



Kentucky-American Water Company

2300 Richmond Road • Lexington, Kentucky 40502 • (859) 269-2386 • Fax (859) 268-6327

Bill Bunch
Business Development

June 14, 2002

Don Morse
Kentucky River Authority
70 Wilkinson Blvd.
Frankfort, KY 40601

Re: Bid for Leak Detection Services

Dear Don:

The Kentucky-American Water Company is pleased to provide the Kentucky River Authority with the enclosed bid for leak detection services in the Kentucky River Basin.

Kentucky-American Water Company has demonstrated leadership in the area of leak detection in providing good stewardship of available water resources and the lowest possible rates to its customers. The Company has state-of-the-art leak detection equipment and highly trained personnel which will be available to the Kentucky River Authority under this program. In addition, the Company can utilize the vast resources and expertise of its parent company, the American Water Works system.

Kentucky-American Water Company appreciates the opportunity to partner with you in providing these services. Please contact me if you have any questions regarding our proposal.

Sincerely,

Bill Bunch
Business Development



The Commonwealth of
Kentucky

SOLICITATION

TITLE: KY RIVER LEAK DETECTION

DATE ISSUED	SOLICITATION CLOSURES	SOLICITATION NO.	COMMODITY CATEGORY
May 21, 2002	Date: Jun 17, 2002 Time: 4:30 PM	S-02166906	Professional Services- Miscellaneous

083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:	083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:
Kentucky-American Water Company 2300 Richmond Road Lexington, KY 40507 Phone: (859) 268-6318 FAX: (859) 335-3314 EMAIL: bbunch@kawc.com	Kentucky-American Water Company 2300 Richmond Road Lexington, KY 40507 Phone: (859) 268-6318 FAX: (859) 335-3314 EMAIL: bbunch@kawc.com

FOR INFORMATION CALL:
DON MORSE

ELECTRONIC BID
PERMITTED:

OWNERSHIP TYPE:
 Sole Proprietorship
 Partnership
 Corporation

ADDITIONAL VENDOR INFORMATION:

SIGNATURE OF AUTHORIZED AGENT IS REQUIRED UNLESS RESPONSE IS SUBMITTED ELECTRONICALLY, FAILURE TO SIGN SHALL RENDER THE BID INVALID

Signature

FEIN# 61-0485002

Date

6/13/02

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All offers are subject to all terms and conditions contained in this solicitation.

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(x)	SEC.	DESCRIPTION
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The Commonwealth of Kentucky conducts business in different time zones. It is the vendor's responsibility to be aware of the current time zone for the solicitation they are responding to. This will be indicated in the solicitation.

Line Group: KY RIVER LEAK DETECTION

Line	Description	Due Date	Qty	Unit Price	Unit Issue	Total Price
0001	LEAK DETECTION SERVICES-KY RIVER BASIN		1000	\$80.00	Hour	

Extended Description:

The contractor shall provide services to locate line leaks, and unaccounted for water losses through other devices of water treatment and distribution systems which obtain their water from the Kentucky River Basin. This area encompasses 41 counties within the drainage area of the Kentucky River from the southeastern edge of the state in Letcher County to Carrollton in the north central part of the state. There are approximately 80 utilities which are eligible for this service. Each leak detection service shall be assigned by the Kentucky River Authority based on request from the member utility. The contractor shall not be responsible for repair of any leaks discovered but shall report to the Authority following each assignment of the volume and value of each water loss discovered and the plans by the utility for repair of the cause of the loss. The contractor shall propose an hourly fee for each hour on site at the utility's property, while evaluating the cause of the loss, detecting the location and repair necessary, training utility personnel in procedures and equipment use for location of leaks, and preparing a report on the service call with the utility. When an assignment exceeds 24 hours, approval must be obtained from the Authority. Hours spent in travel to the utility will not be reimbursed except by reimbursement of travel expenses.

B	083 KENTUCKY RIVER AUTHORITY ATTN: DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: (502)564-2866 Fax: (502)564-2681
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< This address is applicable to all line items. >

Discount/Markup:

Manufacturer:

Model:

Exceptions to Specifications:

Line	Description	Due Date	Qty	Unit Price	Unit Issue	Total Price
0002	TRAVEL EXPENSES FOR LEAK DETECTION		0	\$0.365	Each	

Extended Description:

The contractor shall propose a rate per mile for use of a vehicle to transport personnel and equipment to the property of the utility for each leak detection assignment. Mileage will be reimbursed for miles driven only within the geographic boundaries of the Commonwealth of Kentucky. Any contractor who must transport men and equipment from out of state will not be reimbursed for mile driven to reach the Commonwealth of Kentucky. Meals and hotel expenses will be reimbursed at actual cost when overnight stay is required on an individual utility assignment.

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			<p>Magna-Trak magnetic locator, model 100, 11 yrs Magna-Trak magnetic locator, model 102, 3 yrs Fisher magnetic locator, model M-95/96, 21 yrs Schonstedt magnetic locator, model G52-C, 11 yrs Fisher pipeline locator, model TW-6, 21 yrs Radiodetection pipeline locator, model RD400, 9 yrs Radiodetection pipeline locator, model RD500, 6 yrs Health Consult surveyor/mic, model Sonikit, 11 yrs Health Consult surveyor/mic, model AquaScope, 11 yrs FCS surveyor, model L-100, 11 yrs FCS surveyor/mic, model S-20, 11 yrs FCS surveyor/mic, model S-30, 3 yrs FCS correlator, model C-2000, 11 yrs FCS correlator, model TriCorr 2001, 3 yrs FCS leak noise locator, model Aqualog 40, 11 yrs Palmer Envir leak noise locator, model Permalog, 11 yrs Dodge leak detection van, model Caravan, 5 yrs</p> <p>KAWC continually updates its inventory of leak detection equipment as new, more innovative designs become available. KAWC proposes to utilize the most up-to-date equipment it may have at its disposal at any given time in providing leak detection services under this agreement.</p>
084-Expe	Related Experience of Firm	20	<p>KAWC has extensive experience in leak detection within its own service area. KAWC places a high priority in early detection of leaks in its stewardship of scarce water resources and in its commitment to keeping customer rates low. KAWC consistently maintains unaccounted for water at or below 10% of water treated through the regular use of modern leak detection techniques. KAWC owns and operates state-of-the-art leak detection equipment. In the Company's large service area, KAWC distribution personnel have developed significant experience and expertise in operation of this equipment for the detection of leaks. In addition, regular training is provided to enhance staff effectiveness in leak detection.</p> <p>Leak detection has been an integral part of KAWC distribution system operations for over 40 years. KAWC established and funded a separate unit specifically for leak detection in 1986. KAWC continues to update and modernize its leak detection equipment and provides staff training opportunities to ensure peak effectiveness of its leak detection efforts.</p> <p>In its leadership role as the largest investor-owned water utility in the state, KAWC regularly provides various utility services to smaller utility systems. As such, KAWC personnel have developed expertise in working with distribution systems of various sizes across the state and region. Leak detection services are among those services available from KAWC.</p>

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695-Cost	Costs of Services and Miscellaneous Expenses	20	
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1 SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. **F 4 E 9 9 1**
REFERENCE NUMBER

NAME **Bill Bunch** TELEPHONE **606-268-6300**

COMPANY **KENTUCKY-AMERICAN WATER COMPAN**

STREET ADDRESS **2300 RICHMOND ROAD**

CITY AND STATE **LEXINGTON KY** ZIP CODE **40502 1390**

2 EXTREMELY URGENT DELIVERY TO

NAME **Don Morse** TELEPHONE **502-564-2866**

COMPANY **Kentucky River Authority**

STREET ADDRESS **70 Wilkenson Blvd.** DEPT./FLR. Residential

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) **Frankfort, KY** ZIP CODE **40601**



3	WEIGHT	WEIGHT ENTER "LTR" IF LETTER	DIMENSIONAL WEIGHT If Applicable	SHIPPER'S COPY		
		LTR				
4	TYPE OF SERVICE	<input checked="" type="checkbox"/> NEXT DAY AIR	<input type="checkbox"/> EXPRESS (INTL)	CHARGES		
		FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.		<input type="checkbox"/> DOCUMENTS ONLY	\$	
5	OPTIONAL SERVICES	<input type="checkbox"/> SATURDAY PICKUP See instructions.	<input type="checkbox"/> SATURDAY DELIVERY See instructions.	\$		
		<input type="checkbox"/> INSURED VALUE Contents are automatically protected up to \$100. For insured value over \$100, see instructions.		AMOUNT	\$	
		<input type="checkbox"/> C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.		AMOUNT	\$	\$
6	ADDITIONAL HANDLING CHARGE	<input type="checkbox"/> An Additional Handling Charge applies for certain items. See instructions.		\$		
		TOTAL CHARGES		\$		
7	METHOD OF PAYMENT	<input checked="" type="checkbox"/> BILL SHIPPER	<input type="checkbox"/> BILL RECEIVER Next Day Air Only	<input type="checkbox"/> BILL THIRD PARTY	<input type="checkbox"/> CREDIT CARD American Express Diner's Club MasterCard Visa	
		CHECK <input type="checkbox"/>				
8	RECEIVERS / THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO.		EXPIRATION DATE			
	THIRD PARTY'S COMPANY NAME					
	STREET ADDRESS					
	CITY AND STATE			ZIP CODE		
The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.						
9	SHIPPER'S SIGNATURE	X Lisa M. Helton			DATE OF SHIPMENT	
					6/14/02	
0101911202609 6/00 M						



