

ATTACHMENT B

**CONSTRUCTION AND PROFESSIONAL SERVICES PROVIDER AGREEMENT
(ESC25-035)**

**CONSTRUCTION AND PROFESSIONAL SERVICES PROVIDER
AGREEMENT
BY AND BETWEEN
VICTORVILLE WATER DISTRICT
AND
FERGUSON ENTERPRISES, LLC
FOR
ADVANCED METERING INFRASTRUCTURE (AMI) FIXED
NETWORK PROJECT ESC25-035**

THIS CONSTRUCTION AND PROFESSIONAL SERVICES PROVIDER AGREEMENT (hereinafter **"Agreement"**) dated _____ for reference purpose only, is made and entered into by and between the **VICTORVILLE WATER DISTRICT**, a California County Water District and subsidiary district of the City of Victorville, (hereinafter referred to as the **"District"**), and **Ferguson Enterprises, LLC, a Virginia limited liability company**, hereinafter referred to as **"Service Provider"**. District and Service Provider are sometimes hereinafter referred to individually as a **"Party"** and collectively referred to as the **"Parties."**

RECITALS:

WHEREAS the District requires an Advanced Metering Infrastructure (AMI) Fixed Network to enable the District to digitally read its customers' water meters and provide near real-time water usage data, and other benefits to both customers and the District; and

WHEREAS, the District solicited a quote for Advanced Metering Infrastructure (Project No. CC22-035), directly from Ferguson Waterworks (a division of **Ferguson Enterprises, LLC.**), the sole distributor of Neptune water meters, reading systems, parts, networks and proprietary Neptune software in California; for which the City Council authorized a bid waiver as permitted by Victorville Municipal Code Section 2.28.030 for the reasons memorialized in Resolution No. 25-009; and

WHEREAS, the District desires to engage Service Provider (as a sole source provider of Neptune meter compatible products) to provide an Advanced Metering Infrastructure (AMI) Fixed Network, as detailed in the Statement of work in **Exhibit "A"** and in Service Provider's Cost Proposal (hereinafter the **"Project"**); and

WHEREAS, Service Provider has examined the location of all proposed work, carefully reviewed and evaluated the specifications set forth by the District for the Project, and has committed to perform all work and services required for the Project for the price specified in this Agreement; and

WHEREAS, District staff have reviewed the previous experience and evaluated the expertise of Service Provider and its subcontractor(s), and based thereon, the governing body of the District (**"District Board"**) wishes to retain Service Provider on an independent contractor basis to complete the Project under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS, AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. **RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth herein.

Section 2. **SCOPE OF WORK**

a. Service Provider shall provide to the District all the equipment, hardware, network infrastructure, labor, materials, installation and/or construction work, warranties, and professional services, including network design and training (hereinafter collectively “**Work**”) necessary to complete the Project as set forth in the Statement of Work attached hereto as **Exhibit “A”** and incorporated as part of this Agreement by this reference.

b. Service Provider will perform all the Work required for the Project in a workmanlike, professional, and expeditious manner and in compliance with the Statement of Work and the Contract Documents, and to the reasonable satisfaction of Doug Mathews, Director of Public Works and Water, or his/her designee (hereinafter the “**Project Manager**”).

Section 3. **CONTRACT PRICE; PAYMENT AND RETENTION**

a. As full and complete compensation for Service Provider’s timely performance and completion of the Project in strict accordance with the terms and conditions of the Contract Documents (as hereinafter defined), the District will pay Service Provider a total amount not to exceed **SEVEN HUNDRED THIRTY-NINE THOUSAND SEVENTY DOLLARS AND NO/100 DOLLARS (\$739,070.00)** (the “**Contract Price**”) as set forth in Service Provider’s Cost Proposal (attached hereto as **Exhibit “B”**) subject to the provisions of this Agreement and the Contract Documents.

b. The foregoing notwithstanding, in order to receive payments, Service Provider shall be required to submit to the District monthly invoices in accordance with the provisions of this Section 3. Provided that Work has been satisfactorily performed, invoices shall be paid by the District approximately thirty (30) working days following receipt of Service Provider’s invoice.

c. On or about the first of each calendar month, Service Provider shall request payment for the Work performed prior to such date. Each payment request shall be accompanied by the updated progress schedule indicating progress achieved to that date.

d. Upon approval by the Project Manager of the Service Provider’s estimate of Work completed, the District will make a progress payment to the Service Provider equal in amount to the approved estimate, less a retention of five (5) percent (5%), and less the total of all previous payments.

(1) Pursuant to Public Contract Code Section 22300, substitution of eligible equivalent securities for any funds withheld to ensure performance under this Agreement may be permitted at the request and sole expense of the Service Provider.

(2) Alternatively, the Service Provider may, pursuant to an escrow agreement in a form prescribed by Public Contract Code Section 22300, request payment of retentions funds earned directly to the escrow agent as the sole expense of the Service Provider.

e. In preparing estimates, the material delivered on the Project site, preparatory work done, and the cost of bonds and insurance paid, may be taken into consideration.

f. The making of any payment to Service Provider under this Agreement shall not relieve the Service Provider of its obligations hereunder. Service Provider is obligated to complete the Work specified in this Agreement in its entirety and to deliver to the District the completed Project as described in **Exhibit "A"** with the Performance Time specified herein.

g. If a notice to withhold is served upon the District pursuant to California's lien statutes to withhold sufficient funds from payments to the Service Provider in support of a claim resulting from default by the Service Provider in payment for labor or materials used in the execution of this Agreement (a **"Stop Payment Notice"**), the District will withhold from payments due to the Service Provider, an amount of money equal to twenty-five percent (25%) of the amount of said claim to defray any costs of litigation in the event of court action on the claim, for a total withholding of one and one-quarter (1 ¼) times in the stated amount of the claim.

h. In requests for payment, Service Provider will be required to make the certifications regarding payroll specified in **Exhibit "C"**, and to further certify, under penalty of perjury, that: (i) there were no substitutions of subcontractors, no assignment or transference of subcontractors, except as approved by the Project Manager; and (ii) all of the provisions of this Agreement and applicable laws pertaining to non-discrimination in employment have been complied with.

i. Proof of Payroll Submission and Lien Releases. **The District shall make progress payments only upon receipt of payment requests submitted by Service Provider, which have been properly completed and submitted in accordance with the provisions of this Section 3 and are otherwise in compliance with the provisions of this Agreement.** Service Provider must use the California Department of Industrial Relations (**"DIR"**) Electronic Certified Payroll Reporting system to furnish certified payroll records (CPRs) to the Labor Commissioner. Proof of CPR submission and appropriate lien releases are required with each invoice to the District. Payment of the invoice may be delayed when CPRs and/or lien releases are not included with the Service Provider's invoice.

j. Service Provider warrants and guarantees that title to all Work, materials, and equipment covered by a request for payment will pass to the District upon receipt of such payment by the Service Provider, free and clear of all liens, claims, security interests, or encumbrances and that no title to Work, materials, or equipment covered by a request for payment will have been acquired by the Service Provider, or by any other person performing Work at the site or furnishing materials, and equipment on the Project.

Section 4. PERFORMANCE TIME; LIQUIDATED DAMAGES

a. The Work required under this Agreement shall be diligently performed and prosecuted to completion within **TWO HUNDRED FIFTY (250) WORKING DAYS** (the **"Performance Time"**), commencing within ten (10) calendar days after the District's issuance of a Notice to Proceed. The District will not issue a Notice to Proceed to Service Provider until this Agreement, including bonds and insurance documents, have been executed and/or approved by the District Board.

b. If Service Provider fails to complete the Work within the Performance Time, the

District will assess liquidated damages in the amount of FIVE HUNDRED DOLLARS (\$500.00) per day for each calendar day of unexcused delay in completion, and such liquidated damages may be deducted from District's payments due or to become due to Service Provider under this Agreement.

Section 5. CONTRACT DOCUMENTS; PRIORITY

a. Contract Documents. This Agreement includes each of the following documents, which are attached hereto or incorporated by this reference (referred to collectively as the "**Contract Documents**"). Said Contract Documents are intended to be correlative and constitute Service Provider's performance obligations:

- (1) Statement of Work for the Project, **Exhibit "A"**;
- (2) State Prevailing Wage and Related Labor Provisions: **Exhibit "C"**;
- (3) Service Provider's Cost Proposal: **Exhibit "B"**;
- (4) Insurance Requirements: **Appendix 1**;
- (5) Special Provisions: On file in the Victorville City Engineer's Office;
- (6) Greenbook, 2024 Edition;
- (7) City of Victorville Standard Specifications for Public Improvements;
- (8) Faithful Performance and Payment Bonds;

b. Interpretation. In the event of any conflict between any of the Contract Documents, the document highest in the order of precedence (from highest to lowest), as set forth in Subsection 5.a above shall control; provide, however that, the provisions contained in the main body of this Agreement itself and **Exhibit "C"** shall govern over conflicting provisions contained in any of the other listed Contract Documents.

Section 6. TIME OF PERFORMANCE; NOTICE TO PROCEED

The Work under this Agreement shall be diligently performed and prosecuted to completion within **TWO HUNDRED FIFTY (250) WORKING DAYS**, commencing within ten (10) calendar days after the District's issuance of the Notice to Proceed. The District will not issue a Notice to Proceed to Service Provider until this Agreement, including bonds, and insurance documents, have been executed and/or approved by the District Board.

Section 7. INDEPENDENT CONTRACTOR; NOT AGENT

a. Service Provider is an independent contractor and will have sole authority to control and direct the details of its performance and activities hereunder. It is further expressly understood and agreed that in the performance of this Agreement. Service Provider and its officers, employees, and agents shall act in an independent capacity and shall not be deemed or construed to be District officers or employees. Neither Service Provider, nor any of Service Provider's officers, employees, or agents shall obtain rights to retirement, health care, or any other benefits which may otherwise accrue to District's employees and Service Provider expressly waives any claim Service Provider may have to any such rights. Service Provider understands and agrees that this Agreement does not create a partnership, joint venture, association, or employer-employee relationship between the Parties.

b. The employees and or personnel performing the Work under this Agreement on behalf of Service Provider shall at all times be under Service Provider's exclusive direction and control. Service Provider shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Work under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters.

District shall have no voice in the selection, discharge, supervision, or control of Service Provider's officers, employees, representatives, or agents, or in fixing their number, compensation, or hours of service. Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or agencies during the term of this Agreement, provided that such work does not create a conflict of interest.

c. Nothing contained in this Agreement shall be deemed, construed, or represented by the District or Service Provider or by any third person to create the relationship of principal and agent. Service Provider shall have no authority, express or implied, to act on behalf of the District in any capacity whatsoever as an agent, nor shall Service Provider have any authority, express or implied, to bind the District to any obligation whatsoever.

Section 8. TERM

The term of this Agreement shall commence as of the date this Agreement has been fully executed by both Parties and shall expire upon the date the District Board accepts the Project pursuant to this Agreement, or upon release of the Performance Bond in accordance with Section 17 of this Agreement, whichever occurs last. This Agreement may be terminated earlier in accordance with Sections 18 and 19 hereof.

Section 9. DISPUTE RESOLUTION AND CLAIMS PROCEDURES

a. Public Contract Code Section 9204. For purposes of any Public Works Claims filed by Service Provider or its subcontractor(s) for purposes of this Section, "Contractor" or "Subcontractor" respectively, as those terms are defined in Public Contract Code Section 9204, the claims procedures in Public Contract Code Section 9204 ("**Section 9204**") and the provisions of this Section shall apply. Section 9204 is set forth in full in Section 2-10 of the Special Provisions.

