

Master Purchase Order

DO NOT INVOICE TO THIS ADDRESS		Master Purchase Order No. 0147A0113	
City & County of Denver		Date: April 11, 2013	Revision No.
Purchasing Division		Payment Terms	FOB Net 30
201 West Colfax Avenue, Dept. 304		Freight Terms	DESTINATION
Denver, CO 80202		Ship Via	Delivery/ Best way
United States		Buyer:	Michael Romero
Phone: 720-913-8100 Fax: 720-913-8101		Phone:	720-913-8122

Vendor: Hydraulic Energy Products Phone: 303-333-7442 Fax: 303-333-5008

Motion and Flow Control Products, Inc.
 dba Hydraulic Energy Products
 6800 Stapleton Drive South
 Denver, Colorado
 80216
 Attn: Steve Westmoreland
TEISTEVEW@aol.com
 City Vendor ID: 0000091100

Ship To: Various City Agencies

Bill To: Accounts Payable
 201 West Colfax Department 908
 Denver, Colorado
 80202
 or
 As Specified By Agency

1. Goods/Services:

2. HEP dba Motion and Flow Control Products, Inc. a S-Corporation in the State of Delaware, (“Vendor”) shall provide the goods, and any services related thereto, identified and described on attached **Exhibit A**, to the City and County of Denver, a Colorado municipal corporation (the “City”), all in accordance with the terms and conditions of this Master Purchase Order(MPO).

3. Ordering:

The City shall purchase one or more of the goods/services by issuing a written purchase order(s) or similar appropriate written document (“Order”), each of which will be deemed incorporated into this Agreement for purposes of such Order only.

4. Pricing:

The pricing/rates for the goods/services is contained on **Exhibit A** and shall be held firm for the term of this Master Purchase Order.

5. Extension or Renewal:

The effective period of the annual contract or agreement resulting from this proposal shall be from Date of Signature to and including October 31, 2013. It is also a specific provision of this proposal that the City and the vendor may mutually agree to renew/ extend and continue this agreement for additional periods at the same prices, terms and conditions. However, the final renewal/extension (if applicable) may not surpass October 31, 2017.

6. Non-Exclusive:

This Master Purchase Order is **non-exclusive**. City does not guarantee any minimum purchase other than as provided herein.

7. Inspection and Acceptance:

City may inspect all goods/services prior to acceptance. Payment does not constitute acceptance. Vendor shall bear the cost of any inspection/testing that reveal goods/services that are defective or do not meet specifications. City’s failure to accept or reject goods/services shall not relieve Vendor from its responsibility for such goods/services that are defective or do not meet specifications nor impose liability on City for such goods/services. If any part of the goods/services are not acceptable to City, City may, in addition to any other rights it may have at law or in equity: (1) make a warranty claim; (2) repair and/or replace the goods or substitute other services at Vendor’s expense; or (3) reject and return the goods at Vendor’s cost and/or reject the services at Vendor’s expense for full credit. Any rejected goods/services are not to be replaced without written authorization from City, and any such replacement shall be on the same terms and conditions contained in this Master Purchase Order. Vendor shall perform all services in accordance with the standard of care exercised by highly competent vendors who perform like or similar services.

8. Shipping, Taxes and Other Credits and Charges:

All pricing is F.O.B. destination unless otherwise specified. Shipments must be marked with Vendor’s name, the Master Purchase Order number, and contain a delivery or packing slip. Vendor shall not impose any charges for boxing, crating, parcel post, insurance, handling, freight, express or other similar charges or fees. Vendor shall notify City in writing of any price decreases immediately, and City shall receive the benefit thereof on all unshipped items. Vendor shall comply with any additional delivery terms specified herein. Vendor shall be responsible for the cleanup and reporting of any contamination (environmental or otherwise) or spillage resulting from the delivery and/or unloading of goods within twenty-four (24) hours of the contamination or spillage or sooner if required by law. Vendor shall procure all permits and licenses; pay all charges, taxes and fees; and give all notices necessary and incidental to the fulfillment of this Master Purchase Order and all cost thereof have been included in the prices contained herein. City shall not be liable for the payment of taxes, late charges or penalties of any nature, except as required by D.R.M.C. § 20-107, et seq. The price of all goods/services shall reflect all applicable tax exemptions.