The Commonwealth of
Kentucky

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SEP 04 2003
KENTUCKY RIVER AUTHORITY

SOLICITATION MODIFICATION

TITLE: KRA LEAK DETECTION 2

DATE ISSUED Aug 25, 2003	SOLICITATION CLOSURES Date: Sep 05, 2003 Time: 4:30 PM	SOLICITATION NO. S-03303453-1	COMMODITY CATEGORY Professional Services- Miscellaneous
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083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:	083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:
KENTUCKY-AMERICAN WATER COMPANY COLEMAN BUSH 2300 RICHMOND ROAD LEXINGTON KY 40502-1308 Phone: 859.268.6324 FAX: 859.268.6327 EMAIL: cbush@kawc.com	KENTUCKY-AMERICAN WATER COMPANY RACHEL COLE 2300 RICHMOND ROAD LEXINGTON KY 40502-1308 Phone: 859.268.6307 FAX: 859.335.3307 EMAIL: rcole@kawc.com

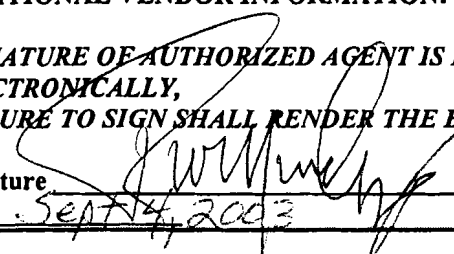
FOR INFORMATION CALL:
DON MORSE

ELECTRONIC BID PERMITTED:
[]

OWNERSHIP TYPE:
 Sole Proprietorship
 Partnership
 Corporation

ADDITIONAL VENDOR INFORMATION:

SIGNATURE OF AUTHORIZED AGENT IS REQUIRED UNLESS RESPONSE IS SUBMITTED ELECTRONICALLY, FAILURE TO SIGN SHALL RENDER THE BID INVALID

Signature:  FEIN# 610485002
Date: SEP 4, 2003

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COPY

All offers are subject to all terms and conditions contained in this solicitation.

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(x)	SEC.	DESCRIPTION
X	A	Canned Specifications for the Commonwealth of Kentucky
X	L	Free-form Terms and Conditions

The Commonwealth of Kentucky conducts business in different time zones. It is the vendor's responsibility to be aware of the current time zone for the solicitation they are responding to. This will be indicated in the solicitation.

Line Group: KRA LEAK DETECTION 2

Line	Description	Due Date	Qty	Unit Price	Unit	Total Price
0001	LEAK DETECTION FOR KY RIVER BASIN WATER UTILITIES	9/5/2003	500	\$95.00	Hour	\$47,500.00

Extended Description:

Services to locate line leaks and other sources of water losses or water utility operational deficiencies with the symptoms of line leaks for water utilities using water from sources within the Kentucky River Basin. This includes water producers and distribution districts who purchase water from within the Basin. Consultant is to use his own personnel and equipment to pinpoint the location of a line leak or advise the utility of other causes and solutions which cause water loss or pressure loss. Consultant is not required to perform any repairs. Supervision of the repairs is required only if specifically requested by the utility and approved by the Authority. All assignments are made by the Authority based on requests from the utility.

B	083 KENTUCKY RIVER AUTHORITY ATTN: DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: (502)564-2866 Fax: (502)564-2681
C	< This address is applicable to all line items. >

Discount/Markup:

Manufacturer:

Model:

Exceptions to Specifications:

Line	Description	Due Date	Qty	Unit Price	Unit	Total Price
0002	Travel Cost	9/5/2003	7,800	\$.613205	Each	\$4,783.00

Extended Description:

The contractor is allowed a reimbursement for mileage within the Commonwealth of Kentucky between the office of the consultant or the closest point of entry into the boundaries of Kentucky (whichever is shorter) and each water utility. Reimbursement for meals and lodging at cost shall be provided when overnight stay at the location of the water utility is required.

Discount/Markup:

Manufacturer:

Model:

Exceptions to Specifications:

Code	Criteria Description	Weight	Vendor Response (DO NOT LIST PRICES IN THIS SECTION.)
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		UNIT PRICES AND TOTAL PRICES MUST BE FILLED IN ADJACENT TO THEIR LINE ITEMS.)	
500	(COPY) Cost of services	20	<p>The maximum compensation estimated for travel expenses during the contract period, inclusive of mileage, but not included in the hourly rate for leak detection reflected on line 0001, is \$4,783.00. This amount includes travel to and from the utility at \$.36 per mile. Stating the rate per mile on line 0002 to include meals and lodging is consistent with the solicitation addendum, which reads, "To clarify line item 002 [sic] as a miscellaneous cost provision for all travel expenses inclusive of mileage, meals and lodging." The required statement of rate for mileage reimbursement is included above.</p>
400	Quality and age of equipment	20	<p>KAWC currently owns, operates and proposes to utilize the following leak detection equipment in providing leak detection services to the Kentucky River Authority:</p> <ul style="list-style-type: none"> Magna-Trak magnetic locator, model 100, 12 yrs Magna-Trak magnetic locator, model 102, 4 yrs Fisher magnetic locator, model M-95/96, 22 yrs Schonstedt magnetic locator, model G52-C, 12 yrs Fisher pipeline locator, model TW-6, 22 yrs Radiodetection pipeline locator, model RD400, 10 yrs Radiodetection pipeline locator, model RD500, 7 yrs Health Consult surveyor/Gnd Mic, model Sonikit, 12 yrs Health Consult surveyor/Gnd Mic, model AquaScope, 12 yrs FCS surveyor, model L-100, 12 yrs FCS surveyor/Gnd Mic, model S-20, 12 yrs FCS surveyor/Gnd Mic, model S-30, 4 yrs FCS correlator, model C-2000, 12 yrs FCS correlator, model TriCorr 2001, 4 yrs FCS leak noise locator, model Aqualog 40, 12 yrs Palmer Environmental leak noise locator, model Permalog, 12 yrs Dodge leak detection van, model Caravan, 6 yrs <p>In the hands of our experienced technicians, our equipment is capable of pinpointing leaks with a high degree of accuracy.</p> <p>KAWC continually updates its inventory of leak detection equipment as new, more innovative designs become available. KAWC proposes to utilize the most up-to-date equipment it may have at its disposal at any given time in providing leak detection services under this agreement. KAWC has no plans to rent any equipment for use in providing these services.</p>
300	Experience & Familiarity with KY River Basin Utilities	20	<p>Leak Detection Experience - KAWC has extensive experience in leak detection within its own service area and with other utilities. KAWC places a high priority in early detection of leaks in its stewardship of scarce water resources and in its commitment to keeping customer rates low. KAWC owns and operates state-of-the-art leak detection equipment. In the Company's large</p>

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	[COPY]		<p>service area, KAWC distribution personnel have developed significant experience and expertise in operation of this equipment for the detection of leaks. In addition, regular training is provided to enhance staff effectiveness in leak detection.</p> <p>Leak detection has been an integral part of KAWC distribution system operations for over 40 years. KAWC established and funded a separate unit specifically for leak detection in 1986. KAWC continues to update and modernize its leak detection equipment and provides staff training opportunities to ensure peak effectiveness of its leak detection efforts.</p> <p><i>Experience and Familiarity with KY River Basin Utilities</i> - Kentucky-American has a long association with many of the water utilities in the KY River Basin through active involvement in the KY/TN Section of AWWA, Kentucky Rural Water Association, BGADD, Bluegrass Water Supply Consortium, etc. as well as the familiarity that we have gained with many of these utilities through acquisition and consolidation efforts over the last several decades and in dealing with the Region's water supply shortage in general.</p> <p>We supply water on a wholesale basis to many of the water utilities in adjoining counties.</p> <p>Our experiences over the last 2 years as the successful bidder for leak detection services have allowed us greater exposure to many of these utilities. In particular, the Eastern Kentucky communities of Hazard and Jackson have made extensive use of these services.</p>
100	Timeliness of Response to Assignments	20	<p>KAWC will guarantee a maximum response time to routine assignments of no more than twenty-four (24) hours. This maximum response time implies a 24-hour notice for all routine leak detection assignments and allows for this level of service to the most remote locations within the Kentucky River Basin. KAWC will respond to all routine assignments no later than the next business day. KAWC will make every effort to respond in less time than the maximum allowable response time and to respond to emergency assignments immediately.</p> <p>The home office of the Company is located at 2300 Richmond Road in Lexington, Kentucky and the home office of the field agents to be assigned to this contract is the same.</p>
200	Related Experience of Employees to be assigned	20	<p><i>Wayne Mattingly</i> has been with KAWC for over twenty-four (24) years and brings experience in all areas of distribution system operations and maintenance to this project. Wayne has over five (5) years experience directly related to leak detection including system survey and leak location. He has received technical training and is proficient in use of all leak detection equipment used</p>

