



CITY OF GRAND JUNCTION, COLORADO

CONTRACT

This CONTRACT made and entered into this **12th Day of September 2023** by and between the **City of Grand Junction, Colorado**, a government entity in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referred to as the "Owner" and **PICA Pipeline Inspection & Condition Analysis Corp. USA dba PICA Corp.** hereinafter in the Contract Documents referred to as the "Firm."

WITNESSETH:

WHEREAS, the Owner shall furnish all labor, tools, supplies, equipment, materials, and everything necessary and required for the Project described by the Contract Documents and known as **Condition Assessment of Lower Kannah Creek Flowline #5300-23-DD.**

WHEREAS, the Contract has been awarded to the above-named Firm by the Owner, and said Firm is now ready, willing, and able to perform the Services specified in the Notice of Award, in accordance with the Contract Documents.

NOW, THEREFORE, in consideration of the compensation to be paid the Firm, the mutual covenants hereinafter set forth and subject to the terms hereinafter stated, it is mutually covenanted and agreed as follows:

ARTICLE 1

Contract Documents: It is agreed by the parties hereto that the following list of instruments, drawings, and documents which are attached hereto, bound herewith, or incorporated herein by reference constitute and shall be referred to either as the "Contract Documents" or the "Contract", and all of said instruments, drawings, and documents taken together as a whole constitute the Contract between the parties hereto, and they are fully a part of this agreement as if they were set out verbatim and in full herein:

The order of contract document governance shall be as follows:

- a. The Body of this Contract Agreement
- b. Owner's Terms and Conditions
- c. Firm's Proposal
- d. Work Change Requests (directing that changed work be performed);
- e. Change Orders.

ARTICLE 2

Contract Services: The Firm agrees to furnish all labor, tools, supplies, equipment, materials, and all that is necessary and required to complete the tasks associated with the Services described, set forth, shown, and included in the Contract Documents.

ARTICLE 3

Contract Time: Time is of the essence with respect to this Contract. The Firm hereby agrees to commence Service under the Contract on the date this Contract is fully executed, and to achieve Substantial Completion and Final Completion of the Services within the time or times specified in the Firm's Proposal.

ARTICLE 4

Contract Price and Payment Procedures: The Firm shall accept as full and complete compensation for the performance and completion of all of the Work specified in the Contract Documents, (Option B Grand Junction Self Deploy) the sum of **Forty Thousand, Four Hundred and 00/100 Dollars (\$40,400.00)**. If this Contract contains unit price pay items, the Contract Price shall be adjusted in accordance with the actual quantities of items completed and accepted by the Owner at the unit prices quoted in the Proposal. The amount of the Contract Price is and has heretofore been appropriated by the Grand Junction City Council for the use and benefit of this Project. The Contract Price shall not be modified except by Change Order or other written directive of the Owner. The Owner shall not issue a Change Order or other written directive which requires additional work to be performed, which work causes the aggregate amount payable under this Contract to exceed the amount appropriated for this Project, unless and until the Owner provides Firm written assurance that lawful appropriations to cover the costs of the additional work have been made.

Option B: Grand Junction Self Deployment

	#	unit	price	Total
PM	1	LS	\$9,500.00	\$9,500.00
Site Visit		EA	\$7,500.00	\$0.00
Mob/Demob		LS	\$5,000.00	\$0.00
Field Deployment		Days	\$4,000.00	\$0.00
Device Prep and Shipping	1	EA	\$3,500.00	\$3,500.00
Leak Detection	12	Mile	\$650.00	\$7,800.00
Gas Pocket Detection	12	Mile	\$600.00	\$7,200.00
Elevation Survey	12	Mile	\$350.00	\$4,200.00
Pressure Gradient Survey	12	Mile	\$500.00	\$6,000.00
Magnetic Anomalies	12	Mile	\$500.00	\$6,000.00
Final Report	1	LS	\$6,300.00	\$6,300.00
			Total	\$50,500.00
Pilot Project Discount	20	%		-\$10,100.00
			Grand Total	\$40,400.00

ARTICLE 5

Contract Binding: The Owner and the Firm each bind itself, its partners, successors, assigns and legal representatives to the other party hereto in respect to all covenants, agreements and obligations contained in the Contract Documents. The Contract Documents constitute the entire agreement between the Owner and Firm and may only be altered, amended, or repealed by a duly executed written instrument. Neither the Owner nor the Firm shall, without the prior written consent of the other, assign or sublet in whole or in part its interest under any of the Contract Documents and specifically, the Firm shall not assign any moneys due or to become due without the prior written consent of the Owner.

ARTICLE 6

Severability: If any part, portion, or provision of the Contract shall be found or declared null, void, or unenforceable for any reason whatsoever by any court of competent jurisdiction or any governmental agency having the authority thereover, only such part, portion or provision shall be affected thereby and all other parts, portions and provisions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, City of Grand Junction, Colorado, has caused this Contract to be subscribed and sealed and attested in its behalf; and the Firm has signed this Contract the day and the year first mentioned herein.

The Contract is executed in two counterparts.

