



STANDARD AGREEMENT

(version 9-9-2019)

This AGREEMENT (“Agreement”) is entered by and between **Utilis, Inc.** (“Contractor”), located at **16885 West Bernardo Drive, Suite 305, San Diego, California 92130** and the **City of League City** (“City”), a home-rule municipality, located at 300 W. Walker St., League City, Texas 77573 on the date set forth below.

Terms:

1. **Scope of Services:** Contractor will perform the services and/or provide the products as set forth in **Exhibit A**, which is attached and incorporated herein, and which can be generally described as **Satellite Imagery Leak System Analysis and follow-up Acoustic Detection**. If there is a conflict between the terms of this Agreement and Exhibit A, the terms of this Agreement will prevail.
2. **Term and Termination:** This Agreement shall commence on **December 15, 2019** and shall expire on **September 30, 2020**. The period from commencement to expiration is the Contract Term. City reserves the right to terminate this Agreement for convenience upon seven (7) days written notice to Contractor. Upon such termination, City shall pay Contractor, at the rate set out in **Exhibit A**, for services satisfactorily performed or products satisfactorily provided up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, City will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor.
3. **Compensation:** Contractor shall be paid for the services/products as set forth in **Exhibit A**. In no event shall the total compensation exceed **\$187,000** during the term of this Agreement. City shall tender payment (including progress/partial payments) for services/goods only after such services are completed or goods are delivered and are deemed to be acceptable under this Agreement, in the sole reasonable discretion of City. Contractor must submit to City invoices for all goods delivered and services provided, which invoices must include details and dates of service or delivery. Payment by City shall be made within thirty (30) days of receipt of an invoice, except for any portion of the invoiced amount that City disapproves as not compliant under this Agreement, in the sole reasonable discretion of City. If City disapproves any amount submitted for payment by Contractor, City shall give Contractor specific reasons for disapproval in writing.
4. **Insurance:** Contractor **is** required during the Contract Term to maintain insurance as follows: (a) Comprehensive General Commercial Liability insurance covering bodily injury and property damage, with minimum coverage limits—exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate; (b) If Contractor will provide City “professional services,” as that term is used in Chapter 252 of the Texas Local Government Code, Professional Liability (errors and omissions/malpractice) insurance with minimum coverage limits—exclusive of defense costs—of \$2,000,000 per occurrence; and (c) If at any point during the Contract Term it is foreseeable that Contractor will enter upon City premises: (i) Worker’s Compensation coverage with statutory limits for the State of Texas, and (ii) Commercial Automobile Liability coverage with minimum coverage limits—exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name the City as Additional Insured. Contractor shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Contractor shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