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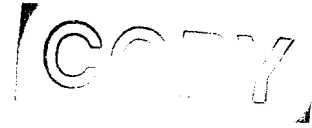
	<p>[COPY]</p>	<p>by the Company and listed in this proposal.</p> <p><i>Carolyn Alexander</i> has been with the Company for over seven (7) years and has worked in leak detection for over four (4) years. Her experience and responsibilities include all phases of distribution system operation, maintenance, and repair. Carolyn has received technical training in the operation of all leak detection equipment listed in this proposal and has developed expertise in system survey and leak location.</p> <p><i>Wes Felts</i> has been with KAWC for over six (6) years. During that time, Wes has worked in all areas of distribution system maintenance including leak detection and repair, service installation, and hydrant maintenance and installation. His primary duties include system survey and leak location. He has been actively involved in leak detection activities for over three (3) years. Wes has received technical training and is proficient in operation of all leak detection equipment listed in this proposal.</p> <p>Kentucky-American does not have plans to use any outside consultants for the work required under this contract.</p>
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Section 1: L -- FREE-FORM TERMS AND CONDITIONS

FREE FREE-FORM TERMS & CONDITIONS

REQUEST FOR PROPOSAL



Successful bidder shall assist water utilities within the Kentucky River Basin in the location of line leaks or other operational problems related to water and pressure losses in their systems. Each service call will be assigned by the Authority based on requests from the utilities. A map of the Kentucky River Basin can be obtained from the Authority web site <http://kra.state.ky.us>. There are approximately 60 utilities which can use these services if need from Whitesburg Kentucky in the southeastern part of the state to Carrollton in the north-central part of the state.

Services are performed on an as called basis. Proposals shall state the maximum time required to respond to an assignment and arrive on site at the office of the utility. The proposal shall state both the home office of the company and the home location of the field agents to be assigned to this contract.

Proposals shall list the experience of the staff to be assigned to this contract in performing leak detection and water utility operations.

Proposals shall list the experience and knowledge of the firm with the utilities within the Kentucky River Basin.

Proposals shall list the leak detection equipment which they own, its age and capabilities. A separate list of equipment which they intend to rent for use on this contract shall be provide.

Compensation required shall be stated in the proposal in the form of an hourly rate for the use of the company's personnel and equipment while on site with the assigned utility. Hours while in travel status shall not be reimbursed except by reimbursement under travel expense. The proposal shall state the rate per mile required for travel to and from the utility to the closest of the contractor's office or the borders of the Commonwealth of Kentucky, whichever is shorter. Lodging and meals shall be reimbursed at actual cost when overnight stay at the utility is required. The proposal shall state the maximum compensation estimated for travel expenses during the contract period, inclusive of mileage.

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Section 2: A -- CANNED SPECIFICATIONS FOR THE COMMONWEALTH OF KENTUCKY

Section 1: A -- CANNED SPECIFICATIONS FOR THE COMMONWEALTH OF KENTUCKY

PSC1 Personal Service Contract Clauses

WHEREAS, THE STATE AGENCY HAS CONCLUDED THAT EITHER STATE PERSONNEL ARE NOT AVAILABLE TO PERFORM SAID FUNCTION, OR IT WOULD NOT BE FEASIBLE TO UTILIZE STATE PERSONNEL TO PERFORM SAID FUNCTION; AND WHEREAS, THE SECOND PARTY IS AVAILABLE AND QUALIFIED TO PERFORM SUCH FUNCTION, AND WHEREAS, FOR THE HEREINBEFORE-STATED REASONS, THE STATE AGENCY DESIRES TO AVAIL ITSELF OF THE SERVICES OF THE SECOND PARTY.

INVOICES FOR FEES:

THE CONTRACTOR SHALL MAINTAIN SUPPORTING DOCUMENTS TO SUBSTANTIATE INVOICES AND SHALL FURNISH SAME IF REQUIRED BY STATE GOVERNMENT.

TRAVEL EXPENSES, IF AUTHORIZED:

THE CONTRACTOR SHALL BE PAID FOR NO TRAVEL EXPENSES UNLESS AND EXCEPT AS SPECIFICALLY AUTHORIZED BY THE SPECIFICATIONS OF THE CONTRACT.

OTHER EXPENSES, IF AUTHORIZED HEREIN:

THE CONTRACTOR SHALL BE REIMBURSED FOR NO OTHER EXPENSES OF ANY KIND, UNLESS AND EXCEPT AS SPECIFICALLY AUTHORIZED WITHIN THE SPECIFICATIONS OF THE CONTRACT.

IF THE REIMBURSEMENT OF SUCH EXPENSES IS AUTHORIZED, THE REIMBURSEMENT SHALL BE ONLY ON AN OUT-OF-POCKET BASIS. REQUEST FOR PAYMENT OF SAME SHALL BE PROCESSED UPON RECEIPT FROM THE CONTRACTOR OF VALID, ITEMIZED STATEMENTS SUBMITTED PERIODICALLY FOR PAYMENT AT THE TIME ANY FEES ARE DUE. THE CONTRACTOR SHALL MAINTAIN SUPPORTING DOCUMENTS THAT SUBSTANTIATE EVERY CLAIM FOR EXPENSES AND SHALL FURNISH SAME IF REQUESTED BY STATE GOVERNMENT.

I. INVOICING FOR FEE: THE CONTRACTOR'S FEE SHALL BE ORIGINAL INVOICE(S) AND SHALL BE DOCUMENTED BY THE CONTRACTOR. THE INVOICE(S) MUST CONFORM TO THE METHOD DESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT.

II. INVOICING FOR TRAVEL EXPENSES: THE CONTRACTOR MUST FOLLOW INSTRUCTIONS DESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT. EITHER ORIGINAL OR CERTIFIED COPIES OF RECEIPTS MUST BE SUBMITTED FOR AIRLINE TICKETS, MOTEL BILLS, RESTAURANT CHARGES, RENTAL CAR CHARGES, AND ANY OTHER MISCELLANEOUS EXPENSES.

III. INVOICING FOR MISCELLANEOUS EXPENSES: THE CONTRACTOR MUST FOLLOW INSTRUCTIONS PRESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT. EXPENSES SUBMITTED SHALL BE DOCUMENTED BY ORIGINAL OR CERTIFIED COPIES.

EFFECTIVE DATE:

THIS AGREEMENT IS NOT EFFECTIVE UNTIL THE SECRETARY OF THE FINANCE

<p align="center">Solicitation Modification S-03303453-1</p>	<p align="center">Document Title KRA LEAK DETECTION 2</p>	<p align="center">Page 8 of 11</p>
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AND ADMINISTRATION CABINET OR HIS AUTHORIZED DESIGNEE HAS APPROVED THE CONTRACT AND UNTIL THE CONTRACT HAS BEEN SUBMITTED TO THE GOVERNMENT CONTRACT REVIEW COMMITTEE.

COPY

PAYMENTS ON PERSONAL SERVICE CONTRACTS AND MEMORANDUA OF AGREEMENT SHALL NOT BE AUTHORIZED FOR SERVICES RENDERED AFTER GOVERNMENT CONTRACT REVIEW COMMITTEE DISAPPROVAL, UNLESS THE DECISION OF THE COMMITTEE IS OVERRIDDEN BY THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET OR AGENCY HEAD, IF THE AGENCY HAS BEEN GRANTED DELEGATION AUTHORITY BY THE SECRETARY.

SOCIAL SECURITY: (Check One)

X THE PARTIES ARE COGNIZANT THAT THE STATE IS NOT LIABLE FOR SOCIAL SECURITY CONTRIBUTIONS PURSUANT TO 42 U.S. CODE, SECTION 418, RELATIVE TO THE COMPENSATION OF THE SECOND PARTY FOR THIS CONTRACT.

_____ THE PARTIES ARE COGNIZANT THAT THE STATE IS LIABLE FOR SOCIAL SECURITY CONTRIBUTIONS PURSUANT TO 42 U.S. CODE, SECTION 418, RELATIVE TO THE COMPENSATION OF THE SECOND PARTY FOR THIS CONTRACT

CANCELLATION:

THE STATE AGENCY SHALL HAVE THE RIGHT TO TERMINATE AND CANCEL THIS AGREEMENT AT ANY TIME NOT TO EXCEED THIRTY (30) DAYS' WRITTEN NOTICE SERVED ON THE CONTRACTOR BY REGISTERED OR CERTIFIED MAIL.