(1) In the event of a Section 9204 Public Works Claim, Contractor may not stop working pending resolution of the dispute but must continue to comply with its duty to diligently prosecute the performance and timely completion of the Work during the Section 9204 process.

(2) Any Public Works Claims not resolved by the Section 9204 procedures (and/or any tort claims) shall be subject to Section 2.24.020 of the Victorville Municipal Code ("**VMC**") and the provisions of the Government Claims Act (Government Code section 810 *et seq.*).

b. For disputes or claims that do not constitute Public Works Claims, District and Contractor agree to comply with the following process:

(1) Each Party shall designate a senior management or executive level representative to negotiate any dispute.

(2) The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

(3) If the issue remains unresolved after ten (10) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between the legal counsel for each Party. If the above process fails, the Parties may mutually agree to engage in non-binding mediation or arbitration in which the Parties equally share the costs of any mediator or arbitrator, or may proceed with suit or other remedies, subject to the provisions of subparagraph (5) of this Subsection and other applicable provisions and laws.

(4) The alternative dispute resolution process set forth herein is a material condition to the Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action.

(5) Compliance with VMC section 2.24.020 and the provisions of the Government Claims Act (Government Code section 810 *et. seq.*) is also required prior to initiating suit against the District.

Section 10. **LICENSES AND PERMITS**

Service Provider represents that it has obtained and will maintain at all times during the performance of the Work for the Project, all licenses, permits, and certifications required by law, including without limitation:

a. District of Victorville business license, valid Class C-10 and A-GC licenses issued by California State Contractor's State Licensing Board, and all other certifications, or permits required by law for performing the Work described in this Agreement. Service Provider shall ensure that any and all subcontractors are likewise properly licensed to perform any required Work.

Section 11. **STANDARD OF PERFORMANCE; WARRANTY**

a. Service Provider agrees to perform all construction/installation required by this Agreement in a workmanlike, competent, and satisfactory manner in accordance with the standards prevalent in the industry for such Work. All installation/construction work for AMI collector sites shall be performed in accordance with applicable federal, state, and local code requirements and warranted for one (1) year following the date the District issues a Notice of Completion for the Work, subject to the provisions of Section 17 of this Agreement.

b. All training, network design, and similar professional services Work required by this Agreement shall be performed by Service Provider in a professional and competent manner, in accordance with the degree of skill and diligence which is normally by reputable professionals performing similar Work under similar conditions in the same or similar locality.

c. All warranties for material/equipment stated in the Statement of Work are provided for directly by the manufacturers. Such warranties shall survive the termination of this Agreement when such warranties exceed the term hereof. Service Provider shall facilitate the warranty process between the District and manufacturers by returning defective products under warranty to manufacturers at Service Provider's own cost and coordinating any manufacturer's warranty services in the event claims should arise.

Section 12. **FAMILIARITY WITH WORK**

Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the Work as represented by the District, Service Provider shall immediately inform the District of such fact and shall not provide any Work, except at Service Provider's risk, until written instructions are received from the Project Manager.

Section 13. **CONFLICTS OF INTEREST**

a. The District covenants that no governing body member, officer, agent, or employee thereof engaged in the selection, award, or administration of this Agreement shall have any prohibited conflict of interest, whether real or apparent, in this Agreement or the proceeds thereof.

b. Service Provider covenants that it does not have any interest, nor shall it acquire any interest, directly or indirectly, which would conflict in any manner with the performance of its Work under this Agreement or which would constitute a violation of:

- (1) California Government Code Section 1090;
- (2) the California Political Reform Act (Government Code §§ 81000-91014) and the regulations of the Fair Political Practices Commission ("FPPC") promulgated thereunder; or
- (3) any other applicable conflict of interest law. Service Provider further covenants that in the performance of Work under this Agreement, no officer, employee, or agent of Service Provider having such an interest shall be employed by it. Acquisition of a conflicting interest may result in termination of his Agreement by the District.

c. Should Service Provider meet the definition of a "Consultant" as set forth in the FPPC regulation 18700.3, it shall disclose its financial interests as required by the District's Conflict of Interest Code and the Political Reform Act by completing and filing a FPPC Form 700 – Statement of Economic Interests with the Victorville City Clerk's office pursuant to written instructions provided by the District Secretary.

Section 14. COMPLIANCE WITH LAWS

a. General. Service Provider shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules and regulations in any manner affecting the performance of the Agreement or the Work, including without limitation all CAL/OSHA requirements and any rule, regulation, or bylaw governing the conduct or performance of Service Provider, its employees, officers, board members, agents, independent contractors, and subcontractors.

b. Non-Discrimination. During the performance of this Agreement, Service Provider and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Service Provider and its subcontractors shall comply with all applicable State and Federal laws prohibiting discrimination, including without limitation, Title VI of the Civil Rights Act of 1964, the California Fair Employment and Housing Act (Gov. Code § 12900 *et seq.*) and the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 *et seq.*); Government Code Section 11135; and Labor Code Sections 1735 and 1777.6.

c. Verification of Employment Eligibility. By executing this Agreement, Service Provider verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors to comply with the same.

d. CARB Regulations. ☐ If this box is checked, Service Provider and its subcontractors (if any) must comply with the CARB regulations/provisions attached hereto as **Exhibit "D"** and incorporated as part of this Agreement by this reference. **Not Applicable.**

e. Drug Free Workplace. Service Provider and all subcontractors shall comply with the requirements of the Drug-Free Workplace Act of 1990 (*Cal. Gov. Code §8350 et seq.*).

Section 15.**WORKERS' COMPENSATION CERTIFICATION**

Pursuant to Labor Code § 1861, by signing this Agreement, Service Provider certifies as follows: "I am aware of the provisions of Labor Code § 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work under this Agreement."

Section 16.**INSURANCE REQUIREMENTS**

a. Service Provider shall procure and maintain at its own expense at all times during the period covered by this Agreement (and through the guarantee period following the date of District's acceptance of the Project and as otherwise specified), insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder and the results of such performance by the Service Provider, its officers, agents, representatives, employees, or subcontractors. The insurance requirements here in are minimum requirements for this Agreement and the District in no way warrants that the minimum limits contained herein are sufficient to protect Service Provider from liabilities that might arise out of the performance of the Work under this Agreement by Service Provider, or its officers, agents, representatives, employees, or subcontractors. Service Provider may purchase additional insurance as it may determine appropriate. Service Provider agrees that the insurance requirements specified herein do not reduce the liability Service Provider has assumed in the indemnification/hold harmless section of this Agreement.

b. Required minimum coverages, endorsements, and other insurance requirements with which Service Provider must comply are attached hereto as **Appendix 1** and incorporated and made a part of this Agreement by this reference.

Section 17.**BONDS**

Concurrently with the execution of this Agreement by Service Provider and before the commencement of any Work, Service Provider shall furnish to the District a Faithful Performance Bond and a Payment (Labor and Materials Bond), each in an amount equal to one hundred percent (100%) of the Contract Price written on bond forms provided or approved by the District. The Faithful Performance Bond must remain in force until the later of: (1) the expiration of the one-year guarantee period; or (2) one year from the date of completion of any corrective construction or installation work performed during the one-year guarantee period. Such bonds must be issued by a responsible corporate Surety, licensed and authorized to issue such bonds in the State of California with an AM Best's Rating of at least A:VII.

Section 18.**TERMINATION OF AGREEMENT FOR CONVENIENCE**

a. The District may, by providing thirty (30) days' advance written notice to Service Provider, terminate this Agreement in whole or in part, whenever the District shall determine that such termination is in the best interests of the District, or when it becomes impracticable or impossible to proceed, or because of conditions or events beyond the control of the District. Any such termination shall be affected by delivery to Service Provider or a Notice of Termination for Convenience, specifying the extent to which performance of Work under this Agreement is terminated, and the date upon which such termination becomes effective. Upon such termination, the obligations of the Service Provider for portions of the Work already performed shall continue.

b. Upon receipt of a Notice of Termination for Convenience, the Service Provider shall, unless the notice directs otherwise, do the following:

- (1) Immediately discontinue the Work to the extent specified in the notice.
- (2) Place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary to complete such portion(s) of the Work that are not to be discontinued.
- (3) Promptly cancel, on the most favorable terms reasonably possible, all subcontracts to the extent that they relate to the performance of the discontinued portion of the Work.
- (4) Thereafter do only such Work as may be necessary to preserve and protect the Work already in progress and to protect materials, plants, and equipment on the Project site or in transit thereto.

c. Upon such termination, the Service Provider will be paid without duplication for:

- (1) Work completed in accordance with the Contract Documents prior to the effective date of the Notice of Termination for Convenience;
- (2) Reasonable costs incurred in settlement of terminated contracts with Subcontractors, suppliers and others; and
- (3) Reasonable expenses directly attributable to termination.

The Service Provider shall submit a final termination settlement proposal to the District no later than ninety (90) days from the effective date of termination, unless extended in writing by the District, upon written request by the Service Provider. If the Service Provider fails to submit a proposal, the District may determine the amount, if any, due the Service Provider as a result of the termination. The District will pay Service Provider the amount it determines is reasonable. If the Service Provider disagrees with the amount determined by the District as being reasonable, the Service Provider shall provide notice to the District within thirty (30) Days of receipt of payment. Any amount due shall be subject to the dispute resolutions provisions set forth in the Contract Documents.

d. Service Provider shall include provisions in all of its subcontracts, purchase orders, and other contracts permitting termination for convenience by Service Provider on terms that are consistent with this Agreement and that afford no greater rights of recovery against Service Provider than are afforded to Service Provider under this Section 18.

Section 19. TERMINATION FOR SERVICE PROVIDER'S DEFAULT

a. Default. The District may terminate this Agreement for Service Provider's default as set forth in this Section. The District will consider the Service Provider in default of this Agreement if, prior to the District's acceptance of the Work, the Service Provider:

- (1) becomes insolvent, assigns its assets for the benefit of its creditors, is unable to pay its debts as they become due, or is otherwise financially unable to complete the Work;
- (2) abandons the Work by failing to report to the Work site and diligently prosecute the Work to completion;
- (3) disregards written instructions from the District or materially violates provisions of the Contract Documents;

- (4) fails to prosecute the Work according to the schedule approved by the Engineer;
- (5) disregards laws or regulations of any public body having jurisdiction; or
- (6) commits continuous or repeated violations of regulatory or statutory safety requirements.

Notices, and other written communications regarding default between the Service Provider, the District, and the Surety shall be transmitted in accordance with Section 29 of this Agreement.

b. Notice and Opportunity to Cure. The District will issue a written notice to cure the default to the Service Provider and its Surety. The Service Provider shall commence satisfactory corrective actions within five (5) Working Days after receipt. If the Service Provider fails to commence satisfactory corrective action within five (5) Working Days after receipt of the notice to cure, or to diligently continue satisfactory and timely correction of the default thereafter, the District will consider the Service Provider in default of the Agreement and:

- (1) will terminate the Service Provider's right to perform under the Agreement by issuing a written notice of termination for default to the Service Provider and its surety;
- (2) may use any materials, equipment, tools or other facilities furnished by the Service Provider to secure and maintain the Work site; and
- (3) may furnish labor, equipment, and materials the District deems necessary to secure and maintain the Job Site.

c. Remedies Cumulative. The provisions of this Section shall be in addition to all other legal rights and remedies available to the District. Termination of this Agreement will not relieve the Surety of its obligation for any just claims arising out of the Work performed.