Line 8 Continued:

City's Federal Registration No. is 84-6000580 and its State Registration No. is 98-02890. Vendor shall pay all sales and use taxes levied by City on any tangible personal property built into the goods/services. Vendor shall obtain a Certificate of Exemption from the State of Colorado Department of Revenue prior to the purchase of any materials to be built into the goods/services and provide a copy of the Certificate to City prior to final payment.

9. Risk of Loss:

Vendor shall bear the risk of loss, injury or destruction of goods prior to delivery to City. Loss, injury or destruction shall not release Vendor from any obligation hereunder.

10. Invoice:

Each invoice shall include: (i) the Master Purchase Order number; (ii) individual itemization of the goods/services; (iii) per unit price, extended and totaled; (iv) quantity ordered, back ordered and shipped; (v) an invoice number and date; (vi) ordering department's name and "ship to" address; and (vii) agreed upon payment terms set forth herein.

11. Payment:

Payment shall be subject to City's Prompt Payment Ordinance D.R.M.C. § 20-107, et-seq. after City accepts the goods/services. Any other provision of this Agreement notwithstanding, in no event shall the City be liable for aggregate payments under this Master Purchase Order in excess of four hundred and fifty thousand dollars (\$450,000). The Vendor acknowledges that any goods/services provided beyond those specifically described in **Exhibit A** are performed at Contractor's risk and without authorization from the City. City's payment obligations hereunder, whether direct or contingent, shall extend only to funds appropriated by the Denver City Council for the purpose of this Master Purchase Order, encumbered by the City after receipt of Vendor's invoice and paid into the Treasury of City. Vendor acknowledges that: (i) City does not by this Master Purchase Order, irrevocably pledge present cash reserves for payments in future fiscal years; and (ii) this Master Purchase Order is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of City. City may setoff against any payments due to Vendor any claims and/or credits it may have against Vendor under this Master Purchase Order.

12. Amendments/Changes:

Only the Manager of General Services or his delegate is authorized to change or amend this Master Purchase Order by a formal written change order. Any change or amendment that would cause the aggregate payable under this Master Purchase Order to exceed the amount appropriated and encumbered for this Master Purchase Order is expressly prohibited and of no effect. Vendor shall verify that the amount appropriated and encumbered is sufficient to cover any increase in cost due to changes or amendments. Goods/services provided without such verification are provided at Vendor's risk. The Vendor has no authority to bind City on any contractual matters.

13. Warranty:

See **Exhibit B (0147A0112)**

14. Indemnification/Limitation of Liability:

Vendor shall indemnify and hold harmless City (including but not limited to its employees, elected and appointed officials, agents and representatives) against any and all losses (including without limitation, loss of use and costs of cover), liability, damage, claims, demands, actions and/or proceedings and all costs and expenses connected therewith (including without limitation attorneys' fees) that arise out of or relate to any claim of infringement of patent, trademark, copyright, trade secret or other intellectual property right related to this Master Purchase Order or that are caused by or the result of any act or omission of Vendor, its agents, suppliers, employees, or representatives. Vendor's obligation shall not apply to any liability or damages which result solely from the negligence of City. City shall not be liable for any consequential, incidental, indirect, special, reliance, or punitive damages or for any lost profits or revenues, regardless of the legal theory under which such liability is asserted. In no event shall City's aggregate liability exceed the agreed upon cost for those goods/services that have been accepted by City under this Master Purchase Order. Notwithstanding anything contained in this Master Purchase Order to the contrary, City in no way limits or waives the rights, immunities and protections provided by C.R.S. § 24-10-101, et seq.

15. Termination:

City may terminate this Master Purchase Order, in whole or in part, at any time and for any reason immediately upon written notice to Vendor. In the event of such a termination, City's sole liability shall be limited to payment of the amount due for the goods/services accepted by City. Vendor acknowledges the risks inherent in this termination for convenience and expressly accepts them. Termination by City shall not constitute a waiver of any claims City may have against Vendor.

