

WATER/WASTEWATER REMOVAL AND SITE CLEANUP SERVICE AGREEMENT

This Water/Wastewater Removal and Site Cleanup Service Agreement (“Agreement”) is made and entered into between the **PLATTE CANYON WATER AND SANITATION DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (“DISTRICT”), and **BLUSKY RESTORATION CONTRACTORS, LLC**, a Colorado company (“BLUSKY”).

RECITALS

WHEREAS, DISTRICT desires to retain a contractor that will respond 24 hours a day, 7 days a week, and promptly provide such water and wastewater removal and site cleanup services as the DISTRICT may request for any property that suffers a release of water or wastewater from DISTRICT owned and operated facilities; and

WHEREAS, has represented that it has the personnel and expertise necessary to perform such services for the DISTRICT, and that it has performed similar services for other public and private entities; and

WHEREAS, BLUSKY has represented that it has a successful record of completing work of the highest quality with competent staff in a thorough and timely manner; and

WHEREAS, the DISTRICT does not intend to request more service from BLUSKY than is necessary to merely clean and dry out a particular site as much as is practical to lessen the inconvenience to the owner and occupant thereof; and

WHEREAS, the DISTRICT will authorize BLUSKY to perform services hereunder only upon the condition that the owner and/or occupant of the site acknowledges in writing that by so doing, the DISTRICT does not accept liability for any loss or damage that may have been caused and that the services performed by BLUSKY are under no circumstances intended to constitute a full and complete restoration or repair of any damage that may have been sustained.

NOW, THEREFORE, in consideration of the promises set forth herein, the DISTRICT and BLUSKY agree as follows:

1. Scope of Services - General. BLUSKY represents that it currently has and will maintain at all times during the Term of this Agreement, a 24 hour a day, 7 day a week capability to provide upon request and in accordance with the response times and other provisions of this Agreement, the water and wastewater removal and site cleanup and restoration services as described on Exhibit “A” which is attached hereto and incorporated herein by this reference (“Scope of Services”).

1.1 Site Specific Services. When the DISTRICT in its discretion notifies BLUSKY that a site has suffered a release of water and/or wastewater from DISTRICT owned and

operated facilities, the DISTRICT shall select from the Scope of Services the specific services ("Site Specific Services") required for such site. The DISTRICT will authorize BLUSKY to perform such Site Specific Services in writing by delivering to BLUSKY an executed Authorization to Conduct Cleaning form and Wastewater Cleanup Worksheet. Upon receipt of the written Authorization to Conduct Cleaning form, BLUSKY shall perform the Site Specific Services in accordance with the terms and provisions of this Agreement. The Site Specific Services authorized by the Authorization to Conduct Cleaning form shall be limited to those and only those services described in said form. Any additional services or treatments beyond those described in the Authorization to Conduct Cleaning form must be approved in advance ("Additional Services"). Notwithstanding any other provision contained herein, BLUSKY shall be under no obligation to perform services at a site if BLUSKY reasonably believes that the owner and/or occupant has not been adequately apprised of the limited nature and scope of the services being provided.

2. Notification and Response. The DISTRICT will notify BLUSKY of the need for Site Specific Services on a case-by-case basis by calling BLUSKY by telephone at 303-425-9700, or such other telephone number as BLUSKY shall hereinafter provide in writing to the DISTRICT. At the time the call is made by the DISTRICT, the DISTRICT shall state the property address where the Site Specific Services are desired, and indicate the type of water that needs to be removed (either potable water or wastewater) and the nature of the cleanup and restoration services anticipated. Upon receipt of a call from an authorized DISTRICT representative, BLUSKY will respond within one and one half (1- 1/2) hours on workdays during normal work hours and within two (2) hours during the evening, at night, on weekends, or on holidays. BLUSKY will at all times maintain the capability of responding to at least two (2) different sites specified by the District at the same time. For purposes of this Agreement, the term "response by BLUSKY" is defined as being on-site with an adequate number of personnel and proper equipment to commence performance of the Site Specific Services.