CITY OF GRAND JUNCTION, COLORADO

DocuSigned by:
By: Duane Hoff Jr.
9F709E7D50F14BC...
Duane Hoff Jr., Contract Administrator

9/12/2023
Date

PICA Pipeline Inspection & Condition Analysis Corp. USA dba PICA Corp

DocuSigned by:
By: Kristopher Embry
C94854546F584CD...
Kristopher Embry
Vice President of Client Services

9/12/2023
Date

1. Terms and Conditions for Professional Services
Condition Assessment of Lower Kannah Creek Flowline #5300-23-DD

- 1.1 The Owner:** The Owner is the City of Grand Junction, Colorado and is referred to throughout this Contract. The term Owner means the Owner or its authorized representative.
- 1.2 Compliance:** All Offerors submitting a proposal agree to comply with all conditions, requirements, and instructions of this RFP as stated or implied herein. Should the Owner omit anything which is necessary to the clear understanding of the requirements, or should it appear that various instructions are in conflict, the Offeror(s) shall secure instructions from the Purchasing Agent prior to the submittal deadline.
- 1.3 Sales Tax:** The Owner is exempt from the State, County, and Municipal Sales Tax and Federal Excise Tax; therefore, all fees shall not include taxes.
- 1.4 Acceptance of Contract Terms:** A proposal submitted shall constitute a binding offer which shall be acknowledged by the Offeror on the Letter of Interest or Cover Letter. The Offeror must be legally authorized to execute a Letter of Interest or Cover Letter together with contractual obligations. By submitting a proposal, the Offeror accepts all terms and conditions including compensation, as set forth herein. An Offeror shall identify clearly and thoroughly any variations between its proposal and the Owner's requirements. Failure to do so may be deemed a waiver or any right(s) to subsequently modify the term(s) of performance, except as specified in the RFP.
- 1.5 Execution, Correlation, Intent, and Interpretations:** The Contract Documents shall be signed by the Owner and Firm. By executing the Contract, the Firm represents that it has familiarized itself with the local conditions under which the Services is to be performed and correlated its observations with the requirements of the Contract Documents. The Contract Documents are complementary, and what is required by anyone, shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, materials, equipment, services, and other items necessary for the proper execution and completion of the Scope of Services as defined in the technical specifications and/or drawings contained herein. All drawings, specifications and copies furnished by the Owner are, and shall remain, Owner property. The Contract Documents are not to be used on any other project.
- 1.6 Permits, Fees, & Notices:** The Firm shall secure and pay for all permits, governmental fees, and licenses necessary for the proper execution and completion of the Services. The Firm shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority, including the City, bearing on the performance of the Services. If the Firm observes that any of the Contract Documents are at variance in any respect, it shall promptly notify

the Purchasing Agent in writing, and any necessary changes shall be adjusted. If the Firm performs any Services knowing it to be contrary to such laws, ordinances, rules, and regulations, and without such notice to the Owner, it shall assume full responsibility and shall bear all costs attributable to the non-conforming Services.

- 1.7 Responsibility for those Performing the Services:** The Firm shall be responsible to the Owner for the acts and omissions of all its employees and all other persons performing any of the Services under a Contract with the Firm.
- 1.8 Payment & Completion:** The Contract Sum is stated in the Contract and is the total amount payable by the Owner to the Firm for the performance of the Service(s) under the Contract Documents. Upon receipt of written notice that the Service(s) is ready for final inspection and acceptance and upon receipt of application for payment, the Owner's Project Manager will promptly make such inspection and, when the Owner finds the Service(s) acceptable under the Contract Documents and the Contract fully performed, the Owner shall make payment in the manner provided in the Contract Documents. Partial payments will be based upon estimates, prepared by the Firm, of the value of Service(s) performed in accordance with the Contract Documents. The Service(s) performed by the Firm shall be in accordance with generally accepted professional practices and the level of competency presently maintained by other practicing professional Firms in the same or similar type of Service(s) in the applicable community. The Service(s) to be performed by the Firm hereunder shall be done in compliance with applicable laws, ordinances, rules, and regulations.
- 1.9 Changes in the Services:** The Owner, without invalidating the Contract, may order changes in the services within the general scope of the contract consisting of additions, deletions, or other revisions. All such changes in the services shall be authorized by Change Order/Amendment and shall be executed under the applicable conditions of the Contract Documents. A Change Order/Amendment is a written order to the Firm signed by the Purchasing Agent issued after the execution of the contract, authorizing a change in the Services or an adjustment in the Contract sum or the Contract time.
- 1.10 Minor Changes in the Services:** The Owner shall have authority to order minor changes in the services not involving an adjustment in the Contract sum or an extension of the Contract time and not inconsistent with the intent of the Contract Documents.
- 1.11 Uncovering & Correction of Services:** The Firm shall promptly correct all Services found by the Owner as defective or as failing to conform to the Contract Documents. The Firm shall bear all costs of correcting such rejected Services, including the cost of the Owner's additional Services thereby made necessary. The Owner shall give such notice promptly after discovery of condition. All such defective or non-conforming Services under the above paragraphs shall be

removed from the site where necessary and the Services shall be corrected to comply with the Contract Documents without cost to the Owner.