5. **Liquidated Damages:** Contractor acknowledges that time is of the essence in performing this Agreement. City and Contractor (collectively, the “Parties”) agree that if Contractor is late in performing any obligation of this Agreement, City will suffer loss, damages, or other harm from Contractor’s delay. The Parties agree that the amount of loss, damages, or harm likely to be incurred is incapable or difficult to precisely estimate, and therefore Contractor agrees to pay City liquidated damages for delay at a daily rate equal to the total compensation allowed under the Agreement divided by the number of days in the Contract Term. The Parties further agree that: (i) the liquidated damages specified herein are not a penalty but rather bear a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable loss likely to be incurred by City as a result of Contractor’s delay; (ii) one of the reasons for City and Contractor to agree to such amounts is the uncertainty and cost of litigation regarding the question of actual damages; and (iii) City and Contractor are sophisticated business parties and negotiated this Agreement at arm’s length.
6. **Independent Contractor:** Contractor is an independent contractor and is not an employee, partner, joint venture, or agent of City. Contractor understands and agrees that he/she will not be entitled to any benefits generally available to City employees. Contractor shall be responsible for all expenses necessary to carry out the services under this Agreement and shall not be reimbursed by City for such expenses except as otherwise provided in this Agreement.
7. **Intellectual Property:** This Agreement shall be an Agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work (the “Work”) for hire under federal copyright law. Ownership of the Work shall belong to and remain the exclusive property of City. The Work may be edited at any time within City’s discretion. If the Work would not be considered a work-for-hire under applicable law, Contractor hereby assigns, transfers, and conveys any and all rights, title and interest to City, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the Work, City maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the Work in any form of medium, expression or technology now known or hereafter developed, at any time within City’s discretion. Contractor shall not sell, disclose or obtain any other compensation for the services provided herein or the Work. If the Work is one to which the provisions of 17 U.S.C. § 106A apply, Contractor hereby waives and appoints City to assert on Contractor's behalf Contractor's moral rights or any equivalent rights regarding the form or extent of any alteration to the Work (including, without limitation, removal or destruction) or the making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for City’s purposes.
8. **Confidentiality:** During the course of the services to be provided under this Agreement, Contractor may become privy to confidential information of City. Contractor agrees to treat as confidential the information or knowledge that becomes known to Contractor during performance of this Agreement and to not use, copy, or disclose such information to any third party unless authorized in writing by City. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. Contractor shall promptly notify City of any misuse or unauthorized disclosure of City’s confidential information and upon expiration of this Agreement shall return to City all confidential information in Contractor’s possession or control. Contractor shall further comply with all information security policies of City that may apply and shall not make any press releases, public statements or advertisement referring to the services provided under this Agreement or the engagement of Contractor without the prior written approval of City.
9. **Warranties and Representations:** Contractor warrants and agrees that Contractor shall perform its services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any service performed on premises owned or controlled by City, Contractor warrants and agrees that Contractor will perform said services in compliance with all City rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.

10. **Licenses/Certifications:** Contractor represents and warrants that it will obtain and maintain in effect, and pay the cost of, all licenses, permits or certifications that may be necessary for Contractor's performance of this Agreement. If Contractor is a business entity, Contractor warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its formation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Contractor.
11. **Performance/Qualifications:** Contractor agrees and represents that Contractor has the personnel, experience, and knowledge necessary to qualify Contractor for the particular duties to be performed under this Agreement. Contractor warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards.
12. **Conflict of Interest:** Contractor warrants, represents, and agrees that Contractor presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of the services hereunder. Contractor further warrants and affirms that no relationship or affiliation exists between Contractor and City that could be construed as a conflict of interest with regard to this Agreement.
13. **INDEMNIFICATION: CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY , AND EACH OF ITS OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES AND LIABILITIES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND REASONABLE LITIGATION COSTS, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT, TO THE EXTENT THE CLAIM ARISES FROM NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT OR VIOLATION OF LAW.**
14. **Force Majeure:** Neither City nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising solely from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by the exercise of due diligence.
15. **Notices:** Any notice given under this Agreement by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the Parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notices shall be deemed communicated three (3) days after mailing.
16. **Texas Family Code Child Support Certification:** Pursuant to Section 231.006 of the Texas Family Code, Contractor certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated, and payment may be withheld if this certification is inaccurate.
17. **State and/or City Auditor:** Contractor understands that acceptance of funds under the Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency or the

City's internal auditor (collectively, the "Auditor"), to conduct an audit or investigation in connection with those funds. Contractor agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Contractor will include this provision in all contracts with permitted subcontractors.