3. Completion of Work. All Site Specific Services required under this Agreement shall be performed in a timely manner and diligently completed once an Authorization to Conduct Cleaning form has been given by a DISTRICT representative. Under no circumstances however, shall BLUSKY be responsible for factors beyond BLUSKY's control including, but not limited to, changed conditions, manufacturer's delay, acts of God, the work of other contractors, work not included in the initial Authorization to Conduct Cleaning form, weather problems, or other factors outside of BLUSKY's control which may delay job completion.

4. 24 Hour Answering Service. BLUSKY shall maintain at all times during the term of this Agreement, and at its sole cost, a 24 hour telephone message receiving service capable of receiving emergency calls and promptly conveying them to BLUSKY to effectuate a timely and effective response to any site, as needed from time to time by the DISTRICT.

5. Confidentiality of Information. To the extent permitted by law, BLUSKY shall retain in strictest confidence all information furnished by the DISTRICT or others during the performance of Site Specific Services including the results of any reports or investigations or observations made by BLUSKY or communicated to BLUSKY during its performance of Site

Specific Services. BLUSKY shall not disclose such information to others without the prior written consent of the DISTRICT.

6. BLUSKY's Warranty. BLUSKY guarantees that all Site Specific Services will be equal to or better than the standards of quality for such services as determined by prevailing community standards. BLUSKY is not responsible for carpet or fabric variations, color variations due to material or process applications, or other product variances or defects. Except as noted above, BLUSKY guarantees that all Site Specific Services including all labor and materials shall be free of defects, including defects in workmanship for a period of ninety (90) days from the date of invoice to the DISTRICT. BLUSKY further guarantees that any Additional Services including such restoration related work as the DISTRICT shall authorize shall be free from defective materials and workmanship for a period of one year from the date said additional work is accepted by the DISTRICT.

7. Compensation. The DISTRICT shall compensate BLUSKY for the Site Specific Services, and any Additional Services performed by BLUSKY under this Agreement in accordance with the unit prices and rates set forth on Exhibit "A" which is attached hereto and incorporated herein by this reference. The compensation to BLUSKY provided by this Agreement is entire and complete and BLUSKY shall not receive any other compensation for the Site Specific Services, or Additional Services, if any, performed hereunder, unless agreed to in writing by the DISTRICT. It is further understood and agreed that BLUSKY will contract with and pay directly all subcontractors retained by BLUSKY for any of the Site Specific Services or portion thereof provided under this Agreement by a subcontractor.

8. Approval of Subcontractors. Except for the subcontractors, if any, identified in the Scope of Services, BLUSKY shall not hire any subcontractor without the prior written approval of the DISTRICT'S representative. Such approval shall not be unreasonably withheld. BLUSKY shall be responsible for the coordination of all work required to complete Site Specific Services regardless of whether such work is performed by BLUSKY or one or more subcontractors. BLUSKY shall bind each of its subcontractors to the terms of this Agreement. In the event that a subcontractor is unable or unwilling to comply with any term or provision of this Agreement, BLUSKY will inform the DISTRICT of the specific term or provision at issue. The DISTRICT may accept the lack of compliance to the terms of this Agreement on the part of the subcontractor or may request that a different subcontractor be retained. This Agreement is voidable by the DISTRICT if subcontracted in whole or in part by BLUSKY without the express written consent of a DISTRICT representative.

9. Method of Payment. BLUSKY shall invoice the DISTRICT for all Site Specific Services performed under this Agreement no later than 10 business days after the services have been completed and accepted by the DISTRICT. Invoices submitted by BLUSKY shall include a description of the services rendered and an itemization of the charges contained therein and, where practicable, shall be supported by such data or documents substantiating BLUSKY's right to payment as the DISTRICT'S manager may reasonably require, including but not limited to, the date the services were performed, the man-hours worked, the name, position and rate of each employee involved in the Site Specific Services, the equipment used and the number of hour

used, and a list of materials, including actual and billed cost together with copies of requisitions from subcontractors and suppliers where applicable.

