify Seller from and against all liability in excess of such limitation.

- H. **INSTALLATION:** Buyer shall be responsible for receiving, storing, installing, starting up and maintaining all Goods unless Services to assist Buyer in these functions have been agreed upon.
- I. **TAXES:** Any current, new or increased tax, tariff or governmental charge or tax or tariff increasing the cost to Seller of producing, selling, or delivering the Goods or of procuring material used therein, or payable by the Seller because of the manufacture, sale, or delivery of the Goods, may at Seller's option, be added to the price herein specified.
- J. **OWNERSHIP AND USE OF INFORMATION:** Each party agrees to keep the other party's confidential and proprietary information and trade secrets, in whatever form received by such party, confidential, with authorized disclosure and use limited to compliance with applicable laws and regulations and to fulfill the purposes set forth in this Agreement. Seller retains all right, title and interest, including all intellectual property rights, in the ownership and use of the design, manufacture and fabrication of the Goods and grants to Buyer a perpetual, non-exclusive, royalty free right and license to use the Goods for the purposes specified or reasonably foreseeable. This license and right of use does not extend to modification or unauthorized use of the Goods including use with goods and or software not supplied by Seller and Buyer shall hold harmless and indemnify Seller from and against all liability arising from modification or unauthorized use of the Goods.
- K. **MUTUAL INDEMNIFICATION:** Each party shall indemnify and hold harmless the other party together with its affiliates, owners, directors, employees, contractor, and invitees from damages, claims and losses sustained or incurred by such group to the extent such damages, claims and losses arise out of bodily injury or property damages incurred by such group.
- L. **GENERAL PROVISIONS:** (a) Buyer shall not assign its rights or obligations under the Agreement without Seller's prior written consent. (b) There are no understandings, agreements or representation, express or implied not specified in the Agreement. (c) No action, regardless of form, arising out of transactions under the Agreement, may be brought by either party more than two (2) years after the cause of action has accrued, and the parties agree to first undertake informal good faith negotiations to resolve any disputes or claims. (d) Any change to an order or modification of these terms and conditions must be set forth in a written instrument signed by a duly authorized representative of Seller. (e) The Agreement shall be construed, performed and enforced under the laws of the State of Colorado. (f) There are no third party beneficiaries to the Agreement.



Fuel Gas Compressor Controls Upgrade – in field support

PREPARED FOR:

Albuquerque Bernalillo County Water Utility Authority

Attn: Dean Brush

UECQ 16459 Rev1



9461 Willow Court
Henderson, CO 80640
6/19/2019

Albuquerque Bernalillo County Water Utility Authority
4201 2nd Street SW
Albuquerque NM 87105

Attention: Dean Brush
(505) 289-3474
DBrush@abcwua.org

Reference: Controls In Field Support
UEC Quote: 16458 Rev1

Mr. Brush,

Thank you for the opportunity to provide the service work on the UECompression provided Sullair PDR20X. The units were originally designed and packed as project 941278. The unit serial numbers are 200910270015, 200910270016, 200910270024.

This proposal outlines the in field support to be provided.

This revision of the proposal is a quote refresh from earlier in the year. We have also adjusted from 2 to 3 days onsite for additional support. As this will be time and material, we will bill based on the actual hours incurred onsite.

Please feel free to contact me if you have any questions or need any additional information.

Very truly yours,
UEC, LLC



Jim Stanley
Aftermarket Business Development Manager
Main: 303-515-8600
Cell: 716-830-7594
E-mail: jstanley@uecompression.com

SCOPE OF WORK

Compressor Service

The following scope is an outline of the items that UEC will look to perform while at site;

- Support the change out of the hardware provided by UEC as proposal 16458.

Client Scope of Work

The following scope has been identified as the client's responsibility;

- Provide updated door cutouts
 - a. Existing cutout = 15.35" wide by 10.11" tall
 - b. New cutout = 10.59" wide by 8.82" tall

The above scope of work is based on the following estimates;

On-Site Labor	
UEC Representative(s)	1
Duration	3 days
Hours per day	8 hours / day
Work Week	Monday – Saturday
Mobilization(s)	1
Hours per day	8 hours / day (2 days per person)
On-Site Equipment	
Job box included	No

Parts Supplied

No parts are being supplied as this scope of work.

ASSUMPTIONS AND EXCEPTIONS

The following assumptions and exceptions have been made while preparing this proposal. If any of these items impact the scope of the project, then UEC reserves the right to provide a change order for additional scope.