- 1.12 Acceptance Not Waiver:** The Owner's acceptance or approval of any Services furnished hereunder shall not in any way relieve the Firm of its present responsibility to maintain the high quality, integrity, and timeliness of its Services. The Owner's approval of or acceptance of, or payment for, any Services shall not be construed as a future waiver of any rights under this Contract, or of any cause of action arising out of performance under this Contract.
- 1.13 Change Order/Amendment:** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting Contract. All amendments to the Contract shall be made in writing by the City Contract Administrator.
- 1.14 Assignment:** The Firm shall not sell, assign, transfer, or convey the Contract, in whole or in part, without the prior written approval from the Owner.
- 1.15 Compliance with Laws:** Offers must comply with all Federal, State, County and local laws governing the Service and the fulfillment of the Service(s) for and on behalf of the public. The Firm hereby warrants that it is qualified to assume the responsibilities and render the Services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.
- 1.16 Debarment/Suspension:** The Firm hereby certifies that the Firm is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Governmental department or agency.
- 1.17 Confidentiality:** All information disclosed by the Owner to the Firm for the purpose of the Services to be performed or information that comes to the attention of the Firm during the course of performing such Services is to be kept strictly confidential.
- 1.18 Conflict of Interest:** No public official and/or Owner employee shall have interest in the Contract.
- 1.19 Contract:** This Contract, submitted documents, and any negotiations, when properly accepted by the Owner, shall constitute an enforceable agreement equally binding between the Owner and Firm. The Contract represents the entire and integrated agreement between the City and the Firm and supersedes all prior negotiations, representations, or agreements, either written or oral, including the Proposal documents. The Contract may be amended or modified with Change Orders, Field Orders, or Amendment.
- 1.20 Project Manager/Administrator:** The Project Manager, on behalf of the Owner, shall render decisions in a timely manner pertaining to the Services proposed

and/or performed by the Firm. The Project Manager shall be responsible for approval and/or acceptance of any related performance of the Scope of Services.

- 1.21 Contract Termination:** The Contract shall remain in effect until any of the following occurs: (1) Contract expires; (2) completion of Services; (3) final acceptance of Services or, (4) for convenience terminated by either party with a written *Notice of Cancellation* stating therein the reasons for such cancellation and the effective date of cancellation at least thirty days past notification.
- 1.22 Employment Discrimination:** During the performance of any Services per agreement with the Owner, the Firm agrees to:
- 1.22.1** Not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, disability, citizenship status, marital status, veteran status, sexual orientation, national origin, or any legally protected status except when such condition is a legitimate occupational qualification reasonably necessary for the normal operations of the Firm. The Firm agrees to post in conspicuous places, visible to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- 1.22.2** In all solicitations or advertisements for employees placed by or on behalf of the Firm, shall state that such Firm is an Equal Opportunity Employer.
- 1.22.3** Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- 1.23 Immigration Reform and Control Act of 1986 and Immigration Compliance:** The Firm certifies that it does not and will not during the performance of the Contract employ personnel without authorization services or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986 and/or law regulating immigration compliance.
- 1.24 Ethics:** The Firm shall not accept or offer gifts or anything of value and/or enter into any business arrangement with any employee, official, or agent of the Owner.
- 1.25 Failure to Deliver:** In the event of failure of the Firm to perform in accordance with the Contract Documents, the Owner, after due oral or written notice, may procure Services from other sources and hold the Firm responsible for any and all costs resulting in the purchase of additional Services and materials necessary to perform the Service(s). This remedy shall be in addition to any other remedies that the Owner may have.
- 1.26 Failure to Enforce:** Failure by the Owner at any time to enforce the provisions of the Contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the Contract or any part thereof or

the right of the Owner to enforce any provision of the Contract Documents at any time in accordance with the terms thereof.

- 1.27 Force Majeure:** The Firm shall not be held responsible for failure to perform the duties and responsibilities imposed by the Contract due to legal strikes, fires, riots, rebellions, and acts of God beyond the control of the Firm, unless otherwise specified in the Contract.
- 1.28 Indemnification:** Firm shall defend, indemnify and save harmless the Owner and all its officers, employees, insurers, and self-insurance pool, from and against all liability, suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the Firm, or of any Firm's agent, employee, Sub-Firm or supplier in the execution of, or performance under, any Contract which may result from proposal award. The Firm shall pay any judgment with costs which may be obtained by and/or against the Owner arising out of or under the performance.
- 1.29 Independent Firm:** The Firm shall be legally considered an independent Firm and neither the Firm nor its employees shall, under any circumstances, be considered servants or agents of the Owner. The Owner shall be at no time legally responsible for any negligence or other wrongdoing by the Firm, its servants, or agents. The Owner shall not withhold from the Contract, payments to the Firm any federal or state unemployment taxes, federal or state income taxes, Social Security, or any other amounts for benefits to the Firm. Further, the Owner shall not provide to the Firm any insurance coverage or other benefits, including Workers' Compensation, normally provided by the Owner for its employees.
- 1.30 Nonconforming Terms and Conditions:** A proposal that includes terms and conditions that do not conform to the terms and conditions of this Contract is subject to rejection as non-responsive. The Owner reserves the right to permit the Offeror to withdraw nonconforming terms and conditions from its proposal prior to a determination by the Owner of non-responsiveness based on the submission of nonconforming terms and conditions.
- 1.31 Ownership:** All plans, prints, designs, concepts, etc., shall become the property of the Owner.
- 1.32 Oral Statements:** No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this document and/or resulting agreement. All modifications to this request and any agreement must be made in writing by the Owner.
- 1.33 Patents/Copyrights:** The Firm agrees to protect the Owner from any claims involving infringements of patents and/or copyrights. In no event shall the Owner

be liable to the Firm for any/all suits arising on the grounds of patent(s)/copyright(s) infringement. Patent/copyright infringement shall null and void any agreement.