16. Interference:

Vendor shall notify the Director of Purchasing immediately of any condition that may interfere with the performance of Vendor's obligations under this Master Purchase Order and confirm such notification in writing within twenty-four (24) hours. City's failure to respond to any such notice shall in no way act as a waiver of any rights or remedies City may possess.

17. Venue, Choice of Law and Disputes:

Venue for all legal actions shall lie in the District Court in and for City and County of Denver, State of Colorado, and shall be governed by the laws of the State of Colorado as well as the Charter and Revised Municipal Code, rules, regulations, Executive Orders, and fiscal rules of City. All disputes shall be resolved by administrative hearing, pursuant to the procedure established by D.R.M.C. § 56-106. Director of Purchasing shall render the final determination.

18. Assignment/No Third Party Beneficiary:

Vendor shall not assign or subcontract any of its rights or obligations under this Master Purchase Order without the written consent of City. In the event City permits an assignment or subcontract, Vendor shall continue to be liable under this Master Purchase Order and any permitted assignee or subcontractor shall be bound by the terms and conditions contained herein. This Master Purchase Order is intended solely for the benefit of City and Vendor with no third party beneficiaries

19. Notice:

Notices shall be made by Vendor to the Director of Purchasing and by City to Vendor at the addresses provided herein, in writing sent registered, return receipt requested.

20. Compliance With Laws:

Vendor shall observe and comply with all federal, state, county, city and other laws, codes, ordinances, rules, regulations and executive orders related to its performance under this Master Purchase Order. City may immediately terminate this Master Purchase Order, in whole or in part, if Vendor or an employee is convicted, plead nolo contendere, or admits culpability to a criminal offense of bribery, kickbacks, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature.

21. Insurance:

Vendor shall secure, before delivery of any goods/services, the following insurance covering all operations, goods and services provided to City. Vendor shall keep the required insurance coverage in force at all times during the term of the Purchase Order, or any extension thereof, during any warranty period, and for three (3) years after termination of this Purchase Order. The required insurance shall be underwritten by an insurer licensed to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better. Each policy shall contain a valid provision stating "Should any of the above-described policies be canceled or non-renewed before the expiration date thereof, the issuing company shall send written notice to the Denver Risk Management, 201 West Colfax Avenue, Dept. 1105, Denver, Colorado 80202. Such written notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior." Additionally, Vendor shall provide written notice of cancellation, non-renewal and any reduction in coverage to the address above by certified mail, return receipt requested. If any policy is in excess of a deductible or self-insured retention, City must be notified by Vendor. Vendor shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Purchase Order are the minimum requirements, and these requirements do not lessen or limit the liability of Vendor. Vendor shall provide a copy of this Purchase Order to its insurance agent or broker. Vendor may not commence services or work relating to the Purchase Order prior to placement of coverage. Contractor certifies that the attached certificate of insurance attached to the Purchase Order documents, preferably an ACORD certificate, complies with all insurance requirements of this Purchase Order. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Purchase Order shall not act as a waiver of Vendor's breach of this Purchase Order or any of the City's rights or remedies under this Agreement. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements. Vendor's insurer shall name as Additional Insured to its Commercial General Liability and Business Auto Liability policies the City and County of Denver, its elected and appointed officials, employees and volunteers. Vendor's insurer shall waive subrogation rights against the City. All sub-contractors and sub-consultants (including independent contractors, suppliers or other entities providing goods/services required by this Purchase Order) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of Vendor. Vendor shall include all such entities as insureds under its policies or shall ensure that they all maintain the required coverages. Vendor shall provide proof of insurance for all such entities upon request by City. For Worker's Compensation Insurance, Vendor shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 for each bodily injury occurrence claim, \$100,000 for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. Vendor expressly represents to City, as a material representation upon which City is relying, that none of the Vendor's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Purchase Order, and that any such rejections previously effected, have been revoked. Vendor shall maintain Commercial General Liability coverage with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate. Vendor shall maintain Business Auto Liability coverage with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-hired vehicles used in performing services under this Purchase Order. For Commercial General Liability coverage, the policy must provide the following: (i) That this Purchase Order is an Insured Contract under the policy; (ii) Defense costs in excess of policy limits (iii) A severability of interests, separation of insureds or cross liability provision; and (iv) A provision that coverage is non-contributory with other coverage or self-insurance provided by City. For claims-made coverage, the retroactive date must be on or before the first date when any goods or services were provided to City. Vendor must advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Contractor will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