Section 20. TIME

Time is of the utmost importance in the performance of this Agreement.

Section 21. INDEMNIFICATION

a. Notwithstanding the limits of any insurance and to the fullest extent permitted by law, Service Provider shall indemnify the District, its elected or appointed officials, officers, agents, volunteers, and employees against, and will hold and save them and each of them harmless from any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, or liabilities, (hereinafter "**Claims or Liabilities**") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the performance of the Work, operations, or activities of Service Provider, its agents, employees, subcontractors, or invitees on the Project, but only to the extent caused by the negligent acts or omissions or willful misconduct of Service Provider hereunder, but excluding such Claims or Liabilities or portion of such Claims or Liabilities to the extent caused by the active negligence, sole negligence, or willful misconduct of the District, its elected or appointed officials, officers, agents, volunteers, or employees and in connection therewith:

- (1) Service Provider will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(2) Service Provider will promptly pay any judgment rendered against the District, its elected or appointed officials, officers, agents, volunteers, or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Service Provider's (or its agents', employees', Subcontractors' or invitees') performance of or failure to perform such Work, operations or activities hereunder; and Service Provider agrees to save and hold the District, its elected or appointed officials, officers, agents, volunteers and employees harmless therefrom;

(3) In the event the District, its elected or appointed officials, officers, agents, volunteers, or employees is made a party to any action or proceeding filed or prosecuted against Service Provider for such damages or other claims arising or alleged to arise out of or in connection with the performance of or failure to perform the Work, operation, or activities of Service Provider hereunder, Service Provider shall pay to the District, its elected or appointed officials, officers, agents, volunteers, or employees, any and all costs and expenses incurred by the District, its elected or appointed officials, officers, agents, volunteers, or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees for counsel acceptable to District;

(4) Service Provider's duty to defend, indemnify, and hold harmless as set out in this Section shall include any claims, liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of, or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to, the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

b. The District does not and shall not waive any rights that it may have against Service Provider under this Section, because of the acceptance by the District, or the deposit with the District, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense described herein.

c. The District will timely notify Service Provider upon receipt of any third-party claim relating to the Agreement, as required by Public Contract Code Section 9201. Service Provider's indemnification and defense obligations pursuant to this Section 21 shall survive the expiration or early termination of this Agreement. Service Provider shall require the same indemnification from all Subcontractors.

d. The District will timely notify Service Provider upon receipt of any third-party claim relating to this Agreement. The Service Provider's indemnification obligations pursuant to this Section shall survive the expiration or early termination of this Agreement. Service Provider shall require the same indemnification from all subcontractors.

Section 22.

REPORTS; BOOKS AND RECORDS; AUDIT

a. Upon request by the Project Manager, Service Provider shall prepare and submit reports concerning its performance of the Work required by this Agreement.

b. Service Provider shall retain, protect, and maintain in an accessible location all records and documents, including paper, electronic, and computer records relating to this Agreement, including without limitation records relating to expenditures and disbursements charged to the District thereunder, for a minimum of four (4) years from the date final payment is made to Service Provider hereunder, or for any longer period required by law. All such records shall be maintained in accordance with generally accepted accounting principles and shall be made available for inspection, audit, the making of transcripts, and/or copying at any time during regular business hours, upon oral or written request of the District General Manager, or his/her designee.

c. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in an amount exceeding \$10,000, it shall be subject to the examination and audit of the State Auditor for a period of three (3) years after the final payment is made under this Agreement. If this Agreement is funded in whole or in part with Federal or State of California funds or grants, the granting agencies, or such entities or agencies they may designate, shall have the same audit and inspection rights as the District. The provisions of this Section shall survive expiration or termination of this Agreement.

Section 23. **RESERVED**

Section 24. **CONFIDENTIALITY**

a. Any and all documents and information obtained from the District or prepared by Service Provider for the District shall be kept strictly confidential unless otherwise provided by applicable law. All District data, documents and information shall be returned to District upon termination of the Agreement.

b. Any drawings, specifications, reports, records, documents, or other materials prepared by Service Provider in the performance of Work under this Agreement shall not be released publicly without the prior written approval of the Project Manager, or as required by applicable law.

c. Service Provider shall not disclose to any other entity or person any information regarding the activities of the District, except with the prior written approval of the Project Manager, or as required by applicable law.

Section 25. **PRINCIPAL REPRESENTATIVES**

a. **Mike Balla**, is designated as the principal representative of Service Provider for purposes of communicating with the District on any matter associated with the performance of the Work set forth in this Agreement.

b. The Project Manager shall be the principal representative(s) of the District for purposes of communicating with Service Provider on any matter associated with the performance of the Work set forth in this Agreement.

c. Either Party may designate another individual as its principal representative by giving written notice of such delegation to the other Party.

Section 26.

MODIFICATIONS AND AMENDMENTS

This Agreement may be modified or amended only by written Change Orders as specified in the Contract Documents or a written instrument signed by both Parties.

Section 27.

ENTIRE AGREEMENT

a. This Agreement supersedes any and all prior or contemporaneous agreements, either oral or written, between the District and Service Provider with respect to the subject matter of this Agreement.

b. This Agreement contains all of the covenants and agreements between the Parties with respect to the subject matter of this Agreement, and each Party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any Party, except those covenants and agreements in this Agreement.

c. No agreement, statement, or promise with respect to the subject matter of this Agreement, which is not contained in this Agreement, or in a valid modification or amendment to this Agreement, shall be valid or binding on either Party.

Section 28.

AMBIGUITIES

a. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

b. Notwithstanding the foregoing, the Parties agree that **Exhibit "B"** and **Exhibit "E"** are attached hereto for reference purposes, and to the extent there are any ambiguities, inconsistencies, or conflicts between the terms of this Agreement and **Exhibit "B"** or **Exhibit "E"**, the terms of this Agreement shall control and nothing set forth in **Exhibit "B"** or **Exhibit "E"** shall be deemed to supersede any of the provisions of the main body of this Agreement, the Prevailing Wage requirements set forth in **Exhibit "C"**, or the Insurance Requirements in **Appendix 1**.

Section 29.

NOTICES

a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the Parties as follows:

To the District:

Doug Mathews,
Director of Public Works and Water
Victorville Water District
14343 Civic Drive
Victorville, CA 92392

To Service Provider:

Mike Balla, Area Sales Manager
Ferguson Enterprises, LLC
11909 Tech Center Ct.
Poway, CA 92064-7139

To Surety:

b. Notices, payments, and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

Section 30. **NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES**

No officer or employee of the District shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the District or for any amount, which may become due to Service Provider or to its successor(s), or for any breach of any obligation of the terms of this Agreement.

Section 31. **REVIEW BY ATTORNEYS**

Each Party hereto has had its attorney(s) review this Agreement and all related documents. Each Party hereto has consulted with its attorney(s) and has negotiated the terms of this Agreement based on such consultation.

Section 32. **WAIVER**

a. No waiver shall be binding unless executed in writing by the Party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether similar, or shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of such provision or any of the remaining provisions of this Agreement.

Section 33. **ASSIGNMENT**

This Agreement may not be assigned or transferred by Service Provider without the concurrence of the surety and the express written consent of the District.

Section 34. **CARE OF WORK**

Service Provider must adopt reasonable methods during the life of the Project to furnish continuous protection to the Work, and the equipment, materials, papers, documents, plans, studies, and other components to prevent losses or damages, and will be responsible for all damages, to person or property, until acceptance of the Work by the District, except those losses or damages as may be caused by the District's negligence. The performance of the Work by Service Provider or the payment of money by the District shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate, or defective Work (including the obligation to remedy any defective Work or materials during the one-year guarantee period and as specified in Section 17 after the District's acceptance thereof) at no further cost to the District.

Section 35. **CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

Section 36. **SUCCESSORS, HEIRS, AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the Parties to his Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the Parties..

Section 37. **GENDER; PLURAL**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

Section 38. **SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs, or sections contained herein is declared invalid, void, or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair, or invalidate any of the remaining sentences, clauses, paragraphs, or sections contained herein.

Section 39. **GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the Parties under this Agreement, shall be governed by and construed in accordance with California law.

Section 40. **CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other Party.

Section 41. **VENUE**

All proceedings involving disputes over the terms, provisions, covenants, or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court of forum in San Bernardino County, California.

Section 42. **ATTORNEY'S FEES**

In the event any action, suit, or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement, or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

Section 43. EFFECTIVENESS OF AGREEMENT

This Agreement shall not be binding upon the District, until signed by the authorized representative(s) of Service Provider, approved by the District's Risk Manager, and executed by the authorized District personnel or Mayor.

**Section 44. REPRESENTATIONS OF PARTIES AND PERSONS
EXECUTING AGREEMENT**

a. Each of the Parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the Parties hereto.

b. The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the Parties each purports to represent.

Section 45. LIMITATION OF LIABILITY

In no event will either party be liable for any incidental, punitive, special or consequential damages hereunder, even if advised of the possibility of such.

Section 46. COUNTERPARTS

This Agreement may be executed by the Parties in counterparts, and when executed by each of the Parties, each counterpart shall be deemed to be a part of this Agreement.

[END OF PAGE – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates written below.

VICTORVILLE WATER DISTRICT

FERGUSON ENTERPRISES, LLC

By: _____
Elizabeth Becerra,
District Chair

By: _____
Mike Balla,
Area Sales Manager

Dated: _____

Dated: _____

ATTEST

By: _____
Jennifer Thompson,
District Secretary

Dated: _____

APPROVED AS TO STANDARD FORM

By: _____
Andre de Bortnowsky,
District Counsel

Dated: _____

VICTORVILLE WATER DISTRICT RISK MANAGEMENT

By: _____
Sandra Bostick,
District Risk Manager

Dated: _____

EXHIBIT “A”

STATEMENT OF WORK

See Attachment

Quote Submittal

City of Victorville, Water District, CA

Advanced Metering Infrastructure

Matt Wilkinson
Ferguson Waterworks - Meter & Automation
M: (951) 452-9370
E: Matt.Wilkinson@Ferguson.com

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1. EXECUTIVE SUMMARY

OVERVIEW

Thank you for the opportunity to submit the accompanying proposal for the City of Victorville's Advanced Metering Infrastructure. Ferguson Waterworks, Meter and Automation Group (MAG) is exclusively qualified with many distinct advantages for the city, operating as both a Neptune Level 1 distributor in select areas of the United States, and as a meter systems and proven water meter installation contractor nationwide. We have a rich history in both arenas, having been a stocking Neptune distributor since 1975, and a meter/radio installation contractor since 2001 including the installation of over 1 million meters and endpoints. Ferguson/Neptune has a proven track record of successful AMI and AMR projects including meter and radio installations and we are confident you will find Ferguson Waterworks well qualified to design and implement your AMI Program.

For your project, our Ferguson team is partnering with Neptune Technology Group, and our California based Ferguson team will manage the project, implementation, and provide all technical assistance and support of the program. Our Poway branch office would be your local source of contact. Our Ferguson team is extremely familiar with the City of Victorville service territory. By partnering with us, you will be provided with ongoing training of the system in addition to continued support after the completion of the AMI project. It is our duty to ensure that our relationship with Victorville continues to move forward. We see the deployment of a Neptune metering system as a long-term partnership that we are excited to continue with the City of Victorville.