PURCHASING AND SPECIFICATIONS:

THE CONTRACTOR CERTIFIES THAT HE WILL NOT ATTEMPT IN ANY MANNER TO INFLUENCE ANY SPECIFICATIONS TO BE RESTRICTIVE IN ANY WAY OR RESPECT NOR WILL HE ATTEMPT IN ANY WAY TO INFLUENCE ANY PURCHASING OF SERVICES, COMMODITIES OR EQUIPMENT BY THE COMMONWEALTH OF KENTUCKY. FOR THE PURPOSE OF THIS PARAGRAPH AND THE FOLLOWING PARAGRAPH THAT PERTAINS TO CONFLICT-OF INTEREST LAWS AND PRINCIPLES, "HE" IS CONSTRUED TO MEAN "THEY" IF MORE THAN ONE PERSON IS INVOLVED AND IF A FIRM, PARTNERSHIP, CORPORATION, OR OTHER ORGANIZATION IS INVOLVED, THEN "HE" IS CONSTRUED TO MEAN ANY PERSON WITH AN INTEREST THEREIN.

CONFLICT-OF-INTEREST LAWS AND PRINCIPLES:

THE CONTRACTOR CERTIFIES THAT HE IS LEGALLY ENTITLED TO ENTER INTO THIS CONTRACT WITH THE COMMONWEALTH OF KENTUCKY, AND BY HOLDING AND PERFORMING THIS CONTRACT WILL NOT BE VIOLATING EITHER ANY CONFLICT OF INTEREST STATUTE (KRS45A.330-45A.340, 45A.990, 164,390), OR KRS 11A.040 OF THE EXECUTIVE BRANCH CODE OF ETHICS, RELATING TO THE EMPLOYMENT OF FORMER PUBLIC SERVANTS.

CHOICE OF LAW AND FORUM.

ALL QUESTIONS AS TO THE EXECUTION, VALIDITY, INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF KENTUCKY. FURTHERMORE, THE PARTIES HERETO AGREE THAT ANY LEGAL ACTION WHICH IS BROUGHT ON THE BASIS OF THIS AGREEMENT SHALL BE FILED IN THE FRANKLIN COUNTY CIRCUIT COURT OF THE COMMONWEALTH OF KENTUCKY.

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COPY

DISCRIMINATION:

(BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE, OR DISABILITY) PROHIBITED. THIS SECTION APPLIES ONLY TO CONTRACTS UTILIZING FEDERAL FUNDS, IN WHOLE OR IN PART.

DURING THE PERFORMANCE OF THIS CONTRACT, THE CONTRACTOR AGREES AS FOLLOWS:

1. THE CONTRACTOR WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX OR AGE. THE CONTRACTOR FURTHER AGREES TO COMPLY WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PUBLIC LAW 101-336, AND APPLICABLE FEDERAL REGULATIONS RELATING THERETO PROHIBITING DISCRIMINATION AGAINST OTHERWISE QUALIFIED DISABLED INDIVIDUALS UNDER ANY PROGRAM OR ACTIVITY. THE CONTRACTOR AGREES TO PROVIDE, UPON REQUEST, NEEDED REASONABLE ACCOMODATIONS. THE CONTRACTOR WILL TAKE AFFIRMATIVE ACTION TO ENSURE THAT APPLICANTS ARE EMPLOYED AND THAT EMPLOYEES ARE TREATED DURING EMPLOYMENT WITHOUT REGARD TO THEIR RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR DISABILITY. SUCH ACTION SHALL INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING; EMPLOYMENT, UPGRADING, DEMOTION OR TRANSFER; RECRUITMENT OR RECRUITMENT ADVERTISING; LAYOFF OR TERMINATION; RATES OF PAY OR OTHER FORMS OF COMPENSATIONS; AND SELECTION FOR TRAINING, INCLUDING APPRENTICESHIP. THE CONTRACTOR AGREES TO POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES SETTING FORTH THE PROVISIONS OF THIS NON-DISCRIMINATION CLAUSE.

2. THE CONTRACTOR WILL, IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE CONTRACTOR, STATE THAT ALL QUALIFIED APPLICANTS WILL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR DISABILITY.

3. THE CONTRACTOR WILL SEND TO EACH LABOR UNION OR REPRESENTATIVE OF WORKERS WITH WHICH HE HAS A COLLECTIVE BARGAINING AGREEMENT OR OTHER CONTRACT OR UNDERSTANDING, A NOTICE ADVISING THE SAID LABOR UNION OR WORKERS' REPRESENTATIVE OF THE CONTRACTOR'S COMMITMENTS UNDER THIS SECTION, AND SHALL POST COPIES OF THE NOTICE IN CONSPICUOUS PLACES AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT. THE CONTRACTOR WILL TAKE SUCH ACTION WITH RESPECT TO ANY SUBCONTRACT OR PURCHASE ORDER AS THE ADMINISTERING AGENCY MAY DIRECT AS A MEANS OF ENFORCING SUCH PROVISIONS, INCLUDING SANCTIONS FOR NONCOMPLIANCE.

4. THE CONTRACTOR WILL COMPLY WITH ALL PROVISIONS OF EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965 AS AMENDED, AND OF THE RULES, REGULATIONS AND RELEVANT ORDERS OF THE SECRETARY OF LABOR.

5. THE CONTRACTOR WILL FURNISH ALL INFORMATION AND REPORTS REQUIRED BY EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, AND BY THE RULES, REGULATIONS AND ORDERS OF THE SECRETARY OF LABOR, OR PURSUANT THERETO, AND WILL PERMIT ACCESS TO HIS BOOKS, RECORDS AND ACCOUNTS BY THE ADMINISTERING AGENCY AND THE SECRETARY OF LABOR FOR PURPOSES OF

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INVESTIGATION TO ASCERTAIN COMPLIANCE WITH SUCH RULES, REGULATIONS AND ORDERS.

COPY

6. IN THE EVENT OF THE CONTRACTOR'S NONCOMPLIANCE WITH THE NONDISCRIMINATION CLAUSES OF THIS CONTRACT OR WITH ANY OF THE SAID RULES, REGULATIONS OR ORDERS, THIS CONTRACT MAY BE CANCELLED, TERMINATED OR SUSPENDED IN WHOLE OR IN PART AND THE CONTRACTOR MAY BE DECLARED INELIGIBLE FOR FURTHER GOVERNMENT CONTRACTS OR FEDERALLY-ASSISTED CONSTRUCTION CONTRACTS IN ACCORDANCE WITH PROCEDURES AUTHORIZED IN EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, AND SUCH OTHER SANCTIONS MAY BE IMPOSED AND REMEDIES INVOKED AS PROVIDED IN OR AS OTHERWISE PROVIDED BY LAW.

7. THE CONTRACTOR WILL INCLUDE THE PROVISIONS OF PARAGRAPHS (1) THROUGH (7) OF SECTION 202 OF EXECUTIVE ORDER 11246 IN EVERY SUBCONTRACT OR PURCHASE ORDER UNLESS EXEMPTED BY RULES, REGULATIONS OR ORDERS OF THE SECRETARY OF LABOR, ISSUED PURSUANT TO SECTION 204 OF EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, SO THAT SUCH PROVISIONS WILL BE BINDING UPON EACH SUBCONTRACTOR OR VENDOR. THE CONTRACTOR WILL TAKE SUCH ACTION WITH RESPECT TO ANY SUBCONTRACT OR PURCHASE ORDER AS THE ADMINISTERING AGENCY MAY DIRECT AS A MEANS OF ENFORCING SUCH PROVISIONS INCLUDING SANCTIONS FOR NONCOMPLIANCE; PROVIDED, HOWEVER, THAT IN THE EVENT A CONTRACTOR BECOMES INVOLVED IN, OR IS THREATENED WITH, LITIGATION WITH A SUBCONTRACTOR OR VENDOR AS A RESULT OF SUCH DIRECTION BY THE AGENCY, THE CONTRACTOR MAY REQUEST THE UNITED STATES TO ENTER INTO SUCH LITIGATION TO PROTECT THE INTERESTS OF THE UNITED STATES.

CAMPAIGN FINANCE.

THE CONTRACTOR CERTIFIES THAT NEITHER HE/SHE NOR ANY MEMBER OF HIS/HER IMMEDIATE FAMILY HAVING AN INTEREST OF 10% OR MORE IN ANY BUSINESS ENTITY INVOLVED IN THE PERFORMANCE OF THIS CONTRACT, HAS CONTRIBUTED MORE THAN THE AMOUNT SPECIFIED IN KRS 121.056(2), TO THE CAMPAIGN OF THE GUBERNATORIAL CANDIDATE ELECTED AT THE ELECTION LAST PRECEDING THE DATE OF THIS CONTRACT. THE CONTRACTOR FURTHER SWEARS UNDER THE PENALTY OF PERJURY, AS PROVIDED BY KRS 523.020, THAT NEITHER HE/SHE NOR THE COMPANY WHICH HE/SHE REPRESENTS, HAS KNOWINGLY VIOLATED ANY PROVISIONS OF THE CAMPAIGN FINANCE LAWS OF THE COMMONWEALTH, AND THAT THE AWARD OF A CONTRACT TO HIM/HER OR THE COMPANY WHICH HE/SHE REPRESENTS WILL NOT VIOLATE ANY PROVISIONS OF THE CAMPAIGN FINANCE LAWS OF THE COMMONWEALTH.

CERTIFICATION.

THE STATE AGENCY CERTIFIES THAT IT IS IN COMPLIANCE WITH THE PROVISIONS OF KRS 45A.695.