1. The labor is based on UEC rates and not based on Union labor rates
2. Client is responsible for daily monitoring of all equipment.
3. Provide adequate / safe access to the equipment.
4. Client to provide location for disposal of any replaced parts, accumulated consumable waste.
5. Client to provide air and power sources.
6. Provide an operator to start, stop and operate units.
7. Components not repaired by UEC are not covered under UEC warranty
8. Any standby time or additional time beyond this quote will be billed per standard rates applicable at the time of the work.

PRICING AND DELIVERY

ON-SITE SERVICES (Estimated):	\$ 11,867.00
PARTS	\$ 0

SHIPPING TERMS

ON-SITE:	FCA, Client Site (Albuquerque, NM)
HARDWARE:	FCA, UEC Shop (Henderson, CO)

Free Carrier, UEC Shop (Henderson, CO). Loading by UEC at UEC shop onto customer supplied carrier by others. Should transportation be required, terms to be as prepaid and added to invoice at time of shipment at freight and associated costs plus 10% margin.

EQUIPMENT DELIVERY AND SUBMITTALS

Shipment above based on current shop loading and vendor delivery promises. Orders received prior to ordering of this equipment will impact our shop schedule. Standard document submittals are provided, subject to engineering workload at time of order. Shipment and drawings can run concurrently if long lead items are released at time of order. Delivery schedule does not start until approved contract has been mutually agreed upon.

PROPOSAL TERMS

Proposal is valid for thirty (30) days from quotation date. Pricing provided in USD currency. All orders are subject to approval by an officer of UEC Compression. No taxes/assessments/duties are included in the pricing shown. Any applicable taxes/assessments/duties are for the end user's account and should be remitted by the end user directly to the appropriate local tax collection agencies.

Proposal subject to standard terms and conditions attached, negotiated terms and conditions to follow prior to award of order. Progress payments will be required with proposed payment schedule outlined within proposal. Pricing is based on the quantity outlined within this proposal, please advise if an alternate quantity is required as there may be a pricing impact. This proposal is proprietary and may not be disseminated to anyone other than the intended customer or their client without UEC consent.

WARRANTY

Standard manufacturer's warranties are included with duration of 12 months from startup or 18 months from shipment, whichever occurs first. To ensure warranty validity, operator must maintain proper logs or preferably data trending of key information (such as major equipment vibration, bearing temperatures, fluid temperatures, process conditions, or any other information that could affect operating performance, etc.).

STANDARD RATES FOR FIELD SERVICES

NATURAL GAS

HOURLY RATES

Service Technician	\$145.00 USD
Service Specialist/Supervisor	\$170.00 USD
Controls Specialist	\$195.00 USD
Consulting Engineer	\$220.00 USD
Fabricator, Trades, Millwright	\$ 85.00 USD
E & I Technician	\$ 125.00 USD

OVERTIME CHARGES

All hourly rates will be adjusted as follows for overtime:

Over 8 hours/day and first 12 hours on Saturday:	Rate x 1.5
Sundays, holidays, and hours over 12 hours/day (any day):	Rate x 2.0

STANDBY TIME

Standby time will be billed at applicable standard rates shown above.

TRAVEL TIME

Time spent traveling to and from job site will be charged at appropriate standard or overtime rates shown above.

CALL-OUT

Call-Outs (Service calls initiated outside 7:30 am – 4:00 pm, M-F) have a minimum labor charge of eight (8) hours.

TOOLING (DOES NOT INCLUDE LABOR)

Laser Alignment Equipment	\$250.00/Day
Vibration Analyzer	\$150.00/Day

TRAVEL, ROOM, BOARD AND PER DIEM/LIVING EXPENSES

Travel (Air, bus, taxi, etc.)	Actual cost + 15%
Room/Board	Actual cost + 15%
Per Diem	\$75.00/day
Service Vehicle	1.75/ mile
Rental Vehicle	Actual cost + 15%

START-UP SERVICE

(14) Day notice to schedule personnel for new equipment start-up is required.

Rates are subject to change without notice.

TERMS & CONDITIONS OF SALE

These terms and conditions, the attendant quotation or acknowledgment, and all documents incorporated by reference therein, bind UEC, LLC, which issued the quotation or acknowledgment for the sale of goods (“Goods”) to be provided hereunder (hereinafter “Seller”) and the buyer (hereinafter “Buyer”) and constitute the entire agreement (“Agreement”) between Buyer and Seller regarding such sale and any related services provided by Seller (“Services”). By accepting the Goods, the Buyer agrees to these terms and conditions and further understands that Seller is only agreeing to provide the Goods and Services at the prices stated, based on the terms and conditions contained herein.