ADVANTAGES FOR THE CITY OF VICTORVILLE

- ⚡ Our AMI R900 network can be easily deployed by our Ferguson team and JM Electrical Services.
- ⚡ Ferguson and Neptune Technology Group have a proven track record with many of Victorville's surrounding communities, providing metering solutions:
 - East Valley Water District
 - Western Municipal Water District
 - Mission Springs Water District
- ⚡ Ferguson is providing a Neptune R900 product that is **Made in the USA**. Our Domestic offering allows us to control the manufacturing process and eliminate the risk in overseas delays.
- ⚡ Ferguson Waterworks has a successful history of completing projects ahead of schedule & within budget.
- ⚡ Designated Project Team with highly experienced installers & on-call contact person.
- ⚡ The Ferguson team assigned to this project has no conflict of interest/non collusion with City of Victorville.

IN CONCLUSION,

Though some manufactures may wave a low-cost solution in front of you, a quick Google search can bring to light some of the massive failures and future costs that your utility could once again be setting themselves up for. A partnership with Ferguson and Neptune will eliminate the

headache that usually accompanies an AMI program. We aim to save you from the performance pitfalls, disadvantages, and time-consuming hidden costs that an unsuccessful project with a different contractor could cost you.

Neptune is the North American market share leader in meter sales and boasts more than 2,800 active AMR/AMI systems in use today, while Ferguson boasts larger annual revenue than the top 3 meter and automation manufacturers combined. Behind our success, we are an organization committed to partnership, the highest quality risk-free products, and a proven record of performance as detailed in the pages ahead. In the end, Ferguson's Meter and Automation Group and Neptune Technology Group is more than just meters and automation, we are your *Utility Partners!*

Above all, **FERGUSON WATERWORKS** sincerely appreciates the opportunity to submit the attached proposal for your Advanced Metering Infrastructure Project and we look forward to presenting our unique advantages in greater detail with the staff at the City of Victorville.

If you have any questions concerning our qualifications, please do not hesitate to contact us for clarification.

Sincerely,

Mike Balla, California Area Manager
Ferguson Waterworks | Meter & Automation
11909 Tech Center Court, Poway CA, 92064
Branch Phone: (951) 674-1323
Mobile Phone: (949) 690-4649

2. EXPERIENCE & REFERENCES

ABOUT FERGUSON

Established in 1953 and headquartered in Newport News, Virginia, Ferguson opened with several locations dedicated to servicing smaller plumbing contractors. From this modest start, we raised the bar for industry standards as the top-rated and largest wholesale supplier of commercial and residential plumbing supplies in the U.S. However, our expertise goes beyond plumbing. We are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. For nearly 70 years, we've grown from a local plumbing distributor to a **\$22.8 Billion company with more than 1,600 locations and over 34,000**



Ferguson's new corporate campus in Newport News, VA

associates nationwide. We pride ourselves on delivering world-class service to our customers, and they know that "Consider it done." is more than just a tagline. It is a cultural belief that is demonstrated every day through exceptional customer service, product selection and industry knowledge. On the Waterworks side, your servicing branch in Poway represents just one of 300 **Ferguson Waterworks locations across the nation.** For added expertise around water meters and AMR/AMI technologies, Ferguson has made a significant investment in creating the Meter and Automation Group. This substantial investment of human and capital resources with a focus specifically on AMR/AMI has allowed us to partner with four of the top five-meter manufacturers in the country and claim a leadership position in the sales and service of AMR/AMI projects. As the authorized distributor for Neptune in California, Ferguson can leverage its branch network and municipal sales focus to bring unprecedented support to any meter project.

INDUSTRY LEADER IN AMR/AMI TECHNOLOGY



Dedicated Ferguson AMR/AMI sales, service and support employees



More than 2 million points sold since the year 2000



In-house project management team provides assistance for a variety of water meter installation services



Project management services for subcontractor installation



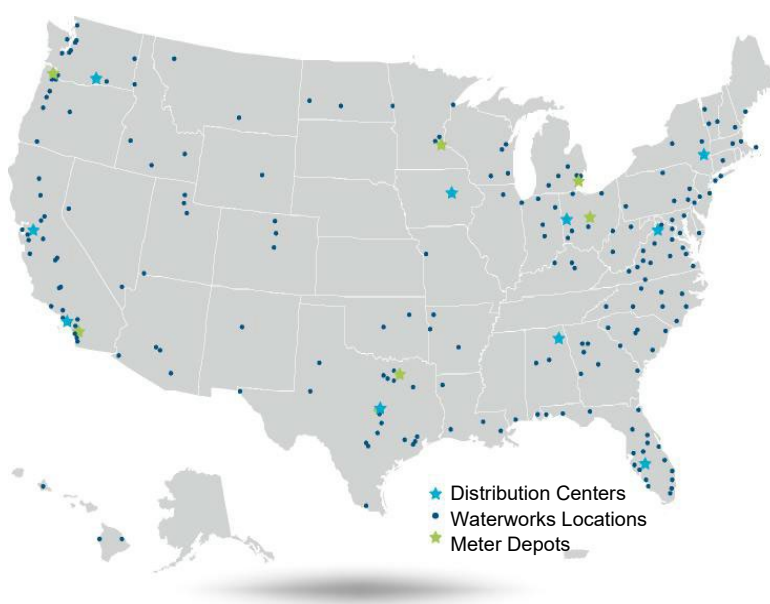
Service and support with a customized maintenance program after sale and installation

FERGUSON LOCATIONS AND LOCAL SUPPORT

Ferguson has over **1,600 branch locations across the United States, and hundreds of those are dedicated to commercial/municipal waterworks. 18 of those are in the state of California.** This allows us to maintain additional stocking levels to ensure that cities will never have to wait for deliveries. This also means that there is no need to tie up funds in a utility's warehouse inventory. Our locally well-trained staff will also be able to quickly respond to any issues as they arise, as the success of any AMI system is dependent on solid project experience and support. Ferguson Waterworks is one of the largest suppliers of water, sewer and storm management products and services to multiple segments of the waterworks sector. We serve public and private water and sewer authorities, residential and commercial utility contractors, and treatment plant contractors.

FERGUSON WATERWORKS METER DEPOTS

Ferguson Waterworks can better service our customers with seven strategically located meter depots that offer shorter lead times on stocked products, including the most commonly used meters ranging from 5/8" x 1/2" to 8" and metering technology.



CONTRACTOR SPECIFICS

FULL LEGAL NAME: Ferguson Enterprises, LLC dba Ferguson Waterworks.

FEDERAL TAX ID: 54-1211771

MAIN HEADQUARTERS ADDRESS: 12500 Jefferson Ave. Newport News, VA 23602

LOCAL BRANCH ADDRESS: Ferguson Waterworks – Poway

11909 Tech Center Ct, Poway CA 92064

ABOUT NEPTUNE

Neptune is an AMR/AMI systems vendor with a successful history for over 120 years. As a leading provider of meter reading systems and water measurement products, Neptune has continually focused on the evolving needs of water utilities – revenue optimization, operational efficiencies, and improved customer service. Our vision is to be viewed as the ***most valued partner*** of our utility customers and help them manage the world’s scarce water, energy, and human funding resources.



Neptune’s fully integrated manufacturing facility ensures a dependable and dedicated support for all hardware, software, and support for mobile Advanced Meter Reading (AMR) and fixed-base Advanced Metering infrastructure (AMI) systems. All Neptune water meters meet or exceed American Water Works Association® standards as well as all the revised requirements of the Safe Drinking Water Act (SDWA). Accurate meter readings are guaranteed with Neptune’s absolute encoder technology — a field-proven meter reading concept first introduced in 1964. This solid foundation allows a seamless migration from manual data collection to handheld, mobile, and fixed network radio frequency systems. Neptune’s migration approach means you will never outgrow Neptune technology.

Neptune has approximately 700 employees in North America producing meter reading systems and water measurement products. Neptune’s state-of-the-art, ISO9001-certified, 300,000-square-foot facility in Tallassee, Alabama houses our integrated manufacturing, engineering, and support capabilities. Additionally, Neptune opened its Atlanta based Innovation Center in the spring of 2017 with a focus on software and hardware development, including IT support.

Key Facts

- 715 employees located in the US (United States), Canada, and Mexico
- 300,000 square foot manufacturing facility
- 100% lead free foundry
- 4000+ AMR/AMI reading systems deployed
- System hardware optimized for water applications
- Superior battery management
- Common software platform optimized for mobile and fixed network applications
- Integrated RF MIU and absolute encoder technologies for Neptune meters
- R900™ building block for Smart Water solutions - Supports fixed base AMI and back up mobile AMR
- Cloud Based Data Management Software - offered as a Software-as-a-Service (SaaS) model
- AMI infrastructure support offered as Network-as-a-Service (NaaS) model

EXCLUSIVE SUBCONTRACTOR INFORMATION

Subcontractor: JM Electrical Services

Contact: Jeff Mandell, Owner

Email: jmandell@jmeservices.net

Phone: 714-488-1970

Ferguson Waterworks is proud to exclusive partner with JM Electrical Services for the installation of the Neptune AMI network infrastructure. Since 2012, Ferguson / Neptune team has trusted JM Electrical Services with the completion of 100+ installations at 17+ separate utilities. All these installs have successfully left Ferguson Waterworks with the highest level of confidence in the deployment of the Neptune AMI network at each utility.

Ferguson's Work Order Management System tracks the daily progress, including bar coding and pit/meter photos, electronic data validation and data transfer to ensure accuracy. Because we only install Neptune products and only for our customers, we are Neptune experts. This saves you time and money. There is no finger-pointing or on-the-job training with Ferguson's experienced installation team, as is common with sub-contractors and temporary workers.

Total number of systems supplied in the last 12 months

12 months: 15

Total number of systems implemented to date

Over 9 years: approx. 50

Total number of systems in operations for 3 years or longer

3 years: 25+

REFERENCES

Mission Springs Water District
66575 2nd Street, Desert Hot Springs CA

Contact: April Scott, Customer Service Manager

Phone: (760) 329-6448 ext. 120

Email: ascott@mswd.org

Number of Services: 13,000

Radio Technologies Implemented: Neptune R900

Metering Technologies Implemented: Neptune T-10 Positive Displacement

Start Date of Installation: Oct 2019 – Mar 2020

Scope of Installation Services: Ferguson provided a turn-key meter replacement project with the installation of 8 data collectors, 2" and smaller full meter replacements with new meter box lids, and 3" retrofits.

Number of Endpoints Currently Installed: 13,000

Western Municipal Water District
14205 Meridian Parkway, Riverside CA

Contact: Tresa Huffman, Customer Service Manager

Phone: (951) 571-7114

Email: thuffman@wmwd.org

Number of Services: 24,000

Radio Technologies Implemented: Neptune R900

Metering Technologies Implemented: Neptune T-10 Positive Displacement

Start Date of Installation: Jan 2018 - Present

Scope of Installation Services: Ferguson provided all meters, R900 radios, data collectors, and lids needed for the implementation of 24,000 endpoints

Number of Endpoints Currently Installed: 18,000

East Valley Water District
31111 Greenspot Rd, Highland, CA 92346

Contact: Jason Wolf

Phone: 909-806-4088

Email: jwolf@eastvalley.org

Number of Services: 24,000 Meters installed, R900 radios, data collectors, and lids.

Radio Technologies Implemented: Neptune R900

Metering Technologies Implemented: Neptune T-10 Positive Displacement

Completion Date: June 2020

3. PRODUCT MATURITY AND FUTURE ROADMAP

AMI SYSTEM (HOSTED)

a. Provide a narrative description of the AMI solution, from meter to software systems. Also include a clear description of data reporting expectations and SLAs, procedures/options for missed reads and backfill options for those missed reads.