22. Severability:

If any provision of this Master Purchase Order, except for the provisions requiring appropriation and encumbering of funds and limiting the total amount payable by City, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity of the remaining portions or provisions shall not be affected if the intent of City and Vendor can be fulfilled.

23. Survival:

All terms and conditions of this Master Purchase Order which by their nature must survive termination/expiration shall so survive. Without limiting the foregoing, Vendor's insurance, warranty and indemnity obligations shall survive for the relevant warranty or statutes of limitation period plus the time necessary to fully resolve any claims, matters or actions begun within that period. Bonds shall survive as long as any warranty period.

24. No Construction Against Drafting Party:

No provision of this Master Purchase Order shall be construed against the drafter.

25. Status of Vendor/Ownership of Work Product:

Vendor is an independent contractor retained on a contractual basis to perform services for a limited period of time as described in Section 9.1.1E(x) of the Charter of City. Vendor and its employees are not employees or officers of City under Chapter 18 of the D.R.M.C. for any purpose whatsoever. All goods, deliverables, hardware, software, plans, drawings, reports, submittals and all other documents or things furnished to City by Vendor shall become and are the property of City, without restriction.

26. Records and Audits:

Vendor shall maintain for three (3) years after final payment hereunder, all pertinent books, documents, papers and records of Vendor involving transactions related to this Master Purchase Order, and City shall have the right to inspect and copy the same.

27. Remedies/Waiver:

No remedy specified herein shall limit any other rights and remedies of City at law or in equity. No waiver of any breach shall be construed as a waiver of any other breach.

28. No Discrimination in Employment:

Vendor shall not refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and Vendor shall insert the foregoing provision in any subcontracts hereunder.

29. Use, Possession or Sale of Alcohol or Drugs:

Vendor shall cooperate and comply with the provisions of Executive Order 94. Violation may result in City terminating this Master Purchase Order or barring Vendor from City facilities or from participating in City operations.

30. Conflict of Interest:

No employee of City shall have any personal or beneficial interest in the goods/services described in this Master Purchase Order; and Vendor shall not hire or contract for services any employee or officer of City which would be in violation of City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

31. No Employment of Illegal Aliens to Perform Work Under The Agreement:

a. This Agreement is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the "Certification Ordinance").

b. The Contractor certifies that:

- (1) At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement.
- (2) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

c. The Contractor also agrees and represents that:

- (1) It shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.
- (2) It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the Contractor that it shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.
- (3) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement, through participation in the E-Verify Program.
- (4) It is prohibited from using the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement, and that otherwise requires the Contractor to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.
- (5) If it obtains actual knowledge that a subconsultant or subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, it will notify such subconsultant or subcontractor and the City within three (3) days.

Line 31 Continued

The Contractor will also then terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with an illegal alien.

(6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S, or the City Auditor, under authority of D.R.M.C. 20-90.3.

d. The Contractor is liable for any violations as provided in the Certification Ordinance. If Contractor violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying Contractor from submitting bids or proposals for future contracts with the City.

The initial term of this Master Purchase Order is acknowledged and agreed to by:

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.
(Company Name)

City & County of Denver, Purchasing Division

By: *Stephen W. Parker, Jr*
(Authorized Signature)

By: *Michael Romero*

Print Name: Stephen W. Parker, Jr

Print Name: Michael Romero

Title: General Manager - Stapleton

Title: Senior Buyer

Date: 04/25/2013

Date: 4/26/2013

EXTENSION / RENEWALS: (OPTIONAL)

Upon renewal, City procurements shall be made via Purchase Order (PO) under the pricing, terms and conditions of this MPO. Invoicing must contain the individual PO number that corresponds with the order. General inquiries, not specific to an individual order, shall reference the above MPO.