It is contemplated that all invoices submitted by BLUSKY will normally be paid within thirty (30) days of receipt by the DISTRICT. Notwithstanding any other provision contained in this Agreement to the contrary, the DISTRICT shall have the right to refuse to pay all or any portion of an invoice that is inconsistent with this Agreement. The DISTRICT may reasonably delay payment until it can verify the accuracy of the invoice, obtain releases or waivers with respect to work covered in the invoice, or resolve a dispute with BLUSKY regarding an invoice.

10. Conflict of Interest. BLUSKY agrees that it shall not accept any employment during the term of this Agreement that creates a conflict of interest or compromises the effectiveness of BLUSKY, or otherwise interferes with its ability to perform any Site Specific Services required by this Agreement. Nothing herein contained, however, shall preclude BLUSKY from entering into an agreement with the owner or occupant of a particular premise for additional site restoration services beyond those authorized by the DISTRICT; provided, however, BLUSKY shall at no time do or say anything that would adversely affect the DISTRICT or its relationship with its customer.

11. Records and Audits. BLUSKY shall at all times maintain a system of accounting records in accordance with its normal billing procedures, together with supporting documentation for all Site Specific Services performed under this Agreement. BLUSKY shall make available for audit and reproduction by the DISTRICT all records, in whatever form, related to any and all Site Specific Services performed under this Agreement. BLUSKY shall provide such availability during the term of this Agreement and for two (2) years thereafter.

12. Changes in Services. The DISTRICT shall have the right to order additions, deletions or changes in any Site Specific Services authorized under this Agreement. Request for material changes in Site Specific Services may be made by a DISTRICT representative orally or in writing provided, however, that oral requests shall be confirmed by a written request within two (2) days after the oral request. If the DISTRICT directs BLUSKY to proceed with any material change, BLUSKY shall be paid for the change as agreed by the parties.

13. Independent Contractor. In the performance of Site Specific Services, BLUSKY shall be, for all purposes, an independent contractor and not an employee or agent of the DISTRICT. BLUSKY and its employees and any and all subcontractors shall in no way represent themselves to third parties as agents or employees of the DISTRICT.

14. No Unemployment Insurance or Workers Compensation Benefits. BLUSKY is not entitled to unemployment insurance or workers compensation benefits as a result of the performance of Site Specific Services for the DISTRICT. BLUSKY is required to provide workers compensation and employment insurance benefits for its employees and/or subcontractors.

15. Payment of Taxes. BLUSKY is fully liable for any federal and state income and withholding taxes, unemployment taxes, FICA taxes, and workers compensation payments and

premiums applicable to Site Specific Services or any other services provided under this Agreement. BLUSKY shall indemnify the DISTRICT for any liability resulting from non-payment of such taxes and sums.

16. Insurance. Neither BLUSKY nor any subcontractor, agent, or employee thereof shall commence work on any Site Specific Services authorized under this Agreement until the following minimum insurance coverages have been obtained:

(a) Workers Compensation and Employers Liability Insurance. BLUSKY and each subcontractor shall carry workers compensation insurance and employers' liability insurance to cover liability under the laws of the State of Colorado in connection with the Site Specific and other Services performed under this Agreement. BLUSKY and each subcontractor shall each carry a separate policy.

(b) Commercial General Liability Insurance. BLUSKY and each subcontractor shall carry commercial general liability insurance, which shall include blanket contractual liability coverage. Such insurance shall be in the amount of \$1,000,000 for each occurrence and \$1,000,000 general aggregate in combined single limit coverage for bodily injury and property damage.

(c) Automobile Liability Insurance. BLUSKY and each subcontractor shall carry automobile liability insurance to include owned, non-owned and hired vehicles used in the performance of Site Specific or other Services under this Agreement. Such insurance shall be in the amount of \$1,000,000 per occurrence and \$1,000,000 general aggregate and combined single limit coverage for bodily injury and property damage.