R900® System Description

The primary solution to the City of Victorville AMI requirements outlined in this proposal is based on Neptune's T-10 mechanical meter or Mach10 Ultrasonic meter with an integrated absolute encoder register/radio with network compatibility. The R900 endpoint is an innovative "all in one design" providing two-way communications in support of advanced metering. The Neptune 360™ "cloud-based" head-end data management system delivered in a Software-as-a-Services (SaaS) model.

Neptune is proposing its R900® wireless technology for endpoint meter support. Neptune's approach is a build-on rather than a change-out model assuring forward and backwards compatibility while leveraging the R900® technology with its unique interleaved mobile and fixed network messaging. The built-in ability of Neptune's R900® endpoints to be read in mobile AMR and fixed network AMI mode simultaneously assures AMI network compatibility with mobile AMR backup support, eliminating significant costs associated with replacing and/or reprogramming endpoints regardless of reading system needs. Deploying and operating an AMI Network is easily accomplished and operated with Neptune's R900® System network architecture, and the Neptune® 360™ cloud-based data management platform. The R900® System network architecture provides broad coverage with minimal AMI network infrastructure and low-cost connectivity. Neptune's R900 System leverages industry leading standards-based network technology to ensure reliable delivery of actionable meter reading data from the meter to the head-end system, allowing for streamlined operations, improved customer service, and reduction of non-revenue water.

Developed primarily for battery operated devices, the R900 gateway provides extensive scalability in a compact enclosure and supports millions of messages daily. The gateway's robust connectivity to Neptune's R900 endpoints combined with Neptune® 360 host software provide a highly scalable, end-to-end AMI solution that enables utilities to improve operational efficiency and ensure top-notch customer service. The R900 gateway has been designed to operate reliably under the harshest weather conditions and events. Network gateways are rated IP67 for ingress protection, 10% to 100% condensing for humidity, and -40°C to +55°C temperatures. Backhaul option for the City of Victorville is 4G LTE cellular modem. Implementation shall be the responsibility of Ferguson. Power is provided to the gateway by an uninterruptible power supply (UPS) that accepts 120V AC power and provides 18 hours of battery back-up in the event of a power outage. The R900 architecture is point-to-multipoint (PMP) star-based and provides for both redundancy and reliability of endpoint and gateway communications. Overlapping gateway reception provides a redundant communication path for end-devices, contributing to higher message success rates. The network design criteria typically result in endpoints communicating to 2 or more gateways. The network is designed as carrier-grade to withstand the harshest of weather conditions and events.

As part of a recent information technology upgrade Victorville has already adopted Neptune's Cloud-Based Data Management platform "Neptune® 360™" as the primary HES which also functions as a Meter Data Management System. Neptune 360's intuitive and innovative design is based on the most advanced technological infrastructure that focuses on data integrity. Neptune has partnered with Amazon Web Services (AWS) as its hosting provider because of its flexibility, exceptional security, deployment speed, and performance. These AWS features, along with Neptune's metering and data integrity experience, allow us to provide an accelerated project start-up in a secure environment, along with advanced servicing and support of daily operations for our utility partners. The platform has data storage capabilities for warehousing, cleansing, and processing all data received from various field metering and collections devices prior to data usage. The platform stores real-time online metering data for twenty-four (24) months for long-term data analysis. Additional years of data storage are available upon request. The Neptune® 360™ platform is designed to collect more accurate water metering data faster than ever before: quickly identify potential leaks, excessive consumption, and reverse flow. Neptune 360 delivers an intuitive and user-friendly design that provides clear, easy-to-interpret information and greatly improves inter-department communication that creates actionable data to maximize operational efficiency. The platform comes equipped with Application Programming Interfaces (APIs) designed specifically for sharing and seamlessly integrating meter with existing systems or applications. Neptune® 360™ integrates with more than 200+ CIS/Billing software vendors, to ensure the successful transfer of meter reading data. Neptune 360 is offered in a Software-as-a-Service (SaaS) model which provides utilities with a solution that is scalable, reliable and secure without the burden of implementation and management of data.

b. Include a discussion of cyber-security measures applicable to protect: District's network, equipment, software, and customer data.

Neptune R900® endpoints and the R900 network design provide built-in mechanisms for data integrity and security based on the industry standard IEEE 802.15.4 security protocols. This includes NIST approved AES cryptographic algorithms widely adopted in the industry. Each R900 endpoint is personalized with a unique 128-bit AES encryption key and globally unique identifier assigned by the IEEE Registration Authority. Payload data transmitted by the R900 endpoints is encrypted end-to-end to support secure transmission of the data at the network and application layer. Network MAC commands and payload data are origin authenticated, integrity and replay protected, and encrypted. These principles ensure network traffic is authenticated and has not been decoded, altered, or replayed by rogue entities.

Neptune's MDMS solution is hosted in a Virtual Private Cloud (VPC) at Amazon Web Services (AWS). Within the VPC, the HES is installed on a set of Amazon Elastic Compute Cloud (EC2) instances, configured in proper private and public network segments. Also, the web servers for HES sit behind sets of load balancers and a Firewall. Neptune's MDMS is configured to run on shared servers, in respect to compute and storage; however, each HES application service is dedicated to an individual customer and data is not comingled with any other Neptune customer. The MDMS software has its own backup methodology built in. Database and log transaction files backups are performed every day in a seven days rotation. The backups are stored to a volume directly attached to the database server. These volumes have multiple replicas of them built into AWS' cloud infrastructure. Daily and weekly EC2 instance snapshots (including the OS) are being

moved and stored to our provider's object storage. Daily images are securely kept for two days and weekly for two weeks. The object storage is replicated across multiple datacenters.

Physical Security

Neptune selected Amazon Web Services (AWS) due to its years of experience in designing, constructing, and operating large-scale data centers. AWS data centers are housed in non-descript facilities. Physical access is strictly controlled both at the perimeter and at building ingress points by professional security staff utilizing video surveillance, intrusion detection systems, and other electronic means. Authorized staff must pass two-factor authentication a minimum of two times to access data center floors. AWS only provides data center access and information to employees and contractors who have a legitimate business need for such privileges. When an employee no longer has a business need for these privileges, his or her access is immediately revoked. All physical access to data centers by AWS employees is logged and audited routinely. In addition, the data center electrical power systems are designed to be fully redundant and maintainable without impact to operations, 24 hours a day, and seven days a week. Uninterruptible Power Supply (UPS) units provide back-up power in the event of an electrical failure for critical and essential loads in the facility. Data centers use generators to provide backup power for the entire facility.

Network Security

While AWS is responsible for securing the underlying infrastructure that supports the cloud, Neptune responsible for HES on the cloud. HES has been configured to operate in a well segmented network, Public and Private Layers. All traffic is routed over TLS to encrypt traffic. All key parameters are further hashed for additional level of protection. Load balancers only pass valid web traffic to the Public Layer via firewall. Web requests ensure valid queries and requests communicated to Private Layer protecting against SQL injection and other malicious web traffic. All other traffic between Public Layer to Private Layer restricted by default.

c. For a hosted AMI solution, an overview of respective NOCs, including third-party cloud services, uptime percentage, physical locations, security (both physical and cyber), and redundancy.

The R900 architecture is point-to-multipoint (PMP) star-based and provides for both redundancy and reliability of endpoint and gateway communications. Overlapping gateway reception provides a redundant communication path for end-devices, contributing to higher message success rates. The network design criteria typically result in endpoints communicating to 2 or more R900 gateways. The R900 network is designed as carrier-grade to withstand the harshest of weather conditions and events.

Neptune has partnered with Amazon Web Services (AWS) as its SaaS vendor because of its flexibility, exceptional security, deployment speed and performance. Data centers are housed in non-descript facilities within the country in which the data originates. In the case of the City of Victorville, data will be stored in the United States.

All Online Transaction Processing (OLTP) repositories, such as Aurora, are backed-up daily, while the system is "HOT" or "ACTIVE". Backups are stored in a separate AWS Service Region so that

Backups are not part of a loss during a disaster. Backups are complete daily snapshots of the repository and are purged after 7 days.

The Neptune 360 Data Warehouse repository is AWS Redshift. Redshift is backed-up 3x per day, every 8 hours, in addition to a full daily backup. Backups are stored in a separate AWS Service Region so that Backups are not part of a loss during a disaster. Backups are complete snapshots of the repository and are purged after 7 days.

- Uptime – 99%
- Business Continuity – Redundancy Across AWS Availability Zones
- Recovery Time Objective (RTO) – 24 Hours
- Recovery Point Objective (RPO) – 24 Hours

d. Contractor should provide documentation to support future scalability and expandability beyond what is initially required to support District’s implementation.

Neptune strives to be our customer’s most valued partner by continually adding new technology, products, functionality, and enhancements to our core metering and AMR/AMI reading systems. Much of that is determined from existing customer input, evolving metrology/wireless technologies, and regulatory compliance and certifications. Neptune is at the forefront of new technology trends ensuring future hardware and software compatibility as well as functionality that the water industry demands.

Examples of such innovative technologies Neptune has introduced in recent years are ultrasonic static metering, cloud-based computing HES software, and an AMI offering based on the open-standard R900 architecture. Neptune’s full Product Roadmap can be shared upon execution of an NDA confidentiality agreement.

e. Provide the implementation process for releasing and applying software and firmware upgrades, bug fixes, and patches. Include overall implementation timeframe, vendor effort/time/resources, and client effort/time/resources. Discuss the quality assurance (QA) procedures currently in place to ensure bug fixes, patches, and upgrades are fully tested and validated prior to release. Discuss QA procedures currently in place to ensure the identification and correction of system security vulnerability.

Software Upgrades: One of the key benefits of SaaS is the ability to deploy new updates and feature releases faster and more efficiently. Neptune has the ability to release new product features quarterly or sooner for features that are in high customer demand. Neptune typically does 2 major releases every year and fixes/patches as they are required. All updates, new feature releases, and maintenance are scheduled after hours or on weekends to prevent any customer interruption and minimize potential downtime.

Quality Assurance: Neptune utilizes industry standard best practices for all data, whether in motion or stored, in all parts of the system. These include a minimum of AES-256 compliant encryption, proper data validation and sanitization checks, system logging, role-based security

controls, and other OWASP best practices.

Internal penetration tests are conducted with every software release. External penetration test is conducted every Major release. Neptune does not share pen testing as the information is highly confidential and is only made available to trusted internal resources on a need to know basis. Neptune's software is designed to be forward compatible with future system offerings. Neptune's software development life cycle is built on the Agile methodology in which a series of 3 sprints are conducted to incorporate shorter development sprints for smaller feature implementation efforts when required. Each 3-week sprint allows for development and testing of the feature designed. Regression testing is completed prior to each general availability release by our dedicated quality assurance team.

R900® MIU – There has been one firmware release in the past 12 months.

Release Notes

- Updates to the R900 stack to address updated R900 Compliance test cases.

R900 Gateway- Three firmware releases in the past 12 months.

Release Notes

- Improve system version reporting
- Check available free space before performing an upgrade.
- Various SNMP improvements
- Packet forwarder improvements
- Backup utility should not show "in progress" after a reboot.
- Automatic restore if gateway upgrade failed.
- Add battery fault/alarm to Micro.
- Support update server username and password.
- Remove unused fields in config.json.
- Add GPS current detection to fault management.
- Cellular connection timeout handling improvements

R900® Endpoint – The R900 endpoint provides the Neptune proposed AMI features and functionality with a 20-year battery life without support Over-the-Air (OTA) firmware upgrades.