"ACCESS TO CONTRACTOR'S BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE DIRECTLY PERTINENT TO THE CONTRACT". THE CONTRACTOR, AS DEFINED IN KRS 45A.030(7), AGREES THAT THE CONTRACTING AGENCY, THE FINANCE AND ADMINISTRATION CABINET, THE AUDITOR OF PUBLIC ACCOUNTS, AND THE LEGISLATIVE RESEARCH COMMISSION, OR THEIR DULY AUTHORIZED REPRESENTATIVES, SHALL HAVE ACCESS TO ANY BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE, WHICH ARE DIRECTLY PERTINENT TO THIS CONTRACT FOR THE PURPOSE OF FINANCIAL AUDIT OR PROGRAM REVIEW. FURTHERMORE, ANY BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE PROVIDED TO THE CONTRACTING AGENCY, THE FINANCE AND ADMINISTRATION CABINET, THE AUDITOR OF PUBLIC ACCOUNTS, OR THE LEGISLATIVE RESEARCH COMMISSION WHICH ARE DIRECTLY PERTINENT TO THE CONTRACT SHALL BE SUBJECT TO PUBLIC DISCLOSURE REGARDLESS OF THE PROPRIETARY NATURE OF THE

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INFORMATION, UNLESS SPECIFIC INFORMATION IS IDENTIFIED AND EXEMPTED AND AGREED TO BY THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET AS MEETING THE PROVISIONS OF KRS 61.878(1)(C) PRIOR TO THE EXECUTION OF THE CONTRACT. THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET SHALL NOT RESTRICT THE PUBLIC RELEASE OF ANY INFORMATION WHICH WOULD OTHERWISE BE SUBJECT TO PUBLIC RELEASE IF A STATE GOVERNMENT AGENCY WAS PROVIDING THE SERVICES.

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VIOLATION OF TAX AND EMPLOYMENT LAWS.

KRS 45A.485 REQUIRES THE CONTRACTOR TO REVEAL TO THE COMMONWEALTH, PRIOR TO THE AWARD OF A CONTRACT, ANY FINAL DETERMINATION OF A VIOLATION BY THE CONTRACTOR WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD OF THE PROVISIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341, AND 342. THESE STATUTES RELATE TO THE STATE SALES AND USE TAX, CORPORATE AND UTILITY TAX, INCOME TAX, WAGES AND HOURS LAWS, OCCUPATIONAL SAFETY AND HEALTH LAWS, UNEMPLOYMENT INSURANCE LAWS, AND WORKERS COMPENSATION INSURANCE LAWS, RESPECTIVELY.

TO COMPLY WITH THE PROVISIONS OF KRS 45A.485, THE CONTRACTOR SHALL REPORT ANY SUCH FINAL DETERMINATION(S) OF VIOLATION(S) TO THE COMMONWEALTH BY PROVIDING THE FOLLOWING INFORMATION REGARDING THE FINAL DETERMINATION(S): THE KRS VIOLATED, THE DATE OF THE FINAL DETERMINATION, AND THE STATE AGENCY WHICH ISSUED THE FINAL DETERMINATION.

KRS 45A.485 ALSO PROVIDES THAT, FOR THE DURATION OF ANY CONTRACT, THE CONTRACTOR SHALL BE IN CONTINUOUS COMPLIANCE WITH THE PROVISIONS OF THOSE STATUTES WHICH APPLY TO THE CONTRACTOR'S OPERATIONS, AND THAT THE CONTRACTOR'S FAILURE TO REVEAL A FINAL DETERMINATION AS DESCRIBED ABOVE OR FAILURE TO COMPLY WITH THE ABOVE STATUTES FOR THE DURATION OF THE CONTRACT, SHALL BE GROUNDS FOR THE COMMONWEALTH'S CANCELLATION OF THE CONTRACT AND THE CONTRACTOR'S DISQUALIFICATION FROM ELIGIBILITY FOR FUTURE STATE CONTRACTS FOR A PERIOD OF TWO (2) YEARS.

Contractor must check one:

THE CONTRACTOR HAS NOT VIOLATED ANY OF THE PROVISIONS OF THE ABOVE STATUTES WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD.

THE CONTRACTOR HAS VIOLATED THE PROVISIONS OF ONE OR MORE OF THE ABOVE STATUTES WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD AND HAS REVEALED SUCH FINAL DETERMINATION(S) OF VIOLATION(S). A LIST OF SUCH DETERMINATION(S) IS ATTACHED



The Commonwealth of
Kentucky

RECEIVED
APR 16 2004
KENTUCKY RIVER AUTHORITY

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SOLICITATION

TITLE: KRA LEAK DETECTION 2

DATE ISSUED Mar 24, 2004	SOLICITATION CLOSURES Date: Apr 16, 2004 Time: 4:30 PM	SOLICITATION NO. S-04103130	COMMODITY CATEGORY Professional Services- Miscellaneous
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ISSUED BY	083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:	ISSUED BY	083 KENTUCKY RIVER AUTHORITY DON MORSE 70 WILKINSON BLVD FRANKFORT KY 40601 Phone: FAX: EMAIL:
	VENDOR		KENTUCKY-AMERICAN WATER COMPANY COLEMAN BUSH 2300 RICHMOND ROAD LEXINGTON, KY 40502-1308 Phone: 859.268.6324 FAX: 859.268.6327 EMAIL: cbush@kawc.com

FOR INFORMATION CALL:
DON MORSE

ELECTRONIC BID PERMITTED:
[]

OWNERSHIP TYPE:
[] Sole Proprietorship
[] Partnership
[X] Corporation

ADDITIONAL VENDOR INFORMATION:

SIGNATURE OF AUTHORIZED AGENT IS REQUIRED UNLESS RESPONSE IS SUBMITTED ELECTRONICALLY, FAILURE TO SIGN SHALL RENDER THE BID INVALID

Signature *Heather Wiley VP* FEIN# **610485002**
Date 4/16/04

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COPY

All offers are subject to all terms and conditions contained in this solicitation.

TABLE OF CONTENTS

(x)	SEC.	DESCRIPTION
X	A	Canned Specifications for the Commonwealth of Kentucky
X	L	Free-form Terms and Conditions

The Commonwealth of Kentucky conducts business in different time zones. It is the vendor's responsibility to be aware of the current time zone for the solicitation they are responding to. This will be indicated in the solicitation.

Line Group:

Line	Description	Due Date	Qty	Unit Price	Unit Issue	Total Price
0001	LEAK DETECTION FOR KY RIVER BASIN WATER UTILITIES	4/16/2004	500	\$100.00	Hour	\$50,000.00

Extended Description:

Services to locate line leaks and other sources of water losses or water utility operational deficiencies with the symptoms of line leaks for water utilities using water from sources within the Kentucky River Basin. This includes water producers and distribution districts who purchase water from within the Basin. Consultant is to use his own personnel and equipment to pinpoint the location of a line leak or advise the utility of other causes and solutions which cause water loss or pressure loss. Consultant is not required to perform and repairs. Supervision of the repairs is required only if specifically requested by the utility and approved by the Authority. All assignments are made by the Authority based on requests from the utility. There are approximately 60 water utilities within the Kentucky River Basin eligible for these services. They are located in the area between Letcher County in the southeastern part of the state to Carroll County in the north central part of the state. Assume that there will be up to 20 service calls per year averaging 3 eight-hour days each.

B	083 KENTUCKY RIVER AUTHORITY
I	ATTN: DON MORSE
L	70 WILKINSON BLVD
L	FRANKFORT KY 40601
T	Phone: (502) 564-2866
O	Fax: (502) 564-2681
< This address is applicable to all line items. >	

Discount/Markup:

Manufacturer:

Model:

Exceptions to Specifications:

Line	Description	Due Date	Qty	Unit Price	Unit Issue	Total Price
0002	Travel Cost	4/16/2004	500	\$9.80	Hour	\$4,900.00

Extended Description:

The contractor is allowed a reimbursement for mileage within the Commonwealth of Kentucky between the office of the consultant or the closest point of entry into the boundaries of Kentucky (whichever is shorter), and each water utility. Reimbursement for meals and lodging at cost shall be provided when overnight stay at the location of the water utility is required. Bid shall include a rate per mile for mileage, plus a daily amount for meals and lodging for overnight stay at the water utility site. Bid shall also estimate a maximum

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amount for all travel expenses during the one-year contract period, assuming 20 service calls averaging 3-hour days each.