- 1.34 Governing Law:** Any agreement as a result of Contract shall be deemed to have been made in, and shall be construed and interpreted in accordance with, the laws of the City of Grand Junction, Mesa County, Colorado.
- 1.35 Expenses:** Expenses incurred in preparation, submission, and presentation of Firm's Proposal is the responsibility of the Firm and cannot be charged to the Owner.
- 1.36 Sovereign Immunity:** The Owner specifically reserves its right to sovereign immunity pursuant to Colorado Law as a defense to any action arising out of or under a Contract.
- 1.37 Public Funds/Non-Appropriation of Funds:** Funds for payment have been provided through the Owner's budget approved by the City Council for the stated fiscal year only. Colorado law prohibits the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Therefore, anticipated orders or other obligations that may arise past the end of the stated Owner's fiscal year shall be subject to budget approval. The Contract will be subject to and provide a non-appropriation of funds clause.
- 1.38 Collusion Clause:** By submitting a proposal certifies that it is not party to any collusive action or any action that may be in violation of the Sherman Antitrust Act. Any and all proposals shall be rejected if there is evidence or reason for believing that collusion exists among the proposers. The Owner may or may not, at its discretion, accept future proposals for the same service or commodities for participants in such collusion.
- 1.39 Gratuities:** The Firm certifies and agrees that no gratuities or kickbacks were paid in connection with this Contract, nor were any fees, commissions, gifts, or other considerations made contingent upon the award of this Contract. If the Firm breaches or violates this warranty, the Owner may, at its discretion, terminate the Contract without liability to the Owner.
- 1.40 Performance of the Contract:** The Owner reserves the right to enforce the performance of the Contract in any manner prescribed by law or equity as deemed by the Owner to be in the best interest of the Owner (in the event of breach or default) of resulting Contract award.
- 1.41 Benefit Claims:** The Owner shall not provide to the Firm any insurance coverage or other benefits, including Worker's Compensation, normally provided by the Owner for its employees.
- 1.42 Default:** The Owner reserves the right to terminate the Contract in the event the Firm fails to meet delivery or completion schedules, or otherwise perform in

accordance with the Contract. Breach of Contract or default authorizes the Owner to purchase like services elsewhere and charge the full cost to the defaulting Firm.

1.43 Multiple Offers: If an Offeror submits more than one offer, THE ALTERNATE OFFER must be clearly marked "Alternate Offer". The Owner reserves the right to make award in the best interest of the Owner.

1.44 Cooperative Purchasing: Purchases as a result of this Contract are primarily for the Owner. Other governmental entities may be extended the opportunity to utilize the resultant Contract award with the agreement of the successful Offeror and the participating Firms. All participating entities will be required to abide by the specifications, terms, conditions, and pricings established in this Proposal. The quantities furnished in this proposal document are for only the Owner. It does not include quantities for any other jurisdiction. The Owner will be responsible only for the award for its jurisdiction. Other participating entities will place its own awards on its respective Purchase Orders through its purchasing office or use its purchasing card for purchase/payment as authorized or agreed upon between the provider and the individual entity. The Owner accepts no liability for payment of orders placed by other participating jurisdictions that choose to piggy-back on its Contract. Orders placed by participating jurisdictions under the terms of this Contract will indicate its specific delivery and invoicing instructions.

1.45 Definitions:

1.45.1 "Offeror" and/or "Proposer" refers to the person or persons legally authorized by the Firm to make an offer and/or submit a response (fee) proposal in response to the Owner's RFP.

1.45.2 The term "Services" includes all labor, materials, equipment, and/or services necessary to produce the requirements of the Contract Documents.

1.45.3 "City" is the City of Grand Junction, Colorado and is referred to throughout the Contract Documents. The term City means the City or its authorized representative(s). Based on such observations and the Firm's Application for payment, the City will determine the amounts owing to the Firm and will issue Certificates for Payment in such amounts, as provided in the Contract. The City will have authority to reject Service(s) which does not conform to the Contract Documents. Whenever, in its reasonable opinion, it considers it necessary or advisable to ensure the proper implementation of the intent of the Contract Documents, it will have authority to require the Firm to stop the Service(s) or any portion, or to require special inspection or testing of the Service(s), whether or not such Service(s) can then be fabricated, installed, or completed. The City will not be responsible for the acts or omissions of the Firm and/or Sub-Firm, or any of its agents or employees, or any other persons performing any of the Service(s).

1.45.4 "Firm" is the person, organization, or Firm identified as such in the Agreement and is referred to throughout the Contract Documents. The term Firm means the Firm or its authorized representative. The Firm shall carefully study and compare the General Contract Conditions of the Contract, Specifications and Drawings, Scope of Services, Addenda, and Modifications and shall at once report to the Owner any error, inconsistency, or omission it may discover. Firm shall not be liable to the Owner for any damage resulting from such errors, inconsistencies, or omissions. The Firm shall not commence services without clarifying Drawings, Specifications, or Interpretations.