The required commercial general liability and automobile policies shall: (1) name the DISTRICT as an additional insured for coverage only, with no premium payment obligations; and (2) provide that the coverage for the DISTRICT will not be impaired by BLUSKY's or any subcontractor's failure to comply with any of the terms or conditions of the policy. BLUSKY and each subcontractor shall provide certificates of insurance (and renewals thereof) identifying this Agreement and demonstrating that the required coverages have been obtained. BLUSKY shall not allow any subcontractor, agent or employee to commence work on any Site Specific Services until appropriate certificates of insurance have been obtained and approved by the DISTRICT. The coverages specified in each certificate of insurance shall not be terminated, reduced or modified without providing at least thirty (30) prior written days notice due the DISTRICT.

17. Compliance with the Employment and Tax Laws. In performing the Agreement, BLUSKY shall comply with all applicable employment and tax laws, rules and regulations, including, but not limited to the Colorado Worker's Compensation Act and all Federal and State tax laws. Because BLUSKY is acting as an independent contractor, District assumes no responsibility for BLUSKY's actions.

BLUSKY is not entitled to unemployment insurance or workers' compensation benefits as a result of performance of the services for the District. BLUSKY is required to provide workers' compensation and unemployment insurance benefits for its employees and/or subcontractors.

BLUSKY is and shall be solely liable and responsible for any federal and state income tax and withholding taxes, unemployment taxes, FICA taxes and workers' compensation payments and premiums applicable to the Agreement or any services provided hereunder. BLUSKY shall indemnify the District for any liability resulting from nonpayment of such taxes and sums.

18. Compliance with Laws Pertaining to Illegal Immigrants. BLUSKY certifies that BLUSKY shall comply with the provisions of Section 8-17.5-101, *et seq.*, C.R.S. BLUSKY shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. BLUSKY represents, warrants and agrees that it: (i) has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program, described in Section 8-17.5-101, C.R.S. BLUSKY shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If BLUSKY obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, BLUSKY shall: (a) notify the subcontractor and the District within three (3) days that BLUSKY has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (b) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. BLUSKY shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If BLUSKY fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate this Agreement for breach, and BLUSKY shall be liable for actual damages to the District. If BLUSKY participates in the Department Program, BLUSKY shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S., to the District.

19. Indemnification. BLUSKY agrees to provide a defense and pay any damages and costs for any liability or claim of whatsoever nature arising in any way out of this Agreement, which is caused by any negligent or wrongful act or omission of BLUSKY or BLUSKY's officers, agents or employees. To the extent permitted by law and subject to all of the immunities, defenses and protections afforded the DISTRICT under the Colorado Governmental Immunity Act, the DISTRICT agrees to indemnify BLUSKY from any claim for personal injury or property damage arising solely from the negligent or wrongful act of the DISTRICT or its employees.

20. Acceptance Not a Waiver. The DISTRICT'S approval of any Site Specific Services and the payment therefore shall not in any way relieve BLUSKY of responsibility for the quality of the workmanship and materials incorporated into the Site Specific Services. The DISTRICT'S approval, acceptance of, or payment for any Site Specific Services shall not be

construed to operate as a waiver of any of the DISTRICT'S rights under this Agreement, or of any cause of action arising out of the performance of this Agreement.

21. Term and Termination. This Agreement shall remain in full force and effect from January 1, 2017 through December 31, 2017 (the "Initial Term"), unless sooner terminated or extended, as herein provided. The Term of this Agreement shall be automatically extended and renewed for two (2) separate and successive period of one (1) year each (each an "Extension Period"), unless DISTRICT or BLUSKY provides the other Party with a notice or non-renewal at least ninety (90) days prior to the expiration of then existing Term. During the extension of the Term of this Agreement, all terms, covenants and conditions of this Agreement shall be and remain in full force and effect. For purposes of this Agreement, the Initial Term and the Extension Periods (to the extent neither Party delivers a notice of non-renewal) shall, be referred to as the "Term" of the Agreement.