Discount/Markup:

Manufacturer:

Model:

Exceptions to Specifications:

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Code	Criteria Description	Weight	Vendor Response (DO NOT LIST PRICES IN THIS SECTION. UNIT PRICES AND TOTAL PRICES MUST BE FILLED IN ADJACENT TO THEIR LINE ITEMS.)
500	Cost of services	20	<p>The maximum compensation estimated for travel expenses during the contract period, inclusive of mileage, but not included in the hourly rate for leak detection reflected on line 0001, is \$4,900.00. This amount includes travel to and from the utility at \$.375 per mile. The solicitation includes the unit issue as "hour" on line 0002 so the total estimated travel cost of \$4,900.00 has been converted to an hourly rate of \$9.80 based on 500 hours. Last year, we submitted the bid for travel on a per mile basis. If stated on a per mile basis, the rate per mile for all travel costs is \$.628205. The daily amount included for meals and lodging for overnight stay is \$125 to include lodging, incidentals and breakfast. The estimated daily amount for lunch, dinner and incidentals is \$25 in addition.</p>
300	Experience & Familiarity with Ky River Basin Utilities	30	<p>Leak Detection Experience - KAWC has extensive experience in leak detection within its own service area and with other utilities. KAWC places a high priority in early detection of leaks in its stewardship of scarce water resources and in its commitment to keeping customer rates low. KAWC owns and operates state-of-the-art leak detection equipment. In the Company's large service area, KAWC distribution personnel have developed significant experience and expertise in the operation of this equipment for the detection of leaks. In addition, regular training is provided to enhance staff effectiveness in leak detection.</p> <p>Leak detection has been an integral part of KAWC distribution system operations for over 40 years. KAWC established and funded a separate unit specifically for leak detection in 1986. KAWC continues to update and modernize its leak detection equipment and provides staff training opportunities to ensure peak effectiveness of its leak detection efforts.</p> <p>Experience and Familiarity with KY River Basin Utilities - Kentucky-American has a long association with many of the water utilities in the KY River Basin through active involvement in the KY/TN Section of AWWA, Kentucky Rural Water Association, BGADD, Bluegrass Water Supply Consortium, etc. as well as the familiarity that we have gained with many of these utilities through acquisition and consolidation efforts over the last several decades and in dealing with the</p>

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	<div style="border: 1px solid black; padding: 10px; font-size: 2em; font-weight: bold;">(COPY)</div>		<p>Region's water supply shortage in general.</p> <p>We supply water on a wholesale basis to many of the water utilities in adjoining counties.</p> <p>Our experiences over the last 3 years as the successful bidder for leak detection services have allowed us greater exposure to many of these utilities. In particular, the Eastern Kentucky communities of Hazard and Jackson have made extensive use of these services.</p> <p>While not included in this section, the free form comments did request a list of leak detection equipment owned. That list is submitted as "Attachment 1."</p>
100	Timeliness of Response to Assignments	30	<p>KAWC will guarantee a maximum response time to routine assignments of no more than twenty-four (24) hours. This maximum response time implies a 24-hour notice for all routine leak detection assignments and allows for this level of service to the most remote locations within the Kentucky River Basin. KAWC will respond to all routine assignments no later than the next business day. KAWC will make every effort to respond in less time than the maximum allowable response time and to respond to emergency assignments immediately.</p> <p>The home office of the Company is located at 2300 Richmond Road in Lexington, Kentucky and the home office of the field agents to be assigned to this contract is the same.</p>
200	Related Experience of Employees to be assigned	20	<p><i>Wayne Mattingly</i> has been with KAWC for over twenty-five (25) years and brings experience in all areas of distribution system operations and maintenance to this project. Wayne has over six (6) years experience directly related to leak detection including system survey and leak location. He has received technical training and is proficient in use of all leak detection equipment used by the Company.</p> <p><i>Carolyn Alexander</i> has been with the Company for over eight (8) years and has worked in leak detection for over five (5) years. Her experience and responsibilities include all phases of distribution system operation, maintenance, and repair. Carolyn has received technical training in the operation of all Company leak detection equipment and has developed expertise in system survey and leak location.</p> <p><i>Wes Felts</i> has been with KAWC for over seven (7) years. During that time, Wes has worked in all areas of distribution system maintenance including leak detection and repair, service installation, and hydrant maintenance and installation. His primary duties include system survey and leak location. He has been actively involved</p>

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			<p>in leak detection activities for over four (4) years. Wes has received technical training and is proficient in operation of all Company leak detection equipment.</p> <p>Kentucky-American does not have plans to use any outside consultants for the work required under this contract.</p>
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Section 1: L -- FREE-FORM TERMS AND CONDITIONS

FREE FREE-FORM TERMS & CONDITIONS

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REQUEST FOR PROPOSAL

Successful bidder shall assist water utilities within the Kentucky River Basin in the location of line leaks or other operational problems related to water and pressure losses in their systems. Each service call will be assigned by the Authority based on requests from the utilities. A map of the Kentucky River Basin can be obtained from the Authority web site <http://kra.state.ky.us>. There are approximately 60 utilities which can use these services if need from Whitesburg Kentucky in the southeastern part of the state to Carrollton in the north-central part of the state.

Services are performed on an as called basis. Proposals shall state the maximum time required to respond to an assignment and arrive on site at the office of the utility. The proposal shall state both the home office of the company and the home location of the field agents to be assigned to this contract.

Proposals shall list the experience of the staff to be assigned to this contract in performing leak detection and water utility operations.

Proposals shall list the experience and knowledge of the firm with the utilities within the Kentucky River Basin.

Proposals shall list the leak detection equipment which they own, its age and capabilities. A separate list of equipment which they intend to rent for use on this contract shall be provide.

Compensation required shall be stated in the proposal in the form of an hourly rate for the use of the company's personnel and equipment while on site with the assigned utility. Hours while in travel status shall not be reimbursed except by reimbursement under travel expense. The proposal shall state the rate per mile required for travel to and from the utility to the closest of the contractor's office or the borders of the Commonwealth of Kentucky, whichever is shorter. Lodging and meals shall be reimbursed at actual cost when overnight stay at the utility is required. The proposal shall state the maximum compensation estimated for travel expenses during the contract period, inclusive of mileage.

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Section 2: A -- CANNED SPECIFICATIONS FOR THE COMMONWEALTH OF KENTUCKY

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Section 1: A -- CANNED SPECIFICATIONS FOR THE COMMONWEALTH OF KENTUCKY

PSC1 Personal Service Contract Clauses

WHEREAS, THE STATE AGENCY HAS CONCLUDED THAT EITHER STATE PERSONNEL ARE NOT AVAILABLE TO PERFORM SAID FUNCTION, OR IT WOULD NOT BE FEASIBLE TO UTILIZE STATE PERSONNEL TO PERFORM SAID FUNCTION; AND WHEREAS, THE SECOND PARTY IS AVAILABLE AND QUALIFIED TO PERFORM SUCH FUNCTION, AND WHEREAS, FOR THE HEREINBEFORE-STATED REASONS, THE STATE AGENCY DESIRES TO AVAIL ITSELF OF THE SERVICES OF THE SECOND PARTY.

INVOICES FOR FEES:

THE CONTRACTOR SHALL MAINTAIN SUPPORTING DOCUMENTS TO SUBSTANTIATE INVOICES AND SHALL FURNISH SAME IF REQUIRED BY STATE GOVERNMENT.

TRAVEL EXPENSES, IF AUTHORIZED:

THE CONTRACTOR SHALL BE PAID FOR NO TRAVEL EXPENSES UNLESS AND EXCEPT AS SPECIFICALLY AUTHORIZED BY THE SPECIFICATIONS OF THE CONTRACT.

OTHER EXPENSES, IF AUTHORIZED HEREIN:

THE CONTRACTOR SHALL BE REIMBURSED FOR NO OTHER EXPENSES OF ANY KIND, UNLESS AND EXCEPT AS SPECIFICALLY AUTHORIZED WITHIN THE SPECIFICATIONS OF THE CONTRACT.

IF THE REIMBURSEMENT OF SUCH EXPENSES IS AUTHORIZED, THE REIMBURSEMENT SHALL BE ONLY ON AN OUT-OF-POCKET BASIS. REQUEST FOR PAYMENT OF SAME SHALL BE PROCESSED UPON RECEIPT FROM THE CONTRACTOR OF VALID, ITEMIZED STATEMENTS SUBMITTED PERIODICALLY FOR PAYMENT AT THE TIME ANY FEES ARE DUE. THE CONTRACTOR SHALL MAINTAIN SUPPORTING DOCUMENTS THAT SUBSTANTIATE EVERY CLAIM FOR EXPENSES AND SHALL FURNISH SAME IF REQUESTED BY STATE GOVERNMENT.

I. INVOICING FOR FEE: THE CONTRACTOR'S FEE SHALL BE ORIGINAL INVOICE(S) AND SHALL BE DOCUMENTED BY THE CONTRACTOR. THE INVOICE(S) MUST CONFORM TO THE METHOD DESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT.

II. INVOICING FOR TRAVEL EXPENSES: THE CONTRACTOR MUST FOLLOW INSTRUCTIONS DESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT. EITHER ORIGINAL OR CERTIFIED COPIES OF RECEIPTS MUST BE SUBMITTED FOR AIRLINE TICKETS, MOTEL BILLS, RESTAURANT CHARGES, RENTAL CAR CHARGES, AND ANY OTHER MISCELLANEOUS EXPENSES.

III. INVOICING FOR MISCELLANEOUS EXPENSES: THE CONTRACTOR MUST FOLLOW INSTRUCTIONS PRESCRIBED IN THE SPECIFICATIONS OF THE CONTRACT. EXPENSES SUBMITTED SHALL BE DOCUMENTED BY ORIGINAL OR CERTIFIED COPIES.