R900 Gateway- The gateway supports remote firmware upgrades and patches with minimal network down-time.

f. Summarize the system maintenance agreement including terms and conditions. Provide a copy of Contractor's user support Service Level Agreement (SLA) as an appendix. The SLA should clearly indicate the severity levels, description of each level, guaranteed response times, availability of maintenance and support staff, and associated cost.

Please see Service Level Agreement – Neptune 360 Software-As-A-Service document in the Appendix.

AMI NETWORK DEVICES

a. Provide the product cut sheet as an appendix to your Quote.

Please see the Product Specification Sheets in the Appendix.

b. State the number of AMI network devices, the locations of AMI network devices and the antenna.

Please see the attached Propagation Study in the Appendix.

c. State any special mounting requirements, including minimum height, pole, tower, and bracing restrictions, the recommended sighting, and the minimum separation from other radio, cellular, microwave, or other sources of interference.

The R900® gateway configuration is flexible to either be installed at the base with antenna mounted on the tower as well as the gateway being mounted at the top alongside the antenna. Please refer to the propagation study attached in **Section 7 – Appendices** for required antenna heights. The gateway is provided in a small, lightweight, carrier grade enclosure that can be mounted easily:

- Height: 10.535"
- Length: 8,748
- Width: 3.976'
- Weight: 11 lbs. (5kgs)

Mounting bracket and other details depend on the site locations provided by the city. Additional details for installation instructions are provided in the respective installation and operation manuals.

The R900® endpoint transmits its data by hopping on discrete frequencies (channels) to eliminate the potential interference from other 900MHz devices that may be present in this unlicensed FCC band. This design was chosen to address any interference that may exist at certain frequencies within this ISM band in an effort to maximize the opportunity for the R900 signal to be received by the data collection device. Neptune's R900 endpoints utilize Frequency Hopping Spread Spectrum (FHSS) and Chirp Spread Spectrum (CSS) to minimize the potential for RF interference to and from other devices.

d. Explain (if pole- or tower-mounted) if the unit can be installed at the base with the antennae mounted on the tower.

All equipment can be installed at the base of a tower or pole.

e. Describe the backhaul transports that are supported (i.e., Wi-Fi, cellular).

The R900® gateway supports Ethernet, Cellular and Point-to-Point RF forms of backhaul to transmit metering data to the hosted server.

f. Explain if the product has the capability to store multiple readings in the case of a receiver being unavailable. If so, provide the storage limit of backup reads.

The R900® endpoint supports seamless mobile drive-by meter back-up reading without the need for any reprogramming for billing purposes.

Additionally, the endpoint can be queried in the field using standard RF-activated data logging functions to retrieve up to 96 days of hourly data. This information can be uploaded to the HES through synchronization of mobile data collection hardware.

The Neptune 360 Data Warehouse repository is AWS Redshift. Redshift is backed-up 3x per day, every 8 hours, in addition to a full daily backup. Backups are stored in a separate AWS Service Region so that Backups are not part of a loss during a disaster. Backups are complete snapshots of the repository and are purged after 7 days.

g. Describe any maintenance requirements for the collection units.

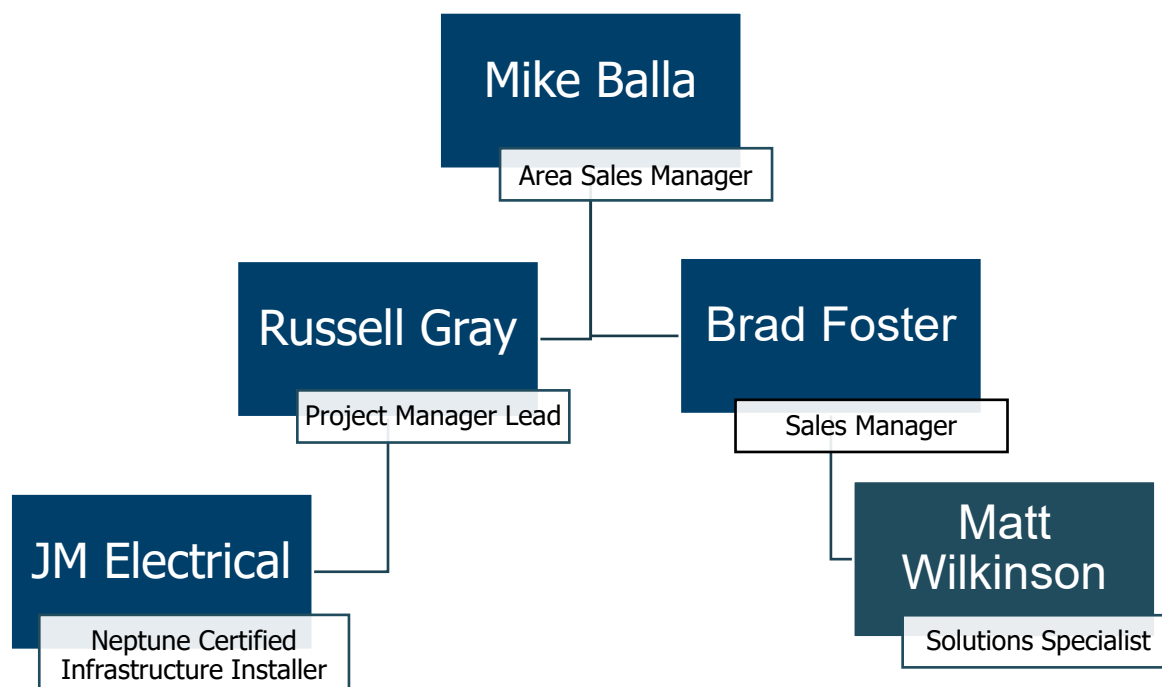
The R900® gateway - is designed to operate using 120V or Solar Power. The UPS provides up to 18 hours of battery backup in the event of an AC power interruption in a hardwire unit. The R900 gateway is ultra-reliable and requires minimal maintenance. It cannot be opened for servicing of internal parts. The typical annual maintenance schedule for the gateway should include inspection of the system components near ground level. The UPS battery is designed for a 10-year life span, and it should be tested annually to determine when the battery needs to be replaced.

h. Verify that the production capacity for network devices can satisfy the number and timeline identified in this RFQ.

Neptune is capable in satisfying the number of units required to support City's project.

4. IMPLEMENTATION APPROACH

PROJECT TEAM



JM Electrical Services – Jeff Mandell

JM Electrical Services has served the electrical and wireless telecom industry for over 15 years. JMES has specialized in commercial/ industrial electrical installs as well as AMI systems, network infrastructure, point to point microwave, and telecom structure builds.

Status: S Corp

Service Area: California/Nevada/Arizona

Company General Liability: Colony Insurance Company

Company Coverage: 5 Million

Auto Ins: Integon

Coverage: 1 Million

Contractor's License: California – #1056901 C-10

Industry Certifications

1. Osha 10 and 30
2. Comtrain Tower climbing and rescue
3. Manlift/Boom lift
4. Sensus certified installer
5. Neptune certified installer
6. CPR/First Aid
7. Anritsu sweep testing

Matt Wilkinson – Solutions Specialist

Matt has been in the industry since 2005, and with Ferguson Waterworks for over 15 years. He has been selling and performing on large annual contracts throughout his career. He has held many positions within Ferguson and understands the logistics that are involved in performing different types of contracts. It is his goal to make sure the City is comfortable with the overall project and expectations are met.

Mike Balla – California Area Manager

Michael has been in the metering industry since 2009, working exclusively for Neptune Distribution Partners. Since receiving a degree from Cal State Fullerton in 2007, he started his metering career as an intern and worked his way up to his current position as Area Manager. He has an excellent understanding of what it takes to make a project successful from over a decade of experience and has been a key part of many metering and installation projects. Michael will be very active with key personnel in setting-up the right expectations to ensure the City is comfortable with the overall project and that stated goals are not just met but exceeded.

Russell Gray – Project Manager, Western Region

Russell Gray is a Senior Project Manager for Ferguson Waterworks in California, Hawaii, and Nevada. Russel partners with Consultants, Municipalities, and Water Districts alike, to oversee implementation of value-based AMR and AMI metering solutions. After spending a decade working closely with large value asset owners on water management, condition assessment, and engineering services within the water utility industry, Russell knows what decisions drive wholesale water providers and local distributors. Working closely with sales and installation teams, Russell delivers consistent and comprehensive planning that enables key decision makers to advance their agenda through actionable data. Russell holds a BS in Civil Environmental Infrastructure Engineering (CEIE) from George Mason University in Fairfax, VA.

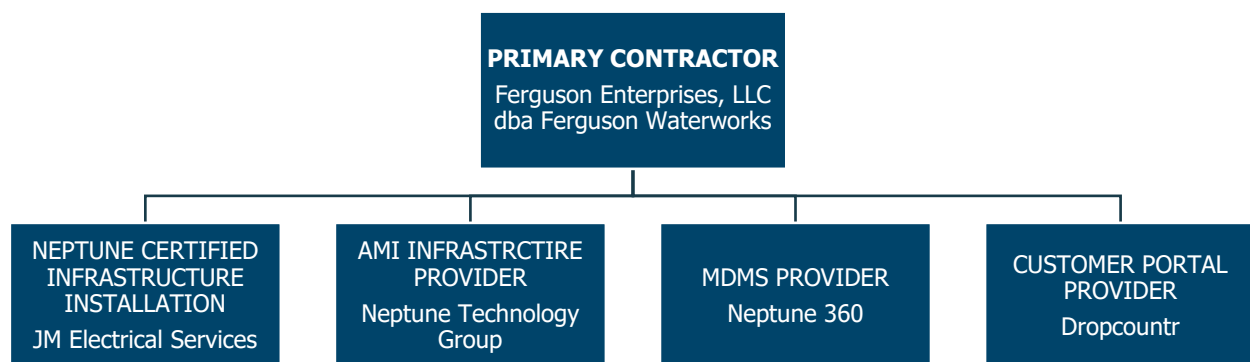
Brad Foster – Sales Manager

Brad has been a Neptune meter distributor for almost 20 years. He began his career in Ferguson's meter installation group and has held many positions during his career. He's always focused on delivering expected results to our customer base. Brad will be sure that all aspects of an AMI deployment run smoothly from start to finish, acting as the hub of all of the AMI activity. He's been a part of many AMI deployments that are successfully running today (Ventura, Buena Park, North Marin Water District, East Valley WD, to name a few) and oversees the operation of 100+ Neptune AMI Gateways in California.

PROJECT MANAGEMENT

Our highly experienced AMI project management staff provides project management services to manage, monitor, coordinate and ensures that all work is completed to the Utility's satisfaction. Our project managers are carefully selected based on past experience, fit for the project and ability to execute the assigned statement of work.

Our project team will be coordinating with the designated City project manager to identify the simplest and most cost-effective methods for implementation over the life of the system. In addition to meeting minutes and action item logs, all changes to the project will be evidenced with change orders signed by all parties and a change order tracking log will be maintained. Ferguson will provide Victorville with the necessary levels of project management, technical support and maintenance services to achieve the goals and objectives of this project. Ferguson will assign an experienced project manager to oversee all the utilized sub-contractors and segmented services. Ferguson's dedicated project manager will be the main contact for all items related to the project. The project manager will look over all aspects of the job and communicate with the Ferguson team members as needed. He will be the main point of responsibility to handle all situations and resolutions. We feel that this is the best method to make sure all communication is effectively shared across all parties and that everyone maintains on the same page.



a. Project team personnel will not be changed out without the prior approval of the District.

