

January 7, 2013

**Subject: REQUEST FOR QUOTATION
DESIGN AND INSTALLATION OF CATHODIC PROTECTION
RECTIFIER AND ANODE BED**

Greenville Utilities (GUC) requests a quotation for services to perform any and all tasks, as further described herein, necessary to successfully determine the location, design, and perform installation of a cathodic protection rectifier and anode bed to replace GUC's existing 'Airport' rectifier system. Contractor shall supply all equipment, labor and materials necessary to conduct soil resistivity readings and evaluation, site selection, construction, installation and startup of the rectifier and anode bed. GUC will provide the electric service, meter base, breaker panel, and pole to supply power to the rectifier. Contractor shall provide a written report including soil resistivity readings of all locations tested, site plan drawings, and manuals for equipment selected.

Quotations will be received until Friday, January 25, 2013, 4:00 PM EDST.

Contractor will submit their quotation price for this work as indicated in the Contractor's Bid (page 2) for all items included plus incidentals as shown on the form supplied herein. Quotations can be mailed or delivered to Mr. John Daughton, Gas Systems Supervisor, P. O. box 1847, 801 Mumford Road, Greenville, NC 27835-1847 or faxed to 252-551-3303.

Schedule:

Milestone:

1. Evaluation of Locations
2. Construction of Rectifier

Timeframe:

- 30 Days from Notice to Proceed
60 Days from Site/Design Approval

**CONTRACTOR'S BID
FOR
EVALUATION AND INSTALLATION
OF CATHODIC PROTECTION RECTIFIER AND ANODE BED**

<u>No.</u>	<u>Qty</u>	<u>Unit</u>	<u>Description</u>	<u>Total</u>
1.	3	EA	Evaluation of Locations	_____
2.	1	LS	Materials	_____
3.	1	LS	Labor	_____
Total				_____

Submitted on _____, 2013

FIRM _____

BY _____

TITLE _____

CORPORATE SEAL:

Note: Greenville Utilities Commission reserves the right to reject any or all bids.

**GREENVILLE UTILITIES COMMISSION
EVALUATION AND INSTALLATION
OF CATHODIC PROTECTION RECTIFIER AND ANODE BED**

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**GREENVILLE UTILITIES COMMISSION
EVALUATION AND INSTALLATION
OF CATHODIC PROTECTION RECTIFIER AND ANODE BED**

SPECIFICATIONS

1.0 General

This section contains the specifications for the evaluation and installation of a cathodic protection rectifier and anode bed to protect the wrapped steel pipe currently being protected by Greenville Utilities' existing 'Airport' cathodic protection rectifier. All work on the natural gas system shall be in accordance with all applicable sections of Title 49 of the Code of Federal Regulations, Chapter I, Part 192, "Transportation of natural and other gas by pipeline: minimum Federal safety standards". Should there appear to be a conflict between these specifications and Part 192, the Federal standards shall take precedence and the conflict shall be brought to the attention of GUC (Owner).

1.1 Miles of Mains and Services

The length in miles per pipe size that will be protected by the new rectifier and anode bed is shown in the table below.

LENGTH (Miles)	PIPE SIZE & TYPE
0.7	¾" Service
2.2	¾" Main
0.1	1" Main
10.4	2" Main
3.2	4" Main
2.7	6" Main
6.9	8" Main
25.4	Total Miles of Main

Existing Airport Rectifier Average Voltage and Current Flow

50-55 Volts and 7-9 Amps

1.2 Inspection

Owner shall have the authority to visually inspect all connections made for anode and rectifier during and after completion of the connection(s). Should the quality of any of the inspected connections be questionable, Owner shall have the right to direct

the Contractor to cut and reconnect the connection at no additional cost to the Owner.

2.0 Schedule

Milestone:	Timeframe:
1. Evaluation of Locations	30 Days from Notice to Proceed
2. Construction of Rectifier	60 Days from Site/Design Approval

3.0 Safety

The Contractor shall take all possible measures necessary to protect all personnel and the general public in and around work areas and conform to all Federal and GUC regulations concerning safety and natural gas system operation. When working on NCDOT or City of Greenville Right-of-Way, Contractor shall adhere to all NCDOT and City requirements and conform to the latest edition of the Manual of Uniform Traffic Control Devices.