18. **Jurisdiction:** Any disputes under this Agreement shall be brought in a court of competent jurisdiction in Galveston, Texas and governed by Texas law.
19. **Alternative Dispute Resolution:** To the extent that Chapter 2260, Texas Government Code, is applicable to this Contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General Pursuant to Chapter 2260, shall be used by City and Contractor to attempt to resolve any claim for breach of contract made by Contractor that cannot be resolved in the ordinary course of business. The Director of Finance of City shall examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve such claims. This provision shall not be construed as a waiver by City of its right to seek redress in the courts.
20. **Entire Agreement:** This Agreement contains the entire understanding between the Parties and supersedes all prior agreements, arrangements, and understanding, oral or written between the Parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the Parties executed subsequent to this Agreement.
21. **Eligibility to Receive Payment:** Contractor certifies that, as a matter of state law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.
22. **Payment of Debt/Delinquency to State:** Contractor certifies that it is not indebted to the City of League City and is current on all taxes owed to the City of League City. Contractor agrees that any payments owing to Contractor under the Agreement may be applied directly toward any debt or delinquency that Contractor owes the City of League City regardless of when it arises, until such debt or delinquency is paid in full.
23. **Products and Materials Produced in Texas:** If Contractor will provide services under the Agreement, Contractor covenants and agrees that in performing its duties and obligations under the Agreement, it will purchase products and materials produced in Texas when such products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.
24. **Risk of Loss:** If applicable, all work performed by Contractor pursuant to the Agreement will be at Contractor's exclusive risk until final and complete acceptance of the work by City. In the case of any loss or damage to the work prior to City's acceptance, bearing such loss or damage will be Contractor's responsibility.
25. **Publicity:** Contractor shall not use City's name, logo or likeness in any press release, marketing materials or other public announcement without receiving City's prior written approval.
26. **Legal Construction/Severability:** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this Agreement are declared to be severable. The Parties may mutually agree to renegotiate the Agreement to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.
27. **Limitations:** The Parties are aware that there are constitutional and statutory limitations on the authority of City to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on City's property; disclaimers and limitations of warranties;

disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys' fees; dispute resolution; indemnities; and confidentiality (collectively, the "Limitations"). Any terms and conditions related to the Limitations will not be binding on City except to the extent authorized by the laws and Constitution of the State of Texas.

28. **Sovereign Immunity:** The Parties agree that neither the execution of the Agreement by City nor any other conduct, action or inaction of any City representative relating to the Agreement constitutes a waiver of sovereign immunity by City.
29. **Authority:** Contractor warrants and represents that Contractor has full power and authority to enter into and perform this Agreement and to make the grant of rights contained herein. The person signing on behalf of City represents that he/she has authority to sign this Agreement on behalf of City.
30. **Non-Waiver:** The Parties specifically agree that neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by Contractor. No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.
31. **Prohibition on Boycotting Israel:** Pursuant to Section 2270.002 of the Texas Government Code, by executing this Agreement Contractor verifies that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement.
32. **Prohibition Against Business with Iran, Sudan or Foreign Terrorists Organizations:** Contractor warrants, covenants, and represents that Contractor is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152 of the Texas Government Code.

(signature block on next page)

Executed on this _____ day of _____, _____. *(date to be filled in by City Secretary)*

UTILIS, INC. - "Contractor"

Elly Perets, CEO

CITY OF LEAGUE CITY – "City"

John Baumgartner, City Manager

Attest:

Diana Stapp, City Secretary

Approved as to Form:

Office of the City Attorney

Exhibit A

Scope of Services/Description of Products/Payment Schedule

(There are **12** pages for Exhibit A, including this page)

See Next Page



Utilis Satellite Imagery Leak System Analysis for City of League City, TX



Proposal & Scope of Work

Prepared by: Gadi Kovarsky

Director for national Accounts, Utilis Inc.

16885 West Bernardo Drive Suite 305 San Diego, California 92127

November 12, 2019



Utilis developed a unique and patented technology for leak detection in urban potable water networks, using airborne mounted sensors. The analysis is based on a primary algorithm that detects underground leaks through the analysis of micro spectral satellite imagery.

As a Sole Source Provide for this technology, competition is precluded by the existence of patent: ‘Utilis’ algorithm and process’ is patent US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION assigned to Utilis Israel Ltd. Utilis Inc. is 100% owned subsidiary of Utilis Inc.

The scope of work contained herein details the work product and deliverables Utilis will provide as well as the roles and responsibilities of both Utilis and League City Public Works (“**Client**”). In order to achieve best results and maximum value, Best Practices should be followed. A best practices program is part of this scope of work. A fee schedule and a work schedule are also part of this scope of work.