Extension No. 1 X

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on 10/31/2013.

Should you desire to extend this contract to and including 10/31/2014, please affirm by signing directly below where indicated.

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.
(Company Name)

City & County of Denver, Purchasing Division

By: *Michael P. Curtis*
(Authorized Signature)

By: *Michael Romero*

Print Name: MICHAEL P. CURTIS

Print Name: MICHAEL ROMERO

Title: VICE PRESIDENT

Title: BUYER

Date: 8/28/13

Date: 9/17/2013

Note:

Extension No. 2 X

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on 10/31/2014.

Should you desire to extend this contract to and including 10/31/2015, please affirm by signing directly below where indicated.

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

City & County of Denver, Purchasing Division

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: MICHAEL ROMERO

Title: _____

Title: BUYER

Date: _____

Date: _____

Note:

Extension No. 3 _____

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on _____.

Should you desire to extend this contract to and including _____, please affirm by signing directly below where indicated

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

City & County of Denver, Purchasing Division

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Note:

Extension No. 4 _____

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on _____.

Should you desire to extend this contract to and including _____, please affirm by signing directly below where indicated

City & County of Denver, Purchasing Division

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Note:

Extension No. 5 _____

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on _____.

Should you desire to extend this contract to and including _____, please affirm by signing directly below where indicated

City & County of Denver, Purchasing Division

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Note:

Extension No. 6 _____

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on _____.

Should you desire to extend this contract to and including _____, please affirm by signing directly below where indicated

City & County of Denver, Purchasing Division

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Note:

Extension No. 7 _____

The contract made and entered into by your company and the City and County of Denver pursuant to the above referenced Master Purchase Order (MPO) expires on _____.

Should you desire to extend this contract to and including _____, please affirm by signing directly below where indicated

City & County of Denver, Purchasing Division

Vendor Name: HEP
dba Motion and Flow Control Products, Inc.

(Company Name)

By: _____
(Authorized Signature)

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Note:

EXHIBIT "A"

Vendor: HEP
dba Motion and Flow Control Products, Inc.
Title: HYDRAULIC_REPAR0147A
HYDRAULIC COMPONENT SERVICE AND REPAIR

Master Purchase Order No.: 0147A0112

It is recommended that you use your Master Purchase Order No. – 0147A0112, in all future correspondence.

Description of the goods, and services related thereto, being purchased and pricing:

A.1 F.O.B. POINT:

F.O.B. Denver Property, Colorado, delivered to various City agencies including Denver International Airport.

A.2 AIRPORT SECURITY:

It is a material requirement of this Price Agreement that the Vendor shall comply with all rules, regulations, written policies and authorized directives from the City and/or the Transportation Security Administration with respect to Airport security (as required by DIA.) The Vendor shall conduct all of its activities at the Airport in compliance with the Airport security program, which is administered by the Security Section of the Airport Operations Division, Department of Aviation. Violation by the Vendor or any of its employees, subcontractors, and vendors of any rule, regulation, or authorized directive from the City or the Transportation Security Administration with respect to Airport Security shall be grounds for immediate termination by the City of this Price Agreement for cause.

The Vendor shall promptly upon notice of award of this Price Agreement, meet with the Airport's Assistant Security Manager to establish badging and vehicle permit requirements for Vendor's operations under this Price Agreement. The Vendor shall obtain the proper access authorizations for all of its employees, subcontractors, and vendors who will enter the Airport to perform work or make deliveries, and shall be responsible for each such person's compliance with all Airport rules and regulations, including without limitation those pertaining to security. Any person who violates such rules may be subject to revocation of his/her access authorization. The failure of the Vendor or any subcontractor to complete any required services hereunder shall not be excused on account of the revocation for good cause of access authorization of any person.