Correct.

b. Risk management and risk mitigation. Please describe your methods of identifying, assessing, and mitigating project risks.

Identification, evaluation, and prioritization of risks followed by coordinated and economical application of resource to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities.

c. Problem resolution and exception management. Describe the problem identification and resolution process employed during the project. Describe how exceptions are managed, such as instances where installation cannot occur as there is no access to the property.

Closely monitoring project operations and progress, problem resolution follows the standard scientific principal's of: Identify, Define, Explore, Action, and Look Back. Exceptions are managed by the standards and practices Ferguson and the client put into place at project initiation, which involves a decision tree for each potential scenario encountered.

d. Communications and Reporting. This project will involve multiple vendors and multiple City departments.

District anticipates having weekly project status meetings and written status reports. Confirm you will provide representation and proactive communication for these activities.

Correct.

e. Quality Assurance. Describe how quality is measured, reported, and enforced. Consider the following in your response: data quality, quality of installation, success of training.

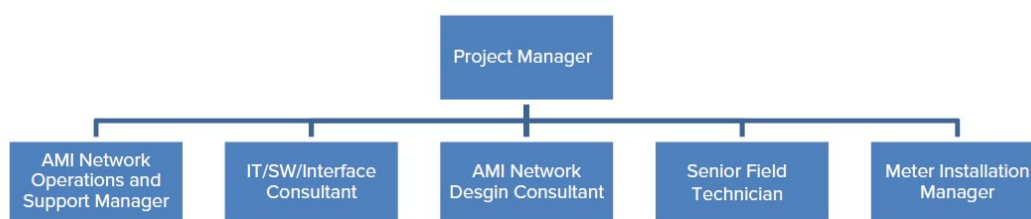
Quality Assurance and Quality Control measures are baked into every layer of Ferguson's operations, especially surrounding field implementation practices.

f. Schedule. Describe how plans are monitored and maintained in order to keep the project on track.

Scope, Schedule, and Budget are tracked by the Project Manager and Installation Manager, with inventory and scope reviews conducted routinely. Ferguson will coordinate with the City of Victorville on preparing a clear and concise schedule based off the City's monthly reading schedule. This proposed schedule will be approved by the City before any work may commence.

g. Scope Change. Describe how changes in scope are managed.

If required, a change order will be implemented to adjust for changes in project scope and costs. The Ferguson team pre-emptively reviews all changes to ensure they are feasible and that they best serve client needs.



TESTING

There are multiple levels of acceptance on this turn-key project. Most of the levels of acceptance revolve around DATA. Below is a list of acceptance for this turn-key AMI project:

- Acceptance of infrastructure installation – confirm collectors are communicating to the host server
- Acceptance the meter reading data is received from the field into Neptune 360 Software/MDM
- Acceptance Neptune's V4 file format is cleanly integrated with CIS billing software and meter reading data is flowing from the meter, through the collector, to Neptune 360, and ultimately back to the CIS billing software.

TRAINING

Neptune has a structured training program to ensure our customers receive a foundation of knowledge that will allow their personnel to understand Neptune's system functions quickly and accurately, plus take full advantage of the information and material provided. Neptune will conduct all training classes at the City's premises utilizing actual equipment installed in the City's production AMI meter reading system and software training. Training aids in the form of manuals and/or video will be provided to each trainee. On day of training, Neptune will provide individual copies of workbooks for the trainers who confirmed participation. In addition, Neptune's online documentation site which includes product guides, documentation, and videos, are available to the City prior and during the training sessions. Neptune will provide a customized training program for the City to address the above needs and any other specific needs of utility personnel, including meter readers, in-office software systems as well as in-house technical support personnel. A sample outline is provided below:

R900 System

Class Duration: 3 days

Day One: Focus Meter Readers and Field Operations Personnel

- R900® end-point meter and MIU installation and test
- Overview of network architecture

Day Two: Focus In-Office Software System Operators

- Overview of cloud-based head-end host software and platform
- Review of HES features and functionality (i.e. base meter reading, alarms, event notifications, reports)

Day Three: Additional Training (optional)

- An additional half day can be utilized to ensure that all content has been reviewed and all questions are answered. This half day is not required, however, is available as needed to support a comprehensive training program to our customers.

Headend Software training will include the following topics:

- Dashboard
- Customer Inquiry
- Billing Services
- Route Management
- Utility Management
- User Management
- Notifications
- Neptune 360 Mobile App
- Mobile Mapping

DOCUMENTATION

Ferguson and Neptune confirm the ability to provide the below upon award:

- ✓ Description of major system components
- ✓ Hardware/software operations & maintenance manuals
- ✓ Training materials
- ✓ Samples of all standard reports with narrative descriptions of all fields displayed on the report, input parameters, and an explanation of how to execute each report
- ✓ All error codes, messages, and their explanations displayed online and/or on reports with action required or options available
- ✓ Updated system documentation available concurrent with the release of new software updates
- ✓ Troubleshooting and installation information
- ✓ Technical specifications and installation guides
- ✓ Proposed system acceptance test plan for your product

SYSTEM INTEGRATION SERVICES

The Neptune platform comes equipped with application programming interfaces (APIs) designed specifically for sharing data with other applications utilized within the City. If the vendor of the third-party application is equipped to consume Neptune's APIs, the integration process efforts are minimal. Neptune currently uses APIs to integrate with work order solutions, hydraulic modeling, customer engagement and a list of additional third-party applications. All integration efforts for CIS or done through Neptune's standard file layout that can be accessed by the following URL <https://www.neptunetg.com/resources/Literature/> or on our website at www.neptunetg.com under Resources/Literature page for Software.

5. COST QUOTE

Please see attached the Cost proposal.

EXHIBIT “B”

SERVICE PROVIDER'S COST PROPOSAL

See Attachment

Proposed Location	Asset	Power Available	Tower Height	Infrastructure	Comments	Cost per site
Existing Tower						
4Evado	El Vado Rd. and Dos Palmas Rd./Tank	Yes	70'	Existing Rohn Tower	Install 120 v circuit, necessary electrical components and Gateway collector - 300' wire run to building/existing conduit in place.	\$ 8,580.00
4ELRIO	Well #131 13637 El rio Rd/Dos Palmas	Yes	40'	Existing Tower	Install 120 v circuit, necessary electrical components and Gateway collector -15' wire run to pump House-Trench in dirt	\$ 9,880.00
4Amarg	14206 Amargosa road - Animal Control/P.D.	Solar	100'	Existing Tower	Solar power installation, install necessary components, and Gateway collector - Mount solar panel on roof, building, or tower.	\$ 9,360.00
4Well120	SCE Plant Tower/Well 120	Yes	40'	Existing Tower	Install 120 v circuit, necessary electrical components, and Gateway collector - 50' wire run to pump house. Trench in dirt	\$ 9,880.00
Well209	14337 Bear Valley Rd. /Well209	Yes	50'	Existing Tower	Install 120 v circuit, necessary electrical components, and Gateway collector - 50' wire run to pump house. Trench in dirt	\$ 9,880.00
New Towers -Proposed						
4WID2	6th st. and Center St. /D2 Warehouse	Yes	60'	New Tower	60' New Tower - 120 v power circuit already available, install necessary electrical components, and Gateway collector.	\$ 31,875.00
4Monte	Monte Vista Rd and Goss Rd. / Tanks	Solar	60'	New Tower	60' New Tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4lapanto	La Panto Rd and Fremontia Rd/ Tank	Solar	60'	New Tower	60' New Tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4Well207	La Mesa Rd. and Satnford Dr. /Well 207	Solar	60'	New Tower	60' New Tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4Wellk	Well-K -Ochre Ln. x Linking Ln.	Yes	60'	New Tower	60' New Tower - Install 120 v circuit, necessary electrical components, and Gateway collector - 75' wire run to pump house -Trench in Dirt/Rock	\$ 33,410.00
4Loc395	HWY 395/Dos Palmas	Solar	60'	New Tower	60' New Tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4WID1	D1 Warehouse - 13777 Eureka St	Yes	60'	New Tower	60' New Tower- 120 v power circuit already available, install necessary components, and Gateway collector. If additional power is required Victorville will install.	\$ 31,875.00
4Hosp	Eleventh St. Hospital Hill/ Tank	Yes	60'	New Tower	60' New Tower - Install 120 v circuit, necessary electrical components, and Gateway collector - 105' wire run to pump house -Trench in dirt	\$ 33,410.00
4Well145	Well 145 Site/Behind Nutro	Solar	60'	New Tower	60' New tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4Basm	Balsam Rd. And Nisqualli Rd. /Tank	Solar	60'	New Tower	60' New tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4CMLBCK	Camelback Dr. and Arrowhead Dr. /Golf Course	Yes	60'	New Tower	60' New Tower - Install 120 v circuit, necessary electrical components, and Gateway collector - 30' wire run to pump house -Trench in Dirt	\$ 32,950.00
4Well130	Cazadero Rd. and Puesta Del Sol Dr./ Well 130	Yes	60'	New Tower	60' New Tower - Install 120 v circuit, necessary electrical components, and Gateway collector - 70' wire run - Trench In Dirt	\$ 33,410.00

4Seneca	Seneca Rd. and Diamond Rd. / Tank	Solar	60'	New Tower	60' New Tower - Solar power installation, install necessary components, and Gateway collector	\$ 31,750.00
4Well127	Pamela Ln. and Sunny Vista Rd. /Well 127	Yes	60'	New Tower	60' New Tower - Install 120 v circuit, necessary electrical components, and Gateway collector - 65' wire run to pump house - Trench In Dirt	\$ 33,410.00
Tank Asset						
4Ameth	Amthyst Rd. and Sycamore St. Tank	Yes	40 feet+21 feet	Tank	Existing 21' foot tripod on top of the tank. Install 120 v circuit, necessary electrical components, and Gateway collector - 100' wire run to pump house existing conduit.	\$ 9,360.00
4Eletnk	SCLA- Westwind Rd. /Elevated Tank	Yes	140'	Tank	Install necessary components and Gateway collector. Existing new modem on site.	\$ 7,610.00
4White	White Rd. - Tank	Yes	30 feet+21 feet	Tank	Existing 21' tripod on top of the tank - Install 120 v circuit, necessary electrical components, and Gateway collector - 50' wire run from pump house - conduit available	\$ 7,610.00
Light Pole Asset						
4Mojave	Mojave Vista Park	Solar	65	Existing Light Pole	Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,610.00
4Sunset	Sunset Park Light	Solar	70	Existing Light Pole	Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,610.00
Traffic Lights - City of Victorville						
4SL007	Cherry Hill/Chalon/Hesperia Road -Traffic Light	Yes	30	Traffic Light	50' Power run to power source/Conduit in place/One electrical box in-between pole and power source -Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
4SL008	Victor St. and 7th ST -Traffic Light	Yes	30	Traffic Light	50' Power run to power source/Conduit in place/One electrical box in-between pole and power source -Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
4TL260	Cobalt Road and Mojave Drive -Traffic Light	Yes	30	Traffic Light	35' Power run to power source/Conduit in place/One electrical box in-between pole and power source -Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
4TL283	Nisqualli Road and First Ave	Yes	30	Traffic Light	115' Power run to power source/Conduit in place/three electrical boxes in-between pole and power source - Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
4TL823	Del Gado Road and La Mesa Road	Yes	30	Traffic Light	50' Power run to power source/Conduit in place/two electrical boxes in-between pole and power source - Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
4SL005	Village Drive and Amargosa Road -Traffic Light	Yes	30	Traffic Light	65' Power run to power source/Conduit in place/two electrical boxes in-between pole and power source - Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00