4.0 Operator Qualification

CONTRACTORS are required to provide a current copy of the Company's Operator Qualification (OQ) Plan for natural gas distribution and facility work prior to award of the Contract. Copies of all employee OQ qualifications shall be provided to the GUC prior to beginning the work. The OQ written plan and employee records shall be in accordance with Title 49 of the Code of Federal Regulations, Chapter I, Part 192 (49 CFR 192), Subtitle N, "Qualification of Pipeline Personnel." Qualification documentation shall be provided for all new employees prior to performing work on the GUC's natural gas system.

GUC may, at its discretion, accept the provisions of a CONTRACTOR's Plan. CONTRACTORS shall make available, upon request, written records of their employee's qualifications. At a minimum these records shall include:

- Identification of qualified individual(s)
- Identification of covered task(s) each individual is qualified to perform
- Date that current qualification was received
- Method of evaluation used to obtain qualification
- Name of individual or organization for each covered task
- Training program outlines and materials
- List of non-qualified individuals that will be performing tasks on behalf of the GUC while under the direction of a contract qualified individual.

5.0 Drug Testing

Any and all employees of the CONTRACTOR who will be involved with the installation of the natural gas facility construction and maintenance operations required by this contract shall be required to participate in an anti-drug/drug testing program. This program shall be administered in accordance with Title 49 of the Code of Federal Regulations, Chapter I, Part 199 (49 CFR 199), "Drug Testing," and Subtitle A, Part 40, "Procedures for Transportation workplace Drug Testing Programs." The program must have been in force for no less than 12 months and the CONTRACTOR must show proof of enforcement to the Owner.

The CONTRACTOR shall furnish the GUC with documentation of participation in a qualified drug-testing program. Prior to the performance of any fusion, welding and/or tie-in operations, a negative (no evidence of drug use) test must be documented for all employees who will be involved with these operations.

6.0 Payment/Contract Terms and Conditions

PAYMENT

As indicated in the Contractor's Bid, all Unit Prices will be provided on a lump sum basis as follows:

1. Evaluation of Locations: bid includes all labor, materials, and incidentals required to provide a brief written synopsis of the selected site's suitability for the proposed cathodic protection rectifier facility. Evaluation must include any design alternatives considered and proper justification, including all test results, used to determine the final recommendation. Soil resistivity test results must be provided to the Owner as soon as possible after analysis and utilized in the final Evaluation. Evaluation must also include recommendations for materials, including appropriate site plan drawings, material drawings, and equipment manuals, to be used for construction of the Rectifier facility. Contractor shall recommend final rectifier design. Up to three (3) locations shall be evaluated. The site locations are as follows:

1. Owner: City of Greenville
Physical Address: 0 W Arlington Boulevard
Owner Address: PO Box 7207, Greenville, NC 27835
OPIS Parcel #02324
Prior Legal Description: 1110 Arlington Blvd
Current Owner Deed/Document: N/A

2. Owner: City of Greenville
Physical Address: 1200 W Arlington Boulevard
Owner Address: PO Box 7207, Greenville, NC 27835
OPIS Parcel #05859
Prior Legal Description: B-16 Hillsdale S/D
Current Owner Deed/Document: N/A

3. Owner: City of Greenville
Physical Address: 400 Nash Street
Owner Address: PO Box 7207, Greenville, NC 27835
OPIS Parcel #28959
Prior Legal Description: Eppes Gym
Current Owner Deed/Document: H44 522

The sites listed above are prioritized based upon preferred location. If site 1 listed above is suitable for rectifier installation, testing may not be required for sites 2 and 3. Refer to attached Vicinity Maps for locations.

2. Materials: bid includes all materials, including incidentals, required for complete installation and commissioning of the Cathodic Protection Rectifier facility. Materials shall be provided in accordance with the Evaluation of Locations and include sufficient quantity to allow proper connection to the GUC distribution system. All materials shall conform to GUC, State, and Federal requirements.

3. Labor for Installation: bid includes all labor required to fully install a Cathodic Protection Rectifier facility, including all wiring/electrical work required for startup and connection to the electrical service to be provided by Owner. All labor shall conform to GUC, State, Federal, City of Greenville, and NCDOT requirements.

TAXES

No taxes shall be included in any bid prices. GUC is exempt from Federal Excise Tax. GUC is not exempt from North Carolina state sales and use tax or, if applicable, Pitt County sales and use tax. Such taxes shall be shown by Provider as a separate item on the invoice.