The security status of the Airport is subject to change without notice. If the security status of the Airport changes at any time during the term of this Price Agreement, the Vendor shall take immediate steps to comply with security modifications which occur as a result of the changed status. The Vendor may at any time obtain current information from the Airport Security Office regarding the Airport's security status in relation to the Vendor's operations at the Airport.

The Vendor shall return to the City at the expiration or termination of this Price Agreement, or upon demand by the City, all access keys or access badges issued to it for any area of the Airport, whether or not restricted. If the Vendor fails to do so, the Consultant shall be liable to reimburse the City for all the City's costs for work required to prevent compromise of the Airport security system. The City may withhold funds in the amount of such costs from any amounts due and payable to the Vendor under this Price Agreement.

LAWS, REGULATIONS, TAXES AND PERMITS

The Vendor shall procure all permits and licenses, pay all charges, taxes and fees and give all notices necessary and incidental to the due and lawful prosecution of the work. All costs thereof shall be deemed to be included in the prices proposed for the work.

The Vendor, at all times, shall observe and comply with all federal, state, county, city and other laws, codes, ordinances, rules and regulations in any manner affecting the conduct of the work.

Without limiting the foregoing, the Vendor shall establish appropriate procedures and controls so that services under this Price Agreement will not be performed by using any alien who is not legally eligible for such employment under United States Immigration laws. Failure to comply with this condition satisfactorily may cause the City to terminate this Price Agreement.

A.3 ARSENIC TREATED WOOD:

The Denver Revised Municipal Code Section 20-57, for proposals the purchase or use of wood treated with preservatives containing arsenic in the performance of work on city-owned property. The Vendor's signature on the front page of this proposal signifies their understanding of and intent to comply with this legal requirement.

A.4 EMERGENCY PURCHASES:

The City and County of Denver reserves the right to purchase from other sources those items which are required on an emergency basis and cannot be supplied immediately from stock by the Vendor. (Non-Exclusive)

A.5 COOPERATIVE PURCHASING:

The City and County of Denver encourages and participates in cooperative purchasing endeavors undertaken by or on behalf of other governmental jurisdictions, pursuant to Denver Revised Municipal Code Sec. 20-64.5. To the extent other governmental jurisdictions are legally able to participate in cooperative purchasing endeavors, the City and County of Denver supports such cooperative activities. Further, it is a specific requirement of this Price Agreement that pricing offered herein to the City and County of Denver may be offered by the Vendor to any other governmental jurisdiction purchasing the same products.

The Vendor(s) must deal directly with any governmental agency concerning the placement of purchase orders, freight charges for destinations outside of the Denver Metro area, contractual disputes, invoicing, and payment. The City and County of Denver shall not be liable for any costs, damages incurred by any other entity.

A.6 PALLET CHARGE:

Vendor may be required to take back pallets and re-use when practical.

A.7 SCOPE OF WORK AND TECHNICAL REQUIREMENTS:

- 1) Contractor shall repair the City's vehicle and heavy equipment hydraulic components, including cylinders, pumps, valves and motors, air over hydraulic components as required.
- 2) The use of the word "component" or "components" in this Price Agreement refers to the entire hydraulic cylinder(s), hydraulic pump(s), hydraulic motor(s), or hydraulic valve(s), and 'air over hydraulic' apparatus.
- 3) Contractor shall pick up component(s), issue receipt, disassemble, inspect, evaluate, make recommendation(s), give not-to-exceed estimate, repair (if approved by the City), and return component to location where it was picked up (disassembled, if City does not approve repair.) Contractor shall allow the City's representative(s) to inspect the disassembled component when requested.
- 4) Standard Shop Service
 - a. The City will load and unload (as necessary.) Contractor is to pick up component the same day for a call in request before noon, or the next business day (before noon) for a call in request made the previous afternoon or evening, provide not-to-exceed estimate within twenty-four (24) hours of pick-up (Typical.) After approval or disapproval of estimate, contractor shall return unit repaired (if approved) or disassembled (if not approved) within seventy-two (72) hours. If parts are not available locally, the contractor shall, at time of estimate communicate to the City when such parts will be available. The City reserves the right to approve the extended repair time and/or additional expedited freight costs. After disassembly, contractor shall allow the City's representative(s) to examine before repair authorization, if requested.