These terms and conditions supersede all previous terms and conditions, understandings, quotations, and purchase orders entered into between Seller and the Buyer, whether oral or written, and shall govern all transactions concerning Goods and Services between the Buyer and Seller. Any contrary terms and conditions issued by Buyer in any form whatsoever are expressly rejected by Seller.

- A. **TERMS OF PAYMENT:** Subject to the approval of the Seller’s credit department, terms are Ex Works Seller’s Henderson, Colorado facility, net due upon notice of intent to ship. If any payment owed to Seller hereunder is not paid when due, it shall bear interest, at a rate to be determined by Seller which shall not exceed the maximum rate permitted by law, from the date of which it is due until it is paid. Seller shall have the right, among other remedies, either to terminate the Agreement or to suspend further deliveries under this and/or other agreements with Buyer in the event Buyer fails to make any payments hereunder when due. Buyer shall be liable for all expenses attendant to collection of past due amounts, including attorney’s fees.
- B. **PRICES:** Unless otherwise specified by Seller and subject to Paragraph I below, Seller’s prices for the applicable Goods and Services shall remain in effect for thirty (30) days after the date of Seller’s quotation or acceptance of the order for the Goods and Services, whichever occurs first, provided an unconditional, complete authorization for the immediate manufacture and shipment of the Goods and performance of Services pursuant to Seller’s standard order processing procedures is received and accepted by Seller within such time period. If such authorization is not received by Seller within such thirty (30) day period, Seller shall have the right to change the prices to the Seller’s prices in effect at the time the order is released for final manufacture of Goods or performance of the Services. Notwithstanding any of the forgoing to the contrary, the price for the Goods, or components of Goods sold by the Seller, but manufactured by others or not included within the quotation, shall be Seller’s price in effect at the time of notice of shipment to the Buyer. Quotes are subject to upward adjustment for increases in steel pricing in accordance with the most recent US Department of Labor, Bureau of Labor Statistics Producer Price Index – for “Iron and Steel” https://www.bls.gov/regions/mid-atlantic/data/producerpriceindexmetals_us_table.htm or applicable successor index.
- C. **ACCEPTANCE, INSPECTION AND DELIVERY:** Acceptance shall occur the later of Buyer’s written acceptance of Seller’s quotation or Seller’s written acceptance of the order. Delivery terms shall be Ex Works Seller’s Henderson Colorado facility. Buyer may inspect the Goods prior to shipping upon reasonable notice. All notice of intent to ship and performance dates are approximate and are based upon Seller’s prompt receipt of all necessary information from Buyer to properly process and perform the order. Seller shall provide Buyer with the Goods and Services together with such data and documentation which is specifically identified in the quotation.

- D. **EXCUSED PERFORMANCE:** Seller shall not be liable for delays in performance or for non-performance arising from delays or changes to the order proposed by Buyer or Buyer's contractors or customers, acts of God, war, riot, fire, labor trouble, unavailability of material or components, explosion, accident, compliance with governmental requests, laws, regulations, orders actions, or unforeseen circumstances or causes beyond Seller's reasonable control.
- E. **TERMINATION AND SUSPENSION BY BUYER:** Prior to delivery, Buyer may terminate or suspend its order for any or all of the Goods and Services covered by the Agreement provided that Buyer gives Seller reasonable advance written notice of such termination or suspension. Buyer shall then pay to the Seller a net amount equal to: (1) actual costs incurred by the Seller including, but not limited to, the purchase of materials, equipment, and services to be used in the Goods; plus (2) all labor costs incurred by the Seller including but not limited to, engineering, design, purchasing, fabricating, manufacturing, and project management of the Goods, to be determined using the Seller's standard, fully burdened rates (which shall include general and administrative costs, but which shall not include any profit); plus (3) reasonable costs incurred by the Seller to cancel any orders for materials and equipment to be used in the Goods; plus (4) fifteen percent (15%) of the total of items (1) through (3) above to account for the Seller's profit; minus (5) the net salvage value of any materials and equipment purchased by the Seller to be used in the Goods after subtracting the Seller's reasonable costs to salvage such materials and equipment.
- F. **LIMITED WARRANTY:** Seller warrants that Goods provided by Seller hereunder will be free from defect in material or workmanship under normal use and service for the period contained in any applicable manufacturer's warranty and, if there is no applicable manufacturer's warranty, then for twelve (12) months from the date on which the Goods are placed in service, but in no event to exceed eighteen (18) months from the date of Seller's notice of intent to ship to Buyer. Seller further warrants that Services provided by Seller hereunder will be performed in a workmanlike manner free from defects in workmanship for a period of six (6) months from the date of performance.