RECITALS

WHEREAS, Utilis has developed a commercial product/service that can identify leaking treated water pipelines using remote imaging technology.

WHEREAS, **Client** owns and/or manages water distribution pipelines in **AOI** (area of interest) and is interested in reducing Non-Revenue water losses.

WHEREAS, **Client** has GIS-based maps of the distribution system and has access to field leak inspection personnel to perform leaks pinpointing.

WHEREAS, **Client** desires to work with Utilis for the provision of leak detection services.

Therefore, to accomplish the purpose stated above, and in consideration of the mutual statements below, Utilis and **Client**, agree as follows:

SCOPE OF WORK

In order to meet the objectives listed above, Utilis’ deliverables under this scope of work shall be a graphic and data driven report of suspected leak areas. The satellite identified targets are developed using Utilis’ standard techniques of data collection and analysis. Raw microwave satellite images are received as the input, after which the Utilis team applies a propriety mathematical algorithm that prepares the data for analysis. The corrected microwave image is then analyzed, with treated water leaks identified. Normalized data is presented graphically with findings displayed on a GIS web-based application. A search area buffer zone radius around the target will be calculated. Target zone buffers are calculated specifically according to physical properties of the analyzed area and technical components of the airborne sensors. The suspected leak target area will be displayed in a password protected report.



Utilis solution's main benefits:

- Cost effective, remote and accurate data to increase the efficiencies of traditional acoustic leak detection programs, with no capital expenditure or network setup. Fast and efficient, enabling work prioritization and quick response time.
- Data helps to identify background leaks that otherwise would go undetected for long periods of time, contributing to real NRW loss.
- Data helps to identify leaks in areas traditional acoustic leak detection programs may neglect to survey.

ROLES, RESPONSIBILITIES AND DELIVERABLES

Utilis

Utilis' role is to provide leakage reports using a propriety satellite imaging program to identify leaks in **Client's** water system. Utilis will identify a primary contact person for technical and administrative purposes.

Utilis' responsibilities include:

- Acquiring and analyzing satellite image.
- Preparing a GIS-based leakage report.
- Providing Best Practices field inspection protocols.

Utilis' deliverables include:

- **GIS Output:** GIS layer of the suspected leaks. The suspected leak area size represents the search buffer, provided in SHP and KML files. This can be imported into a GIS and overlaid on a map showing, streets, pipes, hydrants, valves, and suspected leak information.
- **U-Collect Online Dashboard:** A personalized link to the U-Collect data for following, the project/service progress in real time and calculations of KPI's. The term of this license is three (3) months past the date of the last delivery.
- **U-View, U-Collect Licenses:** one (1) license for each of the following: U-View, U-Collect. The term of this license is three (3) months past the date of the last delivery. Additional licenses can only be purchased in multiples of 3-months.
- **Leak Sheets:** A set of maps in PDF digital printable format showing details of each suspected leak (Example: Appendix A).
- **Data Form:** An excel spreadsheet showing the data on leaks for easy sorting and data tracking.
- **Field Support:** A Utilis field engineer will be available for onsite field support to help integrate data delivered into field team protocol. The Utilis field engineer is not responsible for acoustic leak detection or pinpointing of leaks



Client

Client is responsible for providing baseline system data, work order history and an acoustic leak detection team to inspect POI (point of interests) identified by Utilis. **Client** shall identify a primary contact person for technical, administrative and field inspection coordination. Utilis agrees to use the information described below only for client's specific project and to not share the information with any other third party.

Client's responsibilities include:

- **Pipe System Information:** Before image acquisition, the client will provide Utilis with a detailed and accurate GIS pipe system layer. Utilis will use this layer to detect suspected leak locations. The GIS layer should include pipe material, length of pipeline to be analyzed, hydrants, valves, and any other detailed information available.
- **Leak Detection History (Work Order):** The client will provide Utilis with a detailed and accurate history of leak findings and repairs after the date the satellite image was acquired and before the field verification efforts begin with the Utilis representative.
- **Acoustic Leak Detection Team:** The client will provide Utilis with a dedicated field verification team for acoustic surveying. Unless agreed otherwise by both parties, the acoustic team will be separated from the client's day to day schedule and tasks, and will operate Utilis oriented field pinpointing only, according to Utilis best practices and guidance.
- **Leak Detection Performance Metrics:** The client will provide Utilis with available performance metric data related to currently utilized leak detection methodologies. This information will be used to calculate value proposition of the service.