INVOICES

It is understood and agreed that all services/orders are at the established contract prices. Invoicing at variance with this provision may subject the contract to cancellation. Applicable North Carolina sales taxes shall be invoiced as a separate line item. All invoices must bear the GUC purchase order number and be mailed to Greenville Utilities Commission, Finance Department, P.O. Box 1847, Greenville, NC 27835-1847.

PAYMENT TERMS

Payments for equipment, materials, supplies or services will be made in U.S. currency only after the receipt and acceptance of the apparatus, supplies, materials, equipment or services and after submission of a proper invoice. GUC will not be responsible for any goods delivered or services rendered without a purchase order having been issued. GUC's normal payment policy is thirty (30) days.

AWARD OF CONTRACT

As directed by State statute, qualified bids will be evaluated and acceptance made of the lowest responsible, responsive bid most advantageous to GUC as determined upon consideration of such factors as prices offered, the quality of the article(s) offered, the general reputation and performance capabilities of Provider, substantial conformity with the specifications and other conditions set forth in the bid, the suitability of the article(s) for the intended use, the related services needed, the date(s) of delivery and performance, and such other factors deemed by GUC to be pertinent or peculiar to the purchase in question.

MEDIATION/BINDING ARBITRATION

In the event of any dispute between the Parties, the Parties agree to submit any dispute to non-binding mediation before a mutually agreeable Mediator prior to initiating litigation. If the Parties are unable to agree upon a Mediator within thirty (30) days after demand therefore, either Party may petition a Court of competent jurisdiction for the designation of a qualified Mediator for these purposes. Each Party shall bear its own costs and expenses of participating in the mediation (including, without limitation, reasonable attorneys' fees), and each Party shall bear one-half (1/2) of the costs and expenses of the Mediator. Unless otherwise agreed, the Parties will hold the mediation in Greenville, North Carolina. The matters discussed or revealed in the mediation session shall not be disclosed in any subsequent litigation.

In the event the matter is not resolved in mediation, either Party may request arbitration. The parties shall jointly select an Arbitrator, and shall be bound by the decision of the Arbitrator with respect to any dispute between the parties with respect to this Agreement. If the parties are unable to mutually agree upon an Arbitrator, the Parties shall each select an Arbitrator, and the two Arbitrators so selected shall select a third Arbitrator, and the decision of the majority of the Arbitrators shall be conclusive and binding upon the Parties. The Parties at all times agree to equally split the costs of any Arbitrator(s) selected in an effort to resolve the dispute between the Parties. Any party desiring to resolve a dispute under the terms of this Agreement shall notify the other Party in writing, and the Parties shall seek to agree upon a mutually agreed-upon

Arbitrator within a period of ten (10) days from the date of such written demand. If the Parties are unable to agree within such ten (10) day period, the Parties shall each select an Arbitrator, and the two (2) Arbitrators so selected shall select a third Arbitrator within fifteen (15) days from the date of the written demand for arbitration, and a decision shall be rendered by the Arbitrator(s) so selected within five (5) days after such Arbitrator(s) is selected.

GOVERNMENT RESTRICTIONS

In the event any governmental restrictions may be imposed which would necessitate alteration of the materials, quality, workmanship, or performance of the items offered on this bid prior to their delivery, it shall be the responsibility of the successful Provider to notify GUC at once, indicating in its letter the specific regulation which required such alterations. GUC reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or, in the sole to discretion of GUC, to cancel the contract.

INSURANCE

Coverage: During the term of the contract, Provider, at its sole cost and expense, shall provide commercial insurance of such type and with the following coverage and limits:

Workers' Compensation: Provider shall provide and maintain Workers' Compensation insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$1,000,000.00 each accident, covering all Provider's employees who are engaged in any work under the contract. If any work is sublet, Provider shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the contract.

General Liability: Commercial Liability Coverage written on an "occurrence" basis in the minimum amount of \$1,000,000.00 per occurrence.

Automobile: Automobile Liability Insurance, to include coverage for all owned, hired, and non-owned vehicles used in connection with the contract with a minimum combined single limit of \$1,000,000.00 per accident.