1.45.5 "Sub-Contractor/Firm is a person or organization who has a direct Contract with the Firm to perform any of the services at the site. The term Sub-Contractor/Firm is referred to throughout the contract documents and means a Sub-Contractor/Firm or its authorized representative.

1.46 Public Disclosure Record: If the Offeror has knowledge of its employee(s) or Sub-Contractors/Firms having an immediate family relationship with an Owner employee or elected official, the Offeror must provide the Purchasing Agent with the name(s) of the individuals. The individuals are required to file a "Public Disclosure Record", and/or a statement of financial interest, before conducting business with the Owner

1.47 A.D.A Document Compliance Requirements: All work documents, and/or bid/proposal documents submitted, as a result of this solicitation must comply with all applicable provisions of §§24-85-101, C.R.S., et seq., and the Accessibility Standards for Individuals with a Disability, as established by the Office Of Information Technology according to Section §24-85-103 (2.5), C.R.S. and 3) all State of Colorado technology standards related to technology accessibility and with Level A.A. of the most current version of the Web Content Accessibility Guidelines (WCAG), incorporated in the State of Colorado technology standards .

2. INSURANCE REQUIREMENTS

2.1 Insurance Requirements: The selected Firm agrees to procure and maintain, at its own cost, policy(s) of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Firm pursuant to the Contract. Such insurance shall be in addition to any other insurance requirements imposed by this Contract or by law. The Firm shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to the Contract by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.

Firm shall procure and maintain and, if applicable, shall cause any Sub-Contractor of the Firm to procure and maintain insurance coverage listed below. Such coverage shall be procured and maintained with forms and insurers acceptable to

Owner. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Firm pursuant to the Contract. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. Minimum coverage limits shall be as indicated below unless specified otherwise in the Special Conditions:

(a) Worker Compensation: Firm shall comply with all State of Colorado Regulations concerning Workers' Compensation insurance coverage.

(b) General Liability insurance with minimum combined single limits of:

THREE HUNDRED THOUSAND DOLLARS (\$300,000) each occurrence and
THREE HUNDRED THOUSAND DOLLARS (\$300,000) per job aggregate.

The policy shall be applicable to all premises, products and completed operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground (XCU) hazards. The policy shall contain a severability of interest provision.

(c) Professional Liability & Errors and Omissions Insurance policy with a minimum of:

THREE HUNDRED THOUSAND DOLLARS (\$300,000) per claim

This policy shall provide coverage to protect the City against liability incurred as a result of the professional services performed as a result of responding to this Solicitation.

With respect to each of Firm's owned, hired, or non-owned vehicles assigned to be used in performance of the Services. The policy shall contain a severability of interest provision.

2.2 Additional Insured Endorsement: The policies required by paragraphs (b), and (c) above shall be endorsed to include the Grand Junction, its Elected and Appointed Officials, Employees and Volunteers are included as Additional Insured. Every required policy above shall be primary insurance, and any insurance carried by the Owner, its officers, or its employees, or carried by or provided through any insurance pool of the Owner, shall be excess and not contributory insurance to that provided by Firm. The Firm shall be solely responsible for any deductible losses under any policy required above.



Proposal for Navigator Screening

Inspection of Kannah Creek Force Main

City of Grand Junction



Submitted To:

**Marc Ciarlo
333 West Avenue, Building E
Grand Junction, CO 81501**

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Pipeline Inspection and Condition Analysis Corp.
Toll-Free: 1-800-661-0127 (North America)
E-mail: info@picacorp.com

September 1, 2023
Grand Junction, CO - Navigator



PICA Navigator Inspection Service

General Information

Our Reference	COGJ006
Date	September 1, 2023
Customer	City of Grand Junction
Contact Personnel	Marc Ciarlo
Job Name	Kannah Creek
Job Location	Grand Junction, CO
Country	USA
Job Date	2023

Introduction

PICA is proposing Navigator, our in-line, free swimming pressure pipe inspection solution for the City of Grand Junction to consider. Navigator employs several sensors that collect data concurrently to obtain a pre-screening inspection of an in-service pressure pipeline. The tool identifies and locates any combination of leaks and gas pockets.

Background Information

The City of Grand Junction is tasked with bringing their client the best solution for inspection and condition assessment of the pre-screening of the Kannah Creek Force Main, while in service. The objective is to utilize the Navigator in-line device to obtain information needed on the chosen force main so that potential problem areas can be addressed proactively and with minimal disruption.

Project Request

The City of Grand Junction would like to utilize the Navigator from PICA to perform a client-deployed inspection of the Kannah Creek force main in Grand Junction, CO. PICA will provide a dummy device to ensure operational objectives can be achieved and a data collection device to be used once the dummy device has proven that the operation is feasible. The area of Kannah Creek flow line slated for inspection is approximately 12 miles with multiple pipe materials of varying diameters. The project will record data using all the Navigator sensors, gas, leak, pressure, and magnetic.



PICA will provide the following per the original RFP bid document:

Option A (PICA to deploy) and Option B (utility to self-deploy)

Physical location of pipe defects correlated with data signatures.