The remainder of this page is intentionally blank

5) Expedited Shop Service

- a. The Vendor is to accommodate expedited repairs authorized by City agencies as required.
- b. The City will load and unload (as necessary.) Contractor is to pick up component within two (2) hours of call in request, and provide estimate within two (2) hours thereafter. After approval or disapproval of estimate, contractor shall return unit repaired (if approved) or disassembled (if not approved) within thirty-six (36) hours or as required by agency. If parts are not available locally, the contractor shall, at time of estimate communicate to the City when such parts will be available. The City must authorize expedited freight to be responsible for payment. After disassembly, contractor is to allow the City's representative(s) to examine before repair authorization, if requested.

6) Estimates

Estimates are to include an itemized listing including costs of the following:

- a. Identify each Part/ Component with the City's SKU label.
- b. Findings/ Diagnosis
- c. Each repair part's/component's: Initial Price, Price Percentage Adjustment, and Final City Price, Quantity Required, extended price (final City price x quantity required) or alternative format as required by the City.
- d. Labor hours required , applicable hourly rate, total labor cost (labor hours required x applicable labor rate)
- e. Additional parts and/ or services required to repair the damaged hydraulic component.

7) No unnecessary (sound and unworn) parts shall be provided unless specifically ordered by the City.

8) Core Credits and replaced City components

- a. A copy of Core Credit Memo shall be provided with invoice for any component for which core was exchanged.
- b. All other City owned replaced parts shall be returned with component, bagged, and identified by receipt number, unless the Vendor is given written authorization to dispose of at their facility.
- c. Externally attached components are to be returned to the City.
- d. Internal/ additional components shall be returned upon City request.

9) Repair or Replace Guidelines:

- a. Vendor is to defer to City in the determination to either repair or replace/purchase a new component.
- b. General City Repair/ Replace Guidelines:
 - Total cost of component repair shall not exceed 60% of the price of the new part unless authorized by agency.
 - Entire cost to the City of repair of hydraulic component and / or assembly (including but not limited to parts and labor) shall not exceed 60% of a similar new component's net cost available to the City unless specifically authorized by the using agency after being made aware of that the cost is higher than 60% of the value when new parts or components are not available.
 - For purposes of this agreement the expression "Value of Repaired Part" shall be the manufacturer's list price with vendor's bid Price Percentage Mark-Up applied for the particular part.

10) Documentation: Copies of the following documents may be required with invoice:

- a. Manufacturer's parts price list page applicable to each part provided
- b. Copy of Technician's (or Mechanic's) work order time verification.
- c. Copy of signed delivery ticket (received by contractor at return of component).
- d. Copy of the City's authorization for cost over 60% of value, when applicable.
- e. Copy of core exchange document, when applicable.

11) Additional Charge Restrictions

- a. The following is to be factored into the Vendor's hourly rate: Vendor pick-up, disassembly, inspection, evaluation, estimate, billing, and return delivery.

12) Billing Protocols

- a. Send invoices to City's Centralized A/P Department unless directed otherwise;
- b. Assign bill to correct agency;
- c. Itemize Charges:
 - Hours required multiplied by applicable hourly rate(s)
 - Indicate Parts Pricing
 - Indicate Testing Charges
 - Additional Notes

13) Component Stamping/ Marking

- a. Repaired components are to be stamped/ marked in order to provide tracking.