BEST PRACTICES

The flowing detailing listing of Best Practices is the standard by which the Utilis program is based. These practices should be followed unless there are extenuating circumstances that require a modification to ensure a representative result on leaks found metrics. Pursuant to the Utilis standard Best Practices approximately 50 listening points are accessed per point of interest (POI) inspected. This is virtually all available points, which maximizes leaks found. When listening points are limited due to indoor meter locations, covered appurtenances such as curb stops, or are difficult to access physical status or crew time constraints, a modification of the leak finding best practices may be advisable. This modification may take the form of instituting a pre-location program whereby crews are deployed to locate, mark and ensure access to all listening points available. Additionally, the modification may take the form of limiting the number of listening points accessed and focusing on covering more linear miles of pipe. A recommendation on the most appropriate best practices program to follow will be based on the specific aspects of the system.



In order to achieve the best results, the following standards must be adhered to; these include, achieving the highest true positive rate, uncovering the most leaks found, maximizing the total number locations inspected, employing a comprehensive inspection protocol, all combine to constitute a set of best practices which should be followed. These include the following steps.

1. The acoustic leak detection team must be proficient with the use of the acoustic equipment. All inspection equipment must be in good working order, this necessitates that all equipment must be calibrated properly.
2. The acoustic leak detection team needs to be certified by Utilis on the methods for investigation to ensure maximum coverage throughout the buffer zone. The certification includes: 1-hour presentation about Utilis technology and data deliverables followed by 3 hours in the field, investigating Utilis Point of Interest while following Utilis best practices as described in this section.
3. Inspections should continue throughout the buffer zone even if a leak is found, this ensures that there are no other leaks in the area.
4. Field work should take place as close in time to the satellite imagery acquisition and leakage report delivery.
5. The field work should start after comparing Utilis POI with work order (WO) data to identify where leaks have been located and repaired.
6. The boots on the ground (BOTG) leak inspection crews must inspect every potential listening point including all valves, hydrants, private connections and meter boxes. These must be inspected within and just outside of the buffer zone to ensure all target zones are adequately covered.
7. If an investigation is not conclusive consider returning at another time when conditions are better suited for inspection.
8. PVC pipe is more difficult to detect leaks using acoustic methods than is metal pipe. More care must be taken when inspecting known PVC. Use of ground mics is recommended.
9. Document all findings with field notes and images, whether a leak is detected (including distance from target), the site is unverified, or the location is quiet.
10. For the purposes of a Utilis Satellite Leak detection program, the acoustic leak detection team will utilize acoustic listening and correlation equipment to ascertain that a site contains an acoustic leak signature or digital correlation profile that matches the signature/profile typical of water escaping from a water network. In addition, leaks may be verified by visually locating leaks surfacing or occurring in subsurface structures (ie meter boxes). For the purposes of the program leaks may be located on transmission and distribution mains or their related appurtenances, hydrant laterals, meters, hydrants, valves, and service laterals including both utility and residential sides. Excavation of leak locations to perform final verification of leaks is the responsibility of the Client.



WORK PROCESS TIMELINE

Subsequent to contract signature, Utilis will acquire satellite image. Utilis must have contract signature at least 20 days prior to satellite coverage date in order to order image. The date of the acquisition is subjected to technical and operational constraints of third-party satellite operation companies and may change.

Before image acquisition, the client will provide Utilis with an area of interest (AOI). Unless agreed otherwise by the parties, the AOI is a designated geographical area within the client provided service area.

In the period of time prior to the image acquisition, the client is required to provide Utilis with a GIS layer of all available treated water lines in the AOI to be analyzed. If available, provide hydrant and valves layer for the AOI.