- **Identify areas of water loss, possible water loss with impact to the city or customers with area of concern identified.**
- **Evaluation of existing pipeline conditions and identification of poor condition pipe.**
- **Presentation to the City of Grand Junction Final Summary Report.**

Navigator Technological Capabilities

PICA's Navigator screening technology is a 3.25" diameter sphere. The buoyancy of the device can be altered on-site to adapt to the operational fluid used for inspection. This allows the user to adjust the Navigator to either float at the top, travel along the bottom, or have neutral buoyancy in the fluid column. Multiple data collection runs should be attempted, if possible, to allow for correlation of the data. The following are the sensors that are on board the device that provide data for the analysis by PICA.

- Magnetometer 128 Hz
- Accelerometer/IMU 128 Hz
- Hydrophone 192 kHz
- Pressure Sensor 80 Hz

Sensor Information

Magnetometer – The device measures the magnetic flux in the pipeline using a three-axis magnetometer. Magnetic flux (which can also be referred to as residual magnetization) is dependent, in part, upon the characteristics of the pipeline, how it was initially installed, as well as the operational conditions of the pipeline.

In non-metallic pipelines, the sensor collects data pertaining to metallic changes along the pipeline path such as repair clamps and other metallic features.

In metallic pipelines the measured magnetic flux can be influenced by multiple factors, there is no way to guarantee that the Navigator will be able to discern the cause of magnetic flux variations within the pipeline during a baseline measurement. The Navigator is intended as a screening tool and can be used on a regular basis to screen for significant changes in magnetic flux over time by comparing the screening data with the baseline and follow-on runs. During the baseline run the magnetic flux over the pipeline can be reported and discussed with the operator. However, pre-existing knowledge on the typical (variation in) magnetic flux for the line of interest as well as repeat runs significantly increases the certainty with which statements can be made about the condition of the pipeline.

Accelerometer - Used to measure the velocity of the Navigator's passage through the pipeline to help determine the location of any detected anomaly in the pipeline.

September 1, 2023

Grand Junction, CO - Navigator



Hydrophone - The device is equipped with an acoustic leak detection sensor. While traveling through the pipeline, the device continuously records the background flow noise, creating a baseline level for the acoustic intensity. When a pipeline is leaking, the jet of liquid passing through the crack or hole generates a characteristic hissing or rushing sound that significantly deviates from the baseline noise in a localized region around the leak. Conversely, if there is no change (or only long-term gradual change) in the average acoustic intensity along the length of the pipe, no leaks would be detected. The detection of gas pockets is similar, but the acoustic signature is identifiably different.

Pressure Sensor - Hydraulic Head Pressure changes at 0.4329 psi/ft allowing a reasonably accurate measurement of elevation changes, and when combined with the profile of the pipeline aids in the accuracy of positioning the data collected by the Navigator in the pipeline.

Data Storage Transfer

To collect data using the Navigator a Micro-USB memory card is inserted into the device. Once the fieldwork is complete the memory card is used to upload the data to PICA for analysis. Detailed instructions on how to insert the memory card and how to indicate different data collection runs on a singular memory card are included with the Navigator shipping container. Once the data is uploaded to PICA it will take less than 3 business days to provide a preliminary analysis of the data of less than 5 miles of pipeline inspected.

Inspection Approach

For pressure pipe insertions, check valves and ARVs typically present themselves as convenient entry points for the insertion of the device. The insertion points and contingencies will be more detailed in the work plan submittal after working through the specifics with the City of Grand Junction. When deploying the device, it is essential that there is a single dedicated path of travel for the devices. We must also identify the extraction location, effort, and method.

To launch the devices, the flow will need to be paused temporarily to close the valve downstream of the check valve (typically). The access points are opened temporarily to insert the device. Wrenching and flow operations will be performed by the utility, however, the device activation and insertion/retrieval will be performed by PICA and/or the partner that utilizes the Navigator. After the successful insertion of the device, the pumps are activated to pump the devices between 0.5 and 6.5 feet per second with a calculation to ensure that the wet well is filled or supplemented with enough water to run the pumps continuously through the entire pipe, if possible.

Once the above three preparatory steps (isolation, preparation of insertion point, and installation of the catch assembly) are performed, the utility and PICA can collaborate for the data collection run. The devices are activated and then launched.

September 1, 2023

Grand Junction, CO - Navigator



Budget Proposal for Client-Deployed Operations

The City of Grand Junction Preliminary Cost Breakout for 14 miles of Pipeline:

Option A: Firm Deployment

	#	unit	price	Total
PM	1	LS	\$9,500.00	\$9,500.00
Site Visit		EA	\$7,500.00	\$0.00
Mob/Demob	1	LS	\$5,000.00	\$5,000.00
Field Deployment	1	Days	\$4,000.00	\$4,000.00
Device Prep and Shipping	1	EA	\$3,500.00	\$3,500.00
Leak Detection	12	Mile	\$650.00	\$7,800.00
Gas Pocket Detection	12	Mile	\$600.00	\$7,200.00
Elevation Survey	12	Mile	\$350.00	\$4,200.00
Pressure Gradient Survey	12	Mile	\$500.00	\$6,000.00
Magnetic Anomalies	12	Mile	\$500.00	\$6,000.00
Final Report	1	LS	\$6,300.00	\$6,300.00
			Total	\$59,500.00
Pilot Project Discount	20	%		-\$11,900.00
			Grand Total	\$47,600.00