EFFECTIVE DATE:

THIS AGREEMENT IS NOT EFFECTIVE UNTIL THE SECRETARY OF THE FINANCE

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AND ADMINISTRATION CABINET OR HIS AUTHORIZED DESIGNEE HAS APPROVED THE CONTRACT AND UNTIL THE CONTRACT HAS BEEN SUBMITTED TO THE GOVERNMENT CONTRACT REVIEW COMMITTEE.

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PAYMENTS ON PERSONAL SERVICE CONTRACTS AND MEMORANDUA OF AGREEMENT SHALL NOT BE AUTHORIZED FOR SERVICES RENDERED AFTER GOVERNMENT CONTRACT REVIEW COMMITTEE DISAPPROVAL, UNLESS THE DECISION OF THE COMMITTEE IS OVERRIDDEN BY THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET OR AGENCY HEAD, IF THE AGENCY HAS BEEN GRANTED DELEGATION AUTHORITY BY THE SECRETARY.

SOCIAL SECURITY: (Check One)

X THE PARTIES ARE COGNIZANT THAT THE STATE IS NOT LIABLE FOR SOCIAL SECURITY CONTRIBUTIONS PURSUANT TO 42 U.S. CODE, SECTION 418, RELATIVE TO THE COMPENSATION OF THE SECOND PARTY FOR THIS CONTRACT.

_____ THE PARTIES ARE COGNIZANT THAT THE STATE IS LIABLE FOR SOCIAL SECURITY CONTRIBUTIONS PURSUANT TO 42 U.S. CODE, SECTION 418, RELATIVE TO THE COMPENSATION OF THE SECOND PARTY FOR THIS CONTRACT

CANCELLATION:

THE STATE AGENCY SHALL HAVE THE RIGHT TO TERMINATE AND CANCEL THIS AGREEMENT AT ANY TIME NOT TO EXCEED THIRTY (30) DAYS' WRITTEN NOTICE SERVED ON THE CONTRACTOR BY REGISTERED OR CERTIFIED MAIL.

PURCHASING AND SPECIFICATIONS:

THE CONTRACTOR CERTIFIES THAT HE WILL NOT ATTEMPT IN ANY MANNER TO INFLUENCE ANY SPECIFICATIONS TO BE RESTRICTIVE IN ANY WAY OR RESPECT NOR WILL HE ATTEMPT IN ANY WAY TO INFLUENCE ANY PURCHASING OF SERVICES, COMMODITIES OR EQUIPMENT BY THE COMMONWEALTH OF KENTUCKY. FOR THE PURPOSE OF THIS PARAGRAPH AND THE FOLLOWING PARAGRAPH THAT PERTAINS TO CONFLICT-OF-INTEREST LAWS AND PRINCIPLES, "HE" IS CONSTRUED TO MEAN "THEY" IF MORE THAN ONE PERSON IS INVOLVED AND IF A FIRM, PARTNERSHIP, CORPORATION, OR OTHER ORGANIZATION IS INVOLVED, THEN "HE" IS CONSTRUED TO MEAN ANY PERSON WITH AN INTEREST THEREIN.

CONFLICT-OF-INTEREST LAWS AND PRINCIPLES:

THE CONTRACTOR CERTIFIES THAT HE IS LEGALLY ENTITLED TO ENTER INTO THIS CONTRACT WITH THE COMMONWEALTH OF KENTUCKY, AND BY HOLDING AND PERFORMING THIS CONTRACT WILL NOT BE VIOLATING EITHER ANY CONFLICT OF INTEREST STATUTE (KRS45A.330-45A.340, 45A.990, 164,390), OR KRS 11A.040 OF THE EXECUTIVE BRANCH CODE OF ETHICS, RELATING TO THE EMPLOYMENT OF FORMER PUBLIC SERVANTS.

CHOICE OF LAW AND FORUM.

ALL QUESTIONS AS TO THE EXECUTION, VALIDITY, INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF KENTUCKY. FURTHERMORE, THE PARTIES HERETO AGREE THAT ANY LEGAL ACTION WHICH IS BROUGHT ON THE BASIS OF THIS AGREEMENT SHALL BE FILED IN THE FRANKLIN COUNTY CIRCUIT COURT OF THE COMMONWEALTH OF KENTUCKY.

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DISCRIMINATION:

(BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE, OR DISABILITY) PROHIBITED. THIS SECTION APPLIES ONLY TO CONTRACTS UTILIZING FEDERAL FUNDS, IN WHOLE OR IN PART.

DURING THE PERFORMANCE OF THIS CONTRACT, THE CONTRACTOR AGREES AS FOLLOWS:

1. THE CONTRACTOR WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX OR AGE. THE CONTRACTOR FURTHER AGREES TO COMPLY WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PUBLIC LAW 101-336, AND APPLICABLE FEDERAL REGULATIONS RELATING THERETO PROHIBITING DISCRIMINATION AGAINST OTHERWISE QUALIFIED DISABLED INDIVIDUALS UNDER ANY PROGRAM OR ACTIVITY. THE CONTRACTOR AGREES TO PROVIDE, UPON REQUEST, NEEDED REASONABLE ACCOMODATIONS. THE CONTRACTOR WILL TAKE AFFIRMATIVE ACTION TO ENSURE THAT APPLICANTS ARE EMPLOYED AND THAT EMPLOYEES ARE TREATED DURING EMPLOYMENT WITHOUT REGARD TO THEIR RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR DISABILITY. SUCH ACTION SHALL INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING; EMPLOYMENT, UPGRADING, DEMOTION OR TRANSFER; RECRUITMENT OR RECRUITMENT ADVERTISING; LAYOFF OR TERMINATION; RATES OF PAY OR OTHER FORMS OF COMPENSATIONS; AND SELECTION FOR TRAINING, INCLUDING APPRENTICESHIP. THE CONTRACTOR AGREES TO POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES SETTING FORTH THE PROVISIONS OF THIS NON-DISCRIMINATION CLAUSE.

2. THE CONTRACTOR WILL, IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE CONTRACTOR, STATE THAT ALL QUALIFIED APPLICANTS WILL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR DISABILITY.

3. THE CONTRACTOR WILL SEND TO EACH LABOR UNION OR REPRESENTATIVE OF WORKERS WITH WHICH HE HAS A COLLECTIVE BARGAINING AGREEMENT OR OTHER CONTRACT OR UNDERSTANDING, A NOTICE ADVISING THE SAID LABOR UNION OR WORKERS' REPRESENTATIVE OF THE CONTRACTOR'S COMMITMENTS UNDER THIS SECTION, AND SHALL POST COPIES OF THE NOTICE IN CONSPICUOUS PLACES AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT. THE CONTRACTOR WILL TAKE SUCH ACTION WITH RESPECT TO ANY SUBCONTRACT OR PURCHASE ORDER AS THE ADMINISTERING AGENCY MAY DIRECT AS A MEANS OF ENFORCING SUCH PROVISIONS, INCLUDING SANCTIONS FOR NONCOMPLIANCE.

4. THE CONTRACTOR WILL COMPLY WITH ALL PROVISIONS OF EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965 AS AMENDED, AND OF THE RULES, REGULATIONS AND RELEVANT ORDERS OF THE SECRETARY OF LABOR.

5. THE CONTRACTOR WILL FURNISH ALL INFORMATION AND REPORTS REQUIRED BY EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, AND BY THE RULES, REGULATIONS AND ORDERS OF THE SECRETARY OF LABOR, OR PURSUANT THERETO, AND WILL PERMIT ACCESS TO HIS BOOKS, RECORDS AND ACCOUNTS BY THE ADMINISTERING AGENCY AND THE SECRETARY OF LABOR FOR PURPOSES OF

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INVESTIGATION TO ASCERTAIN COMPLIANCE WITH SUCH RULES, REGULATIONS AND ORDERS.

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6. IN THE EVENT OF THE CONTRACTOR'S NONCOMPLIANCE WITH THE NONDISCRIMINATION CLAUSES OF THIS CONTRACT OR WITH ANY OF THE SAID RULES, REGULATIONS OR ORDERS, THIS CONTRACT MAY BE CANCELLED, TERMINATED OR SUSPENDED IN WHOLE OR IN PART AND THE CONTRACTOR MAY BE DECLARED INELIGIBLE FOR FURTHER GOVERNMENT CONTRACTS OR FEDERALLY-ASSISTED CONSTRUCTION CONTRACTS IN ACCORDANCE WITH PROCEDURES AUTHORIZED IN EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, AND SUCH OTHER SANCTIONS MAY BE IMPOSED AND REMEDIES INVOKED AS PROVIDED IN OR AS OTHERWISE PROVIDED BY LAW.