Unless agreed otherwise by the parties, Utilis will provide its services only in the AOI overlapping with the client's provided GIS pipe system layer.

After acquiring the image and receiving the GIS pipe layers from the client, Utilis labs will prepare the full analysis and deliver the leakage report. This is approximately 30 days from the satellite coverage date (pending a quality image was taken).

Leak field inspection work can begin after the leakage report have been delivered, on an agreeable date between the parties.

Field inspection work should not begin until after Utilis has provided guidance and interpretation of the leakage report.

Unless agreed otherwise by the parties, field work with Utilis field engineer will be conducted only within the borders of the AOI and only proximate to client's pipe system.

CLIENT PROJECT SPECIFICS

During this stage, Utilis will survey the following area of interest* (figure 1.1) and up to 600 miles of main lines and service lines.

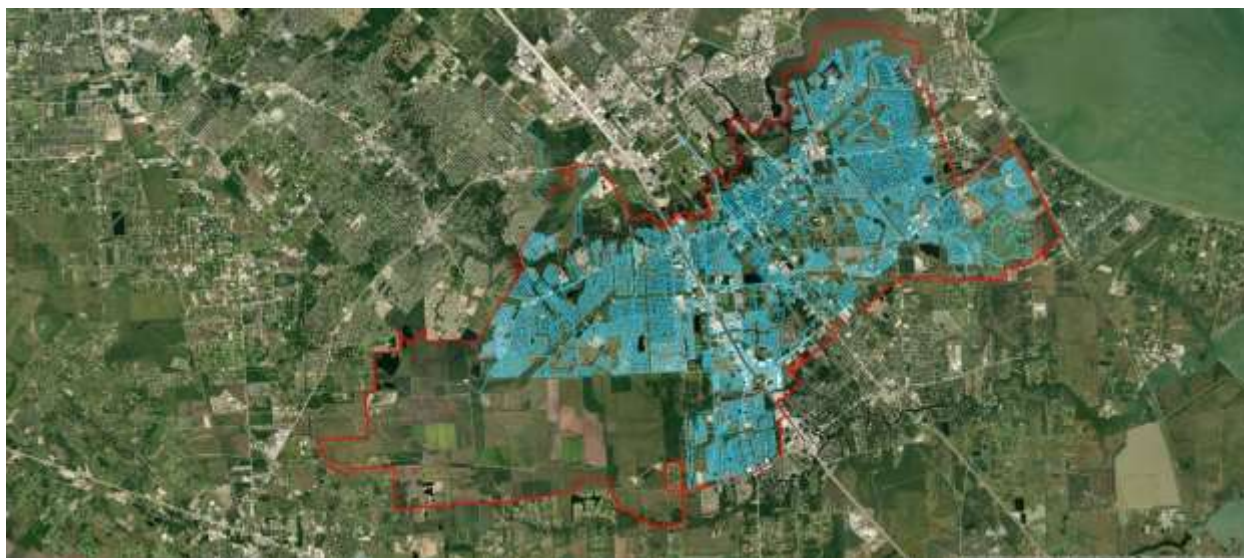


Figure 1.1: League City Area of Interest

Once Utilis receives the full GIS pipe system information, the pipe and total miles analyzed per delivery will be identified.



PRICING

Utilis offers its solution within key areas of interest for League City water distribution systems.

Total cost for Utilis data: \$155,000

Total cost for 20 days acoustic leak field survey: \$32,000

Satellite Leak Detection Pricing for four deliveries				
Delivery number	1	2	3	4
Estimated Delivery timeline	December 19'	January 20'	April 20'	May 20'
Miles of pipes analyzed	~600	~600	~600	~600
Utilis delivery package (GIS layer, leaks sheets, data form)	\$30,000	\$30,000	\$30,000	\$30,000
U-Collect, U-View licenses	included	included	included	included
Data client territory setup: <ul style="list-style-type: none"> Utilis GIS files set up Dashboard, U-Collect & U-View licenses and applications set-up 	\$35,000	Included	Included	Included
Kick-off meeting	included	included	included	included
Team certification & Utilis 4 days onsite, field survey (*)	included	included	included	included
Acoustic leak detection filed survey and pinpointing crew (*)	\$1,600 per day / \$32,000 for 20 days			