Option B: Grand Junction Self Deployment

	#	unit	price	Total
PM	1	LS	\$9,500.00	\$9,500.00
Site Visit		EA	\$7,500.00	\$0.00
Mob/Demob		LS	\$5,000.00	\$0.00
Field Deployment		Days	\$4,000.00	\$0.00
Device Prep and Shipping	1	EA	\$3,500.00	\$3,500.00
Leak Detection	12	Mile	\$650.00	\$7,800.00
Gas Pocket Detection	12	Mile	\$600.00	\$7,200.00
Elevation Survey	12	Mile	\$350.00	\$4,200.00
Pressure Gradient Survey	12	Mile	\$500.00	\$6,000.00
Magnetic Anomalies	12	Mile	\$500.00	\$6,000.00
Final Report	1	LS	\$6,300.00	\$6,300.00
			Total	\$50,500.00
Pilot Project Discount	20	%		-\$10,100.00
			Grand Total	\$40,400.00

The budget provided assumes that the City of Grand Junction will be completing all related fieldwork for the data analysis using Navigator for Option B. The final budget will be agreed upon and accepted by all parties before proceeding with the delivery of the Navigator to the City of Grand Junction. Lost device fee is \$

A preliminary analysis of the data will be completed within 3 business days of uploading to PICA analysts. A final report will be provided within 2 weeks of data collection.

September 1, 2023

Grand Junction, CO - Navigator



Scope of Delivery

Our offer includes the following services:

- Assistance in planning the insertion and extraction of the Navigator.
- Reviewing the provided drawings to ensure a successful operation.
- All shipping costs are included with the leasing of the Navigator.
- Analysis of collected data.
- Submittal of the final assessment report.

Conditions

- This offer is valid for 30 days.
- All prices are in US dollars and exclude any applicable taxes.
- Standby for PICA technicians is \$85/hr. or \$680/day plus LOA if applicable.
- 50% is invoiced upon the kickoff/planning meeting with PICA.
- Balance is due upon delivery of the final report.
- The payment term is 30 days.
- The cancellation fee is \$2,500 in preparation costs per pipeline, plus non-refundable travel costs (if any).
- Lost or severely damaged Navigator will be charged at a rate of \$1,500/device.
- The Navigator remains the property of PICA.
- The Navigator is pending UL, CE, and FCC approval.
- PICA has the right to use the data for internal purposes.
- Client assumes all costs for additional analysis.

September 1, 2023

Grand Junction, CO - Navigator



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/13/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MHK Insurance Inc. 12316-107 Avenue Edmonton, AB T5M 1Z1	CONTACT NAME: Ian Oagles PHONE (A/C, No, Ext): E-MAIL ADDRESS: ioagles@mhkinsurance.com	FAX (A/C, No):	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Pipeline Inspection & Condition Analysis Corporation (USA) 2801 Youngfield Street, Suite 370 Golden, Colorado 804001	INSURER A: American Casualty Co of Reading PA Fin StrengthA		
	INSURER B: Continental Casualty Company Fin Strength A		
	INSURER C: Continental Casualty Company Fin Strength A		
	INSURER D: Continental Casualty Company Fin Strength A		
	INSURER E:		
	INSURER F:		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	6072134474	06/22/2023	06/22/2024	EACH OCCURRENCE \$ 1,000,000USD DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000USD MED EXP (Any one person) \$ 15,000USD PERSONAL & ADV INJURY \$ 1,000,000USD GENERAL AGGREGATE \$ 2,000,000USD PRODUCTS - COMP/OP AGG \$ 2,000,000USD
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	6072134491	06/22/2023	06/22/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 US BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	Y	Y	MPR2746245	06/22/2023	06/22/2024	EACH OCCURRENCE \$ 8,000,000 CDN AGGREGATE \$ 8,000,000 CDN
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC676035471	06/18/2023	06/18/2024	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 USD E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 USD E.L. DISEASE - POLICY LIMIT \$ 1,000,000 USD
C	Canadian Commercial General Liability (& Umbrella)	Y	Y	MPR2746245	06/22/2023	06/22/2024	Each Occurrence \$2,000,000CDN General Aggregate \$2,000,000CDN

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CGL, & Umbrella: Additional Insured, City of Grand Junction and its elected officials, employees and volunteers shall be added as an additional insured but only with respect to legal liability arising out of the operations of the named insured. CGL, & Umbrella: Waiver Of Subrogation, Insurer will agree to waive their rights of subrogation in favour of, City of Grand Junction and its elected officials, employees and volunteers, but only with respect to legal liability resulting out of the operations of the named insured. The insurer will endeavour to mail the certificate holder 30 (thirty) days written notice of cancellation of these policies & 10 (ten) days notice if cancelled by non-payment of premium. This insurance is primary and non-contributory as required by written agreement. Re: Condition Assessment of Lower Kannah Creek Flowline #5300-23-DD.

CERTIFICATE HOLDER**CANCELLATION**

City of Grand Junction 250 N 5th Street Grand Junction, CO 81501	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE MHK Insurance Inc. Per: <i>Sylvia Hoffer</i>
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Contractors' General Liability Extension Endorsement

- B. Solely for the purpose of the coverage provided by this **PROPERTY DAMAGE – ELEVATORS** Provision, the **Other Insurance** conditions is amended to add the following paragraph:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is Property insurance covering property of others damaged from the use of elevators.