7. THE CONTRACTOR WILL INCLUDE THE PROVISIONS OF PARAGRAPHS (1) THROUGH (7) OF SECTION 202 OF EXECUTIVE ORDER 11246 IN EVERY SUBCONTRACT OR PURCHASE ORDER UNLESS EXEMPTED BY RULES, REGULATIONS OR ORDERS OF THE SECRETARY OF LABOR, ISSUED PURSUANT TO SECTION 204 OF EXECUTIVE ORDER NO. 11246 OF SEPTEMBER 24, 1965, AS AMENDED, SO THAT SUCH PROVISIONS WILL BE BINDING UPON EACH SUBCONTRACTOR OR VENDOR. THE CONTRACTOR WILL TAKE SUCH ACTION WITH RESPECT TO ANY SUBCONTRACT OR PURCHASE ORDER AS THE ADMINISTERING AGENCY MAY DIRECT AS A MEANS OF ENFORCING SUCH PROVISIONS INCLUDING SANCTIONS FOR NONCOMPLIANCE; PROVIDED, HOWEVER, THAT IN THE EVENT A CONTRACTOR BECOMES INVOLVED IN, OR IS THREATENED WITH, LITIGATION WITH A SUBCONTRACTOR OR VENDOR AS A RESULT OF SUCH DIRECTION BY THE AGENCY, THE CONTRACTOR MAY REQUEST THE UNITED STATES TO ENTER INTO SUCH LITIGATION TO PROTECT THE INTERESTS OF THE UNITED STATES.

CAMPAIGN FINANCE.

THE CONTRACTOR CERTIFIES THAT NEITHER HE/SHE NOR ANY MEMBER OF HIS/HER IMMEDIATE FAMILY HAVING AN INTEREST OF 10% OR MORE IN ANY BUSINESS ENTITY INVOLVED IN THE PERFORMANCE OF THIS CONTRACT, HAS CONTRIBUTED MORE THAN THE AMOUNT SPECIFIED IN KRS 121.056(2), TO THE CAMPAIGN OF THE GUBERNATORIAL CANDIDATE ELECTED AT THE ELECTION LAST PRECEDING THE DATE OF THIS CONTRACT. THE CONTRACTOR FURTHER SWEARS UNDER THE PENALTY OF PERJURY, AS PROVIDED BY KRS 523.020, THAT NEITHER HE/SHE NOR THE COMPANY WHICH HE/SHE REPRESENTS, HAS KNOWINGLY VIOLATED ANY PROVISIONS OF THE CAMPAIGN FINANCE LAWS OF THE COMMONWEALTH, AND THAT THE AWARD OF A CONTRACT TO HIM/HER OR THE COMPANY WHICH HE/SHE REPRESENTS WILL NOT VIOLATE ANY PROVISIONS OF THE CAMPAIGN FINANCE LAWS OF THE COMMONWEALTH.

CERTIFICATION.

THE STATE AGENCY CERTIFIES THAT IT IS IN COMPLIANCE WITH THE PROVISIONS OF KRS 45A.695.

"ACCESS TO CONTRACTOR'S BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE DIRECTLY PERTINENT TO THE CONTRACT". THE CONTRACTOR, AS DEFINED IN KRS 45A.030(7), AGREES THAT THE CONTRACTING AGENCY, THE FINANCE AND ADMINISTRATION CABINET, THE AUDITOR OF PUBLIC ACCOUNTS, AND THE LEGISLATIVE RESEARCH COMMISSION, OR THEIR DULY AUTHORIZED REPRESENTATIVES, SHALL HAVE ACCESS TO ANY BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE, WHICH ARE DIRECTLY PERTINENT TO THIS CONTRACT FOR THE PURPOSE OF FINANCIAL AUDIT OR PROGRAM REVIEW. FURTHERMORE, ANY BOOKS, DOCUMENTS, PAPERS, RECORDS, OR OTHER EVIDENCE PROVIDED TO THE CONTRACTING AGENCY, THE FINANCE AND ADMINISTRATION CABINET, THE AUDITOR OF PUBLIC ACCOUNTS, OR THE LEGISLATIVE RESEARCH COMMISSION WHICH ARE DIRECTLY PERTINENT TO THE CONTRACT SHALL BE SUBJECT TO PUBLIC DISCLOSURE REGARDLESS OF THE PROPRIETARY NATURE OF THE

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INFORMATION, UNLESS SPECIFIC INFORMATION IS IDENTIFIED AND EXEMPTED AND AGREED TO BY THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET AS MEETING THE PROVISIONS OF KRS 61.878(1)(C) PRIOR TO THE EXECUTION OF THE CONTRACT. THE SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET SHALL NOT RESTRICT THE PUBLIC RELEASE OF ANY INFORMATION WHICH WOULD OTHERWISE BE SUBJECT TO PUBLIC RELEASE IF A STATE GOVERNMENT AGENCY WAS PROVIDING THE SERVICES.

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VIOLATION OF TAX AND EMPLOYMENT LAWS.

KRS 45A.485 REQUIRES THE CONTRACTOR TO REVEAL TO THE COMMONWEALTH, PRIOR TO THE AWARD OF A CONTRACT, ANY FINAL DETERMINATION OF A VIOLATION BY THE CONTRACTOR WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD OF THE PROVISIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341, AND 342. THESE STATUTES RELATE TO THE STATE SALES AND USE TAX, CORPORATE AND UTILITY TAX, INCOME TAX, WAGES AND HOURS LAWS, OCCUPATIONAL SAFETY AND HEALTH LAWS, UNEMPLOYMENT INSURANCE LAWS, AND WORKERS COMPENSATION INSURANCE LAWS, RESPECTIVELY.

TO COMPLY WITH THE PROVISIONS OF KRS 45A.485, THE CONTRACTOR SHALL REPORT ANY SUCH FINAL DETERMINATION(S) OF VIOLATION(S) TO THE COMMONWEALTH BY PROVIDING THE FOLLOWING INFORMATION REGARDING THE FINAL DETERMINATION(S): THE KRS VIOLATED, THE DATE OF THE FINAL DETERMINATION, AND THE STATE AGENCY WHICH ISSUED THE FINAL DETERMINATION.

KRS 45A.485 ALSO PROVIDES THAT, FOR THE DURATION OF ANY CONTRACT, THE CONTRACTOR SHALL BE IN CONTINUOUS COMPLIANCE WITH THE PROVISIONS OF THOSE STATUTES WHICH APPLY TO THE CONTRACTOR'S OPERATIONS, AND THAT THE CONTRACTOR'S FAILURE TO REVEAL A FINAL DETERMINATION AS DESCRIBED ABOVE OR FAILURE TO COMPLY WITH THE ABOVE STATUTES FOR THE DURATION OF THE CONTRACT, SHALL BE GROUNDS FOR THE COMMONWEALTH'S CANCELLATION OF THE CONTRACT AND THE CONTRACTOR'S DISQUALIFICATION FROM ELIGIBILITY FOR FUTURE STATE CONTRACTS FOR A PERIOD OF TWO (2) YEARS.

Contractor must check one:

 X THE CONTRACTOR HAS NOT VIOLATED ANY OF THE PROVISIONS OF THE ABOVE STATUTES WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD.

 THE CONTRACTOR HAS VIOLATED THE PROVISIONS OF ONE OR MORE OF THE ABOVE STATUTES WITHIN THE PREVIOUS FIVE (5) YEAR PERIOD AND HAS REVEALED SUCH FINAL DETERMINATION(S) OF VIOLATION(S). A LIST OF SUCH DETERMINATION(S) IS ATTACHED

Attachment 1

[COPY]

**Commonwealth of Kentucky
KRA Leak Detection 2
Solicitation No. S-04103130**

Kentucky American Water List of Leak Detection Equipment:

KAWC currently owns, operates and proposes to utilize the following leak detection equipment in providing leak detection services to the Kentucky River Authority:

Magna-Trak magnetic locator, model 100, 12 yrs
Magna-Trak magnetic locator, model 102, 4 yrs
Fisher magnetic locator, model M-95/96, 22 yrs
Schonstedt magnetic locator, model G52-C, 12 yrs
Fisher pipeline locator, model TW-6, 22 yrs
Radiodetection pipeline locator, model RD400, 10 yrs
Radiodetection pipeline locator, model RD500, 7 yrs
Health Consult surveyor/Gnd Mic, model Sonikit, 12 yrs
Health Consult surveyor/Gnd Mic, model AquaScope, 12 yrs
FCS surveyor, model L-100, 12 yrs
FCS surveyor/Gnd Mic, model S-20, 12 yrs
FCS surveyor/Gnd Mic, model S-30, 4 yrs
FCS correlator, model C-2000, 12 yrs
FCS correlator, model TriCorr 2001, 4 yrs
FCS leak noise locator, model Aqualog 40, 12 yrs
Palmer Environmental leak noise locator, model Permalog, 12 yrs
Dodge leak detection van, model Caravan, 6 yrs

In the hands of our experienced technicians, our equipment is capable of pinpointing leaks with a high degree of accuracy.

KAWC continually updates its inventory of leak detection equipment as new, more innovative designs become available. KAWC proposes to utilize the most up-to-date equipment it may have at its disposal at any given time in providing leak detection services under this agreement. KAWC has no plans to rent any equipment for use in providing these services.