4SL006	Greentree Blvd and 3rd Ave-Traffic Lighht	Yes	30	Traffic Light	50' Power run to power source/Conduit in place/two electrica boxes in-between pole and power source-Space avaiable	\$ 7,450.00
4TL472	Bear Valley Road and Cottonwood Ave	Yes	30	Traffic Light	32' Power run to power source/Conduit in place/two electrical boxes in-between pole and power source - Space available, Install 120 v circuit, necessary electrical components, and Gateway collector	\$ 7,450.00
Solar	10					
AC	22					

	Project Management Fee	\$ 67,500.00
Network Design (Radio frequency architecture, communication between meters and Gateway collectors)		\$ 9,950.00
	Performance Bond	\$ 9,000.00
Training (Infrastructure and equipment best maintenance practices)		\$ 4,750.00
Inspection, Encroachment Fee, Business License Fee, Etc...		\$ 7,000.00
	AMI TOTAL COST	\$ 697,770.00
	Potential Tower Material Cost Increase with 25% Percent Tariff	\$ 41,300.00
	AMI TOTAL COST WITH TARIFF IMPACT	\$ 739,070.00

EXHIBIT “C”

STATE PREVAILING WAGE AND RELATED LABOR PROVISIONS

a. Compliance with State Prevailing Wage Law. Service Provider is aware of the requirements of California Labor Code (“**Labor Code**”) Sections 1720 through 1861, as well as those in Title 8, Section 16000 *et seq.* of the California Code of Regulations (collectively hereinafter the “**Prevailing Wage Law**”) which require the payment of prevailing wage rates and compliance with other labor-related requirements for “public works” and/or “maintenance” projects. **The Work to be provided under this Agreement constitutes public works and/or maintenance in whole or in part.** Pursuant to Labor Code Section 1773, the District has obtained from the Director of the Department of Industrial Relations (“**DIR**”) the general prevailing rate of per diem wages and the general prevailing wage rate for holiday and overtime work applicable for each craft, classification, or type of worker in San Bernardino County, California, where the Project is to be performed. Copies of these prevailing rate of per diem wages are on file at the District/City of Victorville Finance Department/Purchasing Division and shall be made available for review to any interested party on request. Copies of these prevailing rate of per diem wages are also available from the State of California (“**State**”) via the internet at <http://www.dir.ca.gov/DLSR/PWD>. Service Provider and its subcontractors shall pay not less than said specified prevailing rate of per diem wages to all workers employed by them in the performance of any Work under this Agreement which constitutes public works and/or maintenance under the Prevailing Wage Law, including without limitation, the **installation of AMI network infrastructure and equipment**. Service Provider shall be solely responsible for using the correct wage decision or determination and performing accordingly. An error on the part of any awarding body does not relieve the Service Provider from the responsibility for payment of the correct prevailing wage, or compliance with the maintenance and inspection of payroll records, posting of prevailing wage rates at the work/job site, employment of apprentices, and other requirements of the Prevailing Wage Law, and all other applicable State labor laws.

b. Designation as Service Provider Not Determinative. For purposes of this Agreement, Service Provider and its subcontractors shall be subject to and shall comply with all provisions of the Prevailing Wage Law applicable to contractors and subcontractors when they are engaged in the performance of any Work under this Agreement which constitutes public works and/or “maintenance”, as defined in subsection “a” above, despite being designated as Service Provider.

c. Conflict. It is further expressly agreed by and between the Parties hereto that should there be any conflict between the provision of this **Exhibit “C”** and the terms of or **Exhibit “B”** or **Exhibit “E”** of this Agreement, the provisions of this **Exhibit “C”** shall control and nothing in this exhibit or the Agreement shall be considered as an acceptance of the terms of Service Provider’s submitted scope of services, scope of work, bid proposal, cost proposal, and/or fee schedule which conflict with the requirements of this **Exhibit “C”**.

d. Payroll Records. Service Provider and its subcontractors must comply with the provisions of Labor Code sections 1776 and 1812 and all implementing regulations, including without limitation, those set forth in Title 8 of the California Code of Regulations, Section 16000 *et seq.* (hereinafter the “**Regulations**”), which are fully incorporated by this reference, including requirements for electronic submission of payroll records to the DIR.

(1) Service Provider and Subcontractor Obligations. Service Provider and each subcontractor must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the Work. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(a) The information contained in the payroll record is true and correct; and

(b) Service Provider or subcontractor has complied with the requirements of Labor Code Sections 1771, 1811, and 1815 for any public work or maintenance performed by its employees on the Project.

(2) Certified Record. A certified copy of an employee's payroll record must be made available for inspection or furnished to the employee or his or her authorized representative on request, to the District, to the Division of Labor Standards Enforcement, to the Division of Apprenticeship Standards of the DIR, and as further required by the Labor Code.

(3) Enforcement. Upon notice of noncompliance with Labor Code Section 1776, Service Provider or subcontractor has ten (10) days in which to comply with the requirements of this section. If Service Provider or Subcontractor fails to do so within the ten (10) day period, Service Provider or Subcontractor will forfeit a penalty of \$100.00 per day, or portion a day, for each worker for whom compliance is required, until strict compliance is achieved. Upon request by the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, these penalties will be withheld from payments then due to Service Provider.

(4) Payment of Invoices. Copies of the certified payrolls, proof of payroll submissions, and appropriate lien releases are required with each invoice to the District. Payment of the invoice may be delayed when payroll-related documents and/or lien releases are not included with the invoice.

e. Apprentices. Service Provider is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code section 1777.5, which is fully incorporated by reference.

f. Notices. Pursuant to Labor Code section 1771.4, Service Provider is required to post all Job Site notices, including prevailing wage rates and other notices, as required by regulation.

g. Other Labor Requirements. Service Provider has the responsibility for and shall comply with all other applicable requirements of the Prevailing Wage Law, and all other applicable State labor laws. Service Provider further acknowledges and agrees that it will be independently responsible for reviewing the applicable laws and regulations and effectuating compliance with those laws and shall require the same of all its subcontractors. Pursuant to Labor Code 1735, Service Provider shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of said Code. Every contractor for Public Works who violates this Section is subject to all the penalties imposed in Labor Code Sections 1720 through 1861.

h. Statutory Penalties. The statutory penalties for failure to pay prevailing wage or to comply with State wage and hour laws will be enforced as follows:

(1) Pursuant to Labor Code section 1775, the Service Provider and any subcontractor under it shall forfeit as a penalty to the District not more than Two Hundred Dollars (\$200.00), for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the Director of the DIR for such work or craft in which such worker is employed for any public work done under this Agreement by it or by any Subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by Service Provider.

(2) Pursuant to Labor Code Section 1813, Service Provider or subcontractor shall, as a penalty to the District, forfeit Twenty-Five Dollars (\$25) for each worker employed in the execution of this Agreement by the respective Service Provider or subcontractor of each calendar day during which the worker is required or permitted to work more than eight (8) hours in any one calendar day and more than forty (40) hours in any one calendar week, except as specified in Labor Code Section 1815. Pursuant to Labor Code Section 1810 *et seq.*, eight (8) hours is the legal working day.

i. DIR Monitoring. Pursuant to Labor Code Section 1771.4, the Agreement for this Project is subject to compliance monitoring and enforcement by the DIR.

j. DIR Registration. Pursuant to Labor Code Sections 1725.5 and 1771.1, Service Provider and its subcontractors must be registered with the DIR prior to the execution of a contract to perform public works. By entering into this Agreement, Service Provider represents that it is aware of the registration requirement and is currently registered with the DIR. Service Provider shall maintain a current registration for the duration of the Project. Service Provider shall further include the requirements of Labor Code Sections 1725.5 and 1771.1 in any subcontract and ensure that all subcontractors are registered at the time this Agreement is entered into and maintain registration for the duration of the Project.

EXHIBIT “D”

**CARB REGULATIONS
NOT APPLICABLE**

APPENDIX 1

Victorville Water District Insurance Requirements

1. Required minimum coverages are as follows:

- a. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **\$5,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

CGL & Excess liability policies for any construction related work, including, but not limit to, maintenance, service, or repair work, shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

- b. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Service Provider has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a Combined Single Limit no less than \$5,000,000 per accident for bodily injury and property damage.

- c. **Workers’ Compensation Insurance** as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit no less than \$1,000,000 per accident for bodily injury or disease. The Workers’ Compensation policy **shall be endorsed** with a waiver of subrogation in favor of the District for all work performed by the Service Provider its employees, agents, and subcontractors.

If Service Provider has no employees, it may certify or warrant to the District that it does not currently have any employees or individuals who are defined as “employees” under the Labor Code and the requirement for Workers’ Compensation coverage may be waived by the District’s Risk Manager. Coverage waivers are not available as specified in California Business and Professions Code Section 7125.

- d. If Service Provider maintains higher limits than the minimums shown above, the District requires and shall be entitled to the higher limits maintained by the Service Provider. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.
- e. All insurance is to be placed with good and responsible insurers which are licensed or authorized to transact business in the State of California with an AM Best’s rating of not less than A:VII, unless otherwise acceptable to the District.

2. The insurance policies are to contain, or be endorsed to contain, the following provisions:

- a. **The City, the Victorville Water District, and their respective officers, officials, employees, agents and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability caused by the work or operations performed by or on behalf of the Service Provider, including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Service Provider’s insurance through the addition of both CG 20 10 07 04 and CG 20 37 07 04.

- b. For any claims related to this Agreement, the **Service Provider’s insurance coverage shall**

be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the District, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, agents, or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it. This requirement shall also apply to any excess or umbrella liability policies.

- c. Service Provider hereby grants to the District a waiver of any right to subrogation which any insurer of said Service Provider may acquire against the District by virtue of the payment of any loss under such insurance. Service Provider agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.
- d. Each insurance policy required in this Agreement shall provide that coverage shall not be canceled, except with written notice to the District. In the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the District shall be notified in writing not less than thirty (30) days before the cancellation or amendment is effective. In the case of cancellation for non-payment, ten (10) days advance written notice shall be given.
- e. Service Provider may use umbrella or excess policies to provide the liability limits as required in this Agreement. This form of insurance will be acceptable provided that all of the primary and umbrella or excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, self-insured retentions (SIRs), indemnity, and defense requirements. The umbrella or excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided in the underlying CGL insurance.
- f. If any coverage required is written on a claims-made coverage form:
 - (1) The retroactive date must be shown, and this date must be before the execution date of the Agreement or the beginning of work.
 - (2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of work.
 - (3) If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the agreement effective, or start of work date, Service Provider must purchase extended reporting period coverage for a minimum of five (5) years after completion of work.
- g. Service Provider shall require and verify that all subcontractors/subconsultants maintain insurance meeting all requirements stated herein, and Service Provider shall ensure that District is an additional insured on insurance required from subcontractors/subconsultants. For CGL coverage, subcontractors/subconsultants shall provide coverage with a form at least as broad as CG 20 38 04 13.
- h. Service Provider shall furnish the District with original certificates of insurance and endorsements evidencing the coverage required by this Agreement at least seven (7) business days prior to performing any Work. All certificates of insurance and endorsements are to be received and approved by the District before any provision of Work commences.
- i. The District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances by providing sixty (60) days notice of its intent to modify the requirements, allowing Service Provider to consider the modification. Refusal of Service Provider to comply with modified requirements will not constitute a breach of Service Provider's obligations under this Agreement.