Requirements: Providing and maintaining adequate insurance coverage is a material obligation of Provider. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized to do business in North Carolina by the Commissioner of

Insurance. Provider shall at all times comply with the terms of such insurance policies and all requirements of the insurer under any of such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by Provider shall not be interpreted as limiting Provider's liability and obligations under the contract. It is agreed that the coverage as stated shall not be canceled or changed until thirty (30) days after written notice of such termination or alteration has been sent by registered mail to GUC.

ASSIGNMENT

No assignment of Provider's obligations or Provider's right to receive payment hereunder shall be permitted without the express written consent of GUC, which shall not be unreasonably withheld; provided, however, upon written request approved by GUC, solely as a convenience to Provider, GUC may:

- a. Forward Provider's payment check directly to any person or entity designated by Provider; and
- b. Include any person or entity designated by Provider as a joint payee on Provider's payment check.
- c. In no event shall such approval and action obligate GUC to anyone other than Provider, and Provider shall remain responsible for fulfillment of all contract obligations.

ACCESS TO PERSON AND RECORDS

GUC shall have reasonable access to persons and records of Provider pertaining to this order.

INSPECTION AT BIDDER'S SITE

On reasonable written notice, GUC reserves the right to inspect, at a reasonable time, the item, plant, or other facilities of a prospective Provider prior to contract award and during the contract term, as necessary for GUC's determination that such item, plant, or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the contract. Provider may limit GUC's access to restricted areas.

AVAILABILITY OF FUNDS:

Any and all payments of compensation of this specific transaction, and any continuation or any renewal or extension, are dependent upon and subject to the allocation of GUC funds for the purpose set forth in this Agreement.

GOVERNING LAWS; SITUS

The place of all contracts, transactions, agreements, their situs and forum,

shall be North Carolina, where all matters, whether in contract or tort, relating to the validity, construction, interpretation, and enforcement of this contract shall be determined and construed.

ADMINISTRATIVE CODE

Bids, proposals, and awards are subject to applicable provisions of the North Carolina Administrative Code.

EXECUTION

In the discretion of GUC, failure of a duly authorized official of Provider to sign the Signatory Page may render the bid invalid.

TERMINATION OF AGREEMENT

GUC or Provider may terminate this Agreement for just cause at any time. Provider will be paid for all time and expenses incurred as of the termination date. Parties shall have thirty (30) days after signed and acknowledged receipt of said letter to commence cure prior to terminating for just cause. Just cause shall be based on reasonable grounds, and there must be a fair and honest cause or reason for such action. The causes for termination include, but are not limited to: (1) Provider's persistent failure to perform in accordance with the material provisions of these Terms and Conditions; (2) Provider's disregard of laws and regulations related to this transaction; and/or (3) Provider's substantial violation of the provisions of the Terms and Conditions.

AFFIRMATIVE ACTION; NONDISCRIMINATION

Provider will take affirmative action in complying with all federal and state requirements concerning fair employment and employment of the handicapped and concerning the treatment of all employees, without discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

INDEMNITY PROVISION

Provider agrees to indemnify and save GREENVILLE UTILITIES COMMISSION of the City of Greenville, Pitt County, North Carolina, and the City of Greenville, North Carolina, its co-owners, joint venturers, agents, employees, and insurance carriers harmless from any and all Third Party claims, actions, costs, expenses, including reasonable attorney fees, judgments, or other damages resulting from injury to any person (including injury resulting in death), or damage (including loss or destruction) to third party tangible property arising out of the negligent performance of the terms of this Contract by Provider; including, but not limited to, Provider's employees, agents, subcontractors, and others designated by Provider to perform work or services in, about, or attendant to, the work and services under the terms of this Contract. Provider shall not be held responsible for any losses, expenses, claims, subrogations,

actions, costs, judgments, or other damages, directly and proximately caused by the negligence of Greenville Utilities Commission of the City of Greenville, Pitt County, North Carolina. Insurance covering this indemnity agreement by Provider in favor of Greenville Utilities Commission of the City of Greenville, Pitt County, North Carolina, and the City of Greenville, North Carolina, shall be provided by Provider.

FORCE MAJEURE

Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of such party. In any such event of force majeure, the parties shall advise each other of such event, and the parties shall negotiate an equitable adjustment to their respective obligations under the Agreement.