Seller agrees to repair or replace, at its sole option, any Goods or components of Goods which prove to be defective within the applicable warranty period, and to correct any defect in Services discovered by Buyer within the applicable warranty period. Buyer shall promptly notify Seller in writing of any defect in the Goods found during the warranty period and Seller shall have the right to make an investigation of the reported defect before corrective action is undertaken. Seller shall have the option to repair, replace or correct any defect in the field or at its facilities. Buyer shall provide Seller access to a defect in the Goods in order to repair, replace or correct same. Seller's warranty excludes expedited shipping costs and installation costs associated with repairing or replacing the defective Goods. THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

For individual parts sold by Seller, manufactured by third parties, and not included in a package or lot with other parts, any transferable manufacturer's warranty will be passed through to the Buyer, or Seller will assist Buyer with warranty administration. Parts purchased from Seller that are unused and unopened may be able to be returned depending upon the situation and part as Seller may determine. A restocking fee may apply.

- G. **LIMITATION OF REMEDY AND LIABILITY:** Seller shall not be liable for damages caused by excused delays in performance. Buyer agrees that in no event shall Seller's liability to Buyer and/or its

customers extend to include incidental, consequential or punitive damages. The term "consequential damages" shall include but not be limited to, loss of anticipated profits, loss of use, loss of revenue or profit and cost of capital. Seller's warranty and obligations hereunder do not extend or apply to: (1) Goods which are functioning within Seller's published specification; (2) Goods which are selected, designed or assembled in reliance upon information supplied by Buyer that varies from the use or conditions represented or otherwise described by Buyer; (3) Goods installed or serviced by other than an authorized representative of Seller; (4) damages arising when the Goods are combined or used with items not supplied by Seller; (5) failure to operate or maintain the Goods according to the operator's manual; or (6) Goods subjected to misuse, use for unforeseeable purposes, abuse or alteration. Notwithstanding any other provision hereof to the contrary, Seller's total, cumulative liability arising out of or related to the performance or non-performance of this Agreement shall be limited to the amount of the applicable Agreement price, and Buyer shall hold harmless and indemnify Seller from and against all liability in excess of such limitation.

- H. **INSTALLATION:** Buyer shall be responsible for receiving, storing, installing, starting up and maintaining all Goods unless Services to assist Buyer in these functions have been agreed upon.
- I. **TAXES:** Any current, new or increased tax, tariff or governmental charge or tax or tariff increasing the cost to Seller of producing, selling, or delivering the Goods or of procuring material used therein, or payable by the Seller because of the manufacture, sale, or delivery of the Goods, may at Seller's option, be added to the price herein specified.
- J. **OWNERSHIP AND USE OF INFORMATION:** Each party agrees to keep the other party's confidential and proprietary information and trade secrets, in whatever form received by such party, confidential, with authorized disclosure and use limited to compliance with applicable laws and regulations and to fulfill the purposes set forth in this Agreement. Seller retains all right, title and interest, including all intellectual property rights, in the ownership and use of the design, manufacture and fabrication of the Goods and grants to Buyer a perpetual, non-exclusive, royalty free right and license to use the Goods for the purposes specified or reasonably foreseeable. This license and right of use does not extend to modification or unauthorized use of the Goods including use with goods and or software not supplied by Seller and Buyer shall hold harmless and indemnify Seller from and against all liability arising from modification or unauthorized use of the Goods.
- K. **MUTUAL INDEMNIFICATION:** Each party shall indemnify and hold harmless the other party together with its affiliates, owners, directors, employees, contractor, and invitees from damages, claims and losses sustained or incurred by such group to the extent such damages, claims and losses arise out of bodily injury or property damages incurred by such group.
- L. **GENERAL PROVISIONS:** (a) Buyer shall not assign its rights or obligations under the Agreement without Seller's prior written consent. (b) There are no understandings, agreements or representation, express or implied not specified in the Agreement. (c) No action, regardless of form, arising out of transactions under the Agreement, may be brought by either party more than two (2) years after the cause of action has accrued, and the parties agree to first undertake informal good faith negotiations to resolve any disputes or claims. (d) Any change to an order or modification of these terms and conditions must be set forth in a written instrument signed by a duly authorized representative of Seller. (e) The Agreement shall be construed, performed and enforced under the laws of the State of Colorado. (f) There are no third party beneficiaries to the Agreement.