23. SUPPLEMENTARY PAYMENTS

The section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is amended as follows:

- A. Paragraph 1.b. is amended to delete the \$250 limit shown for the cost of bail bonds and replace it with a \$5,000. limit; and
- B. Paragraph 1.d. is amended to delete the limit of \$250 shown for daily loss of earnings and replace it with a \$1,000. limit.

24. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If the **Named Insured** unintentionally fails to disclose all existing hazards at the inception date of the **Named Insured's Coverage Part**, the Insurer will not deny coverage under this **Coverage Part** because of such failure.

25. WAIVER OF SUBROGATION - BLANKET

Under **CONDITIONS**, the condition entitled **Transfer Of Rights Of Recovery Against Others To Us** is amended to add the following:

The Insurer waives any right of recovery the Insurer may have against any person or organization because of payments the Insurer makes for injury or damage arising out of:

1. the **Named Insured's** ongoing operations; or
2. **your work** included in the **products-completed operations hazard**.

However, this waiver applies only when the **Named Insured** has agreed in writing to waive such rights of recovery in a written contract or written agreement, and only if such contract or agreement:

1. is in effect or becomes effective during the term of this **Coverage Part**; and
2. was executed prior to the **bodily injury, property damage or personal and advertising injury** giving rise to the claim.

26. WRAP-UP EXTENSION: OCIP, CCIP, OR CONSOLIDATED (WRAP-UP) INSURANCE PROGRAMS

Note: The following provision does not apply to any public construction project in the state of Oklahoma, nor to any construction project in the state of Alaska, that is not permitted to be insured under a **consolidated (wrap-up) insurance program** by applicable state statute or regulation.

If the endorsement **EXCLUSION – CONSTRUCTION WRAP-UP** is attached to this policy, or another exclusionary endorsement pertaining to Owner Controlled Insurance Programs (O.C.I.P.) or Contractor Controlled Insurance Programs (C.C.I.P.) is attached, then the following changes apply:

- A. The following wording is added to the above-referenced endorsement:

With respect to a **consolidated (wrap-up) insurance program** project in which the **Named Insured** is or was involved, this exclusion does not apply to those sums the **Named Insured** become legally obligated to pay as **damages** because of:

1. **Bodily injury, property damage, or personal or advertising injury** that occurs during the **Named Insured's** ongoing operations at the project, or during such operations of anyone acting on the **Named Insured's** behalf; nor

Contractors' General Liability Extension Endorsement

- a. the **Named Insured's** acts or omissions; or
 - b. the acts or omissions of those acting on the **Named Insured's** behalf,
in the performance of the **Named Insured's** ongoing operations at the trade show event premises during the trade show event.
2. The coverage granted by this paragraph does not apply to **bodily injury** or **property damage** included within the **products-completed operations hazard**.

2. ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY TO ADDITIONAL INSURED'S INSURANCE

The **Other Insurance** Condition in the **COMMERCIAL GENERAL LIABILITY CONDITIONS** Section is amended to add the following paragraph:

If the **Named Insured** has agreed in writing in a contract or agreement that this insurance is primary and non-contributory relative to an additional insured's own insurance, then this insurance is primary, and the Insurer will not seek contribution from that other insurance. For the purpose of this Provision 2., the additional insured's own insurance means insurance on which the additional insured is a named insured. Otherwise, and notwithstanding anything to the contrary elsewhere in this Condition, the insurance provided to such person or organization is excess of any other insurance available to such person or organization.

3. BODILY INJURY – EXPANDED DEFINITION

Under **DEFINITIONS**, the definition of **bodily injury** is deleted and replaced by the following:

Bodily injury means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the physical injury, sickness or disease.

4. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

Under **CONDITIONS**, the condition entitled **Duties in The Event of Occurrence, Offense, Claim or Suit** is amended to add the following provisions:

A. BROAD KNOWLEDGE OF OCCURRENCE

The **Named Insured** must give the Insurer or the Insurer's authorized representative notice of an **occurrence**, offense or **claim** only when the **occurrence**, offense or **claim** is known to a natural person **Named Insured**, to a partner, executive officer, manager or member of a **Named Insured**, or an **employee** designated by any of the above to give such notice.

B. NOTICE OF OCCURRENCE

The **Named Insured's** rights under this **Coverage Part** will not be prejudiced if the **Named Insured** fails to give the Insurer notice of an **occurrence**, offense or **claim** and that failure is solely due to the **Named Insured's** reasonable belief that the **bodily injury** or **property damage** is not covered under this **Coverage Part**. However, the **Named Insured** shall give written notice of such **occurrence**, offense or **claim** to the Insurer as soon as the **Named Insured** is aware that this insurance may apply to such **occurrence**, offense or **claim**.

5. BROAD NAMED INSURED

WHO IS AN INSURED is amended to delete its Paragraph 3. in its entirety and replace it with the following:

3. Pursuant to the limitations described in Paragraph 4. below, any organization in which a **Named Insured** has management control:
 - a. on the effective date of this **Coverage Part**; or