A.8 0147A0112 PRICING SCHEDULE-FIRM AND FIXED

SERVICE RATES	
Standard Shop Service Rate- Repair completed within 72 Hours-Per Section A.7 Applicable to the Repair and Maintenance of: <ul style="list-style-type: none"> • Cylinders • Valves • Motors • Pumps 	Net Standard Hourly Rate for Standard Shop Time \$75 Per Hour
Expedited Shop Service Rate- Pick up within two (2) hours, disassemble and call within two (2) hours, return repaired operational unit within 36 hours unless parts are outside the local area (notify agency at call) Applicable to the Repair and Maintenance of: <ul style="list-style-type: none"> • Cylinders • Valves • Motors • Pumps 	Net Expedited Hourly Rate for Expedited Shop Time \$ 105 Per Hour (next day transportation may be added if authorized by using agency)
CYLINDER TESTING	
Test to manufacturer's (or as directed) specifications after assembly- Flat Rate Price Per Cylinder Priced by Overall Length	
LENGTH 0" TO 36" (Fully Closed)	\$ 70.50 Per Test
LENGTH 37" TO 72" (Fully Closed)	\$ 88.50 Per Test
LENGTH 73" TO 108" (Fully Closed)	\$ 141 Per Test
LENGTH 108+" (Fully Closed)	\$ 200 Per Test

ADDITIONAL COMPONENT TESTING		
HYDRAULIC VALVE TESTING		\$ 140 Per Test
HYDRAULIC MOTOR TESTING (Motor powered by pressurized hydraulic fluid)		\$ 148 Per Test
HYDRAULIC PISTON PUMP TESTING		\$ 150 Per Test
GEAR AND VANE PUMP Displacement (Single Section) < or = 100 cc/rev		\$ 75 Per Test
GEAR AND VANE PUMP Displacement (Single Section) > 100 CC/rev		\$ 112.50 Per Test
GEAR AND VANE PUMP Multi-Section (Per Additional Section)		\$ 56.25 Per Test
AIR OVER HYDRAULIC COMPONENT TESTING		\$ 55 Per Test
PARTS/ COMPONENT DISCOUNT/ PREMIUM PRICE PERCENTAGE ADJUSTMENT		
Related to Components used to repair City Hydraulic Components		
MANUFACTURER	LIST TYPE	PRICE PERCENTAGE ADJUSTMENT (+)=PREMIUM (-)=DISCOUNT TO THE CITY (0)= 'NET''
1) Hercules Sealing Products	Manufacturer List	0% (Net)
2) Parker Hannifin	Manufacturer List	0% (Net)
3) Commercial Metaris	Manufacturer List	-25%
4) Caterpillar	Manufacturer List	0% (Net)
5) Gallon (Dresser)	Manufacturer List	0% (Net)
6) Eaton Charlyn	Manufacturer List	-15%
7) Muncie	Manufacturer List	-25%
8) SPX Stone	Manufacturer List	-15%
9) Argo Hytos	Manufacturer List	-30%
10) Sun Hydraulics	Manufacturer List	0% (Net)
11) Permco	Manufacturer List	-25%
12) Enerpac	Manufacturer List	0% (Net)
13) John Deere	Manufacturer List	0% (Net)
14) Cummins	Manufacturer List	0% (Net)

A.9 Additional Service Protocol Considerations

- 1) For each (or as directed by the City) repair the Vendor will send a standardized diagnosis/ assessment via E-mail prior to service continuation;
- 2) Upon request, vendor will generate a Failure Analysis Report for a component(s) that has failed recurrently;
- 3) Vendor agrees to collaborate with the City to determine the repair items/ parts the Vendor should continually retain in stock in order to facilitate service turnaround time;
- 4) The Vendor upon City request will troubleshoot equipment at City facilities and/or field locations located in the City and County of Denver;

The Vendor shall bill the City at their proposed expedited shop rate for field repairs during the Vendor's normal business hours;

- 5) The City shall be credited back for any service that is related to any component previously repaired by the Vendor and subject to the terms of the warranty specified herein;
- 6) The Vendor shall provide at 'no charge' after hours technical assistance (phone or email.)
 - a. Expedited shop rate shall apply for any onsite repair at City location and/or field and/or Vendor's facility for after hours repair.
 - b. Technician travel time shall apply.

CITY NOTE:

**Hydraulic Energy Products was sold to Motion & Flow Control Products, Inc. on January 31, 2013.
Master Purchase Order will be reassigned as of buyer signature date in page 6 herein.
D.R.M.C 20-64.5**

-END-