WARRANTY(IES), Limited Warranty

(a) Limited Product Warranty Statements: For each Product purchased from Provider or an authorized reseller, Provider makes the following limited warranties: (i) the Product is free from defects in material and workmanship; (ii) the Product materially conforms to Provider's specifications that are attached to, or expressly incorporated by reference into, these terms; (iii) at the time of delivery, Provider has title to the Product free and clear of liens and encumbrances; and (iv) for professional services performed by Provider hereunder, Provider warrants the services will be performed in accordance with generally accepted professional standards (collectively, the "Limited Warranties"). The Limited Warranties set forth herein does not apply to any software furnished by Provider. If software is furnished by Provider, then the attached Software License Addendum shall apply.

(b) Conditions to the Limited Warranties: The Limited Warranties are conditioned on: (i) GUC storing, installing, operating, and maintaining the Product in accordance with Provider's instructions; (ii) no repairs, modifications, or alterations being made to the product other than by Provider or its authorized representatives; (iii) using the Product within any conditions or in compliance with any parameters set forth in specifications that are attached to, or expressly incorporated by reference into, these terms; (iv) GUC discontinuing use of the Product after it has, or should have had, knowledge of any defect in the Product; (v) GUC providing prompt written notice of any warranty claims within the warranty period described below; (vi) at Provider's discretion, GUC either removing and shipping the Product or non-conforming part thereof to Provider, at GUC's expense, or GUC granting Provider access to the Products at all reasonable times and locations to assess the warranty claims; and (vii) GUC not being in default of any payment obligation to Provider under

these terms.

(c) Exclusions from Limited Warranty Coverage: The Limited Warranties specifically exclude any equipment comprising part of the Product that is not manufactured by Provider or not bearing its nameplate. To the extent permitted, Provider hereby assigns any warranties made to Provider for such equipment. Provider shall have no liability to GUC under any legal theory for such equipment or any related assignment of warranties. Additionally, any Product that is described as being experimental, developmental, prototype, or pilot is specifically excluded from the Limited Warranties and provided to GUC "as is" with no warranties of any kind. Also excluded from the Limited Warranties are normal wear and tear items including any expendable items that comprise part of the Product, such as fuses, light bulbs, and lamps.

(d) Limited Warranty Period: GUC shall have twelve (12) months from initial operation of the Product, or eighteen (18) months from shipment, whichever occurs first (or in the case of services, twelve (12) months from the completion of services), to provide Provider with prompt, written notice of any claims of breach of the Limited Warranties. Continued use or possession of the Product after expiration of the warranty period shall be conclusive evidence that the Limited Warranties have been fulfilled to the full satisfaction of GUC, unless GUC has previously provided Provider with notice of a breach of the Limited Warranties.

(e) Remedies for Breach of Limited Warranty: GUC's sole and exclusive remedies for any breach of the Limited Warranties are limited to Provider's choice of repair or replacement of the Product, or non-conforming parts thereof, re-performance of the services, or refund of all or part of the purchase price. The warranty on repaired or replaced parts of the Product or re-performed services shall be for twelve (12) months from repair or replacement. However, the warranty period for repair and replacement of Product shall not exceed one (1) year from expiration of the Original Warranty. Unless otherwise agreed to in writing by Provider: (i) GUC shall be responsible for any labor required to gain access to the Product so that Provider can assess the available remedies; and (ii) GUC will be responsible for providing Provider with working access to the Products, including the removal, disassembly, replacement, or reinstallation of any equipment, materials, or structures to the extent necessary to permit Provider to perform its warranty obligations, or transportation costs to and from the Provider factory or repair facility, or for damage to equipment components or parts resulting in whole or in part from improper maintenance or operation or from their deteriorated condition. All exchanged Products replaced under this Limited Warranty will become the property of Provider.

(f) Transferability: The Limited Warranties shall be transferable during the warranty period to the initial end-user of the Product.

THE LIMITED WARRANTIES SET FORTH IN THIS SECTION ARE PROVIDER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITS OF LIABILITY SET FORTH BELOW. PROVIDER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.

INTEGRATED CONTRACT

These Terms and Conditions, Instructions to Bidders, Specifications, and the selected Provider's bid represents the entire contract between the Parties. No verbal or other written agreement(s) shall be held to vary the provisions of this Agreement.

CONTRACT PROVISIONS:

Each of the provisions of these Terms and Conditions shall apply to the full extent permitted by law, and the invalidity in whole or in part of any provision shall not affect the remainder of such provision or any other provisions.

7.0 Vicinity Maps

See pages 15 and 16. (See Attachment)