PROPOSED SCHEDULE (Dec 15th, 2019 – Aug 30th, 2020)

Step	Description	Date
1	Client Database Territory Setup	Dec 15 th 2019
2	Image 1 Acquisition	Dec 30 th 2019
3	First Analysis Delivery	January 15 th 2020
4	Image 2 Acquisition	January 30 th 2020
5	Second Analysis Delivery	Feb 15 th 2020
6	I Acoustic Field Survey – 10 days	Feb 18 th 2020
7	Image 3 Acquisition	April 15 th 2020
8	Third Analysis Delivery	April 30 th 2020
9	Image 4 Acquisition	May 15 th 2020



10	Fourth Analysis Delivery	May 30 th 2020
11	II Acoustic Field Survey – 10 days	June 1 st 2020
12	Final Cost/ Benefit analysis report	Aug 30 th 2020

PAYMENT SCHEDULE (Estimated)

Payment	Description	Schedule
\$35,000	Client Database Territory Setup	Dec 15 th 2019
\$30,000	First Analysis Delivery	January 15 th 2020
\$30,000	Second Analysis Delivery	Feb 15 th 2020
\$16,000	Acoustic Field Survey – 10 days	Feb 28 th 2020
\$30,000	Third Analysis Delivery	April 30 th 2020
\$30,000	Fourth Analysis Delivery	May 30 th 2020
\$16,000	Acoustic Field Survey – 10 days	June 1 st 2020

- Payment is due thirty days after invoicing date (NET30)
- Payment for acoustic leak detection work will be invoiced 14 days before work starting date.

*All travel expenses of Utilis field engineer and acoustic leak detection team are included in the total price.



Terms

This proposal is subject to the following terms and conditions:

-Limited Warranty. Utilis warrants to customer that it has the full authority to bestow the rights granted herein. The services covered by this proposal are provided on an "AS IS" basis. Except for the above express warranty, Utilis makes no other warranties, express or implied, relating to the services covered by this proposal. Utilis does not represent or warrant that the services covered by this proposal be uninterrupted or error-free. Utilis disclaims and excludes any implied warranties of non-infringement, merchantability and/or fitness for a particular purpose.

- Exclusion of Consequential Damages. Utilis shall not be liable toward customer, or any other third party for any direct, indirect, special or consequential damages, including, without limitation, any damage or injury to business earnings, loss of data, lost profits or goodwill and/or personal injury, suffered by any person arising from and/or related with and/or connected to the services covered by this proposal, whether based on a claim or action of contract, tort, or otherwise, even if Utilis is advised of or should have been aware of the possibility of such damages.
- Limitation of Liability. In the event that, notwithstanding the terms above, Utilis is found liable for damages of any kind based on any theory of liability (including liability for negligence) connected and/or related to the services covered by this Agreement, Utilis' total liability for such damages shall not exceed the payments made by client to Utilis for the Services that gave rise to the action or claim.
- U-collect and U-view License. Without derogating from the above, the terms of use and privacy policy applicable to the U-collect and U-view licenses granted to you as part of the Service shall be as detailed in <https://www.giscloud.com/terms-of-use/>. *The number of licenses of secured online/offline GIS data map viewer for displaying the delivery data on a map must be set in advance. The viewer is accessible by desktop web browser or mobile application (iOS or Android). The license will be automatically expired 90 days after the last scheduled delivery.*

Acceptance

League City Public Works

Utilis Inc./Ltd.

By: _____

By: _____

Name: _____

Name: *Elly Perets* _____

Title: _____

Title: CEO _____

Date: _____

Date: _____



Appendix A: Sample of Deliveries (from left to right): Leak Sheet, U-View, U-Collect, and U-Collect online dashboard