22. No Multiple Fiscal Year Obligation. No provision of this Agreement shall be construed or interpreted as creating an indebtedness or a multiple fiscal year direct or indirect debt or other multiple year financial obligation whatsoever of DISTRICT within the meaning of any constitutional or statutory debt limitation provision including, without limitation, Article 11, Section 1, 2 and 6, and Article 10, Section 20 of the Colorado Constitution. This Agreement shall not directly or indirectly obligate the DISTRICT to make any payments beyond the funds legally available to it for the then current fiscal year. No provision of this Agreement shall be construed to pledge or create or a lien on any class or source of monies of the DISTRICT nor shall any provision of this Agreement restrict or limit the discretion of the DISTRICT in the budgeting and appropriation of its funds. The DISTRICT agrees that it shall not authorize BLUSKY to perform any services under this Agreement unless funds to pay for the same have been previously appropriated and are currently available for expenditure.

23. Non-Exclusive Agreement. DISTRICT and BLUSKY agree that this is not an exclusive Agreement, and DISTRICT may retain other contractors to perform similar services, at the DISTRICT'S sole discretion.

24. Compliance with Bid Statute. Except for emergencies, nothing contained in this Agreement shall be construed as authorizing BLUSKY to perform any work that by law the DISTRICT may contract for only through the public bid process required under the provisions of Section 32-1-1001(1)(d)(I), C.R.S.

25. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Colorado.

26. Governmental Immunity Act. The parties understand and agree that the DISTRICT is relying upon, and has not waived, the monetary limitations of \$350,000 per person, \$990,000 per occurrence, and all of the rights, immunities, and protections provided the DISTRICT by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., as it now exists or may hereafter be amended from time to time.

27. Entire Agreement. This Agreement constitutes the entire agreement between the DISTRICT and BLUSKY and replaces all prior written or oral agreements and understandings. It may be altered, amended or repealed, only by a duly executed written instrument.

28. Effective Date. This Agreement shall become effective as of the date it is signed by the appropriate representative of the parties hereto.

29. Choice of Law. The parties to this Agreement agree and acknowledge that this Agreement shall be construed under and interpreted in accordance with the laws of the State of Colorado, as they exist on the date of this Agreement.

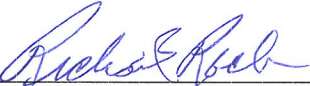
30. Interpretation. If there is any uncertainty in the interpretation of any provision of this Agreement, all terms and provisions of this Agreement shall be construed by the DISTRICT or County Court, City and County of Denver County, Colorado, on the basis that all parties hereto assisted in the drafting and finalization hereof.

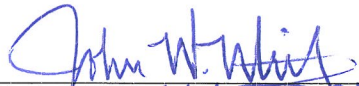
31. Severability. The terms of this Agreement are severable. If any term of this agreement is found to be unlawful, the remaining terms shall remain in full force and effect, and the parties agree to negotiate a substitute term of equivalent value or effect.


IN WITNESS WHEREOF the parties have executed this Agreement in duplicate original. This Agreement must have the signature of an authorized representative of BLUSKY and the DISTRICT on both original copies.

**PLATTE CANYON WATER
AND SANITATION DISTRICT**

BLUSKY, a Colorado Company

By: 
Richard Rock, President

By: 
John W. Wirtz, CFO
(Name, Title)

Attest: 
William Buckner, Secretary/Treasurer

Attest: 
Kyle Sullivan, Controller
(Name, Title)

WATER/WASTEWATER REMOVAL AND SITE CLEANUP SERVICES AGREEMENT

EXHIBIT A (SCOPE OF SERVICES)

THE FOLLOWING SERVICES WILL BE PROVIDED AT THE UNIT OR HOURLY RATES SPECIFIED IN EXHIBIT B:

ITEM NO. 1 - Initial Response:

The Contractor, or an approved designated representative, will respond to calls from the authorized District representative with an adequate number of personnel and the proper equipment ready to immediately start.

ITEM NO. 2 - Pump water/wastewater over 1" deep: (Rate and material pricing will be used)

The Contractor shall provide all equipment, labor and materials necessary to pump all standing water/wastewater in excess of a depth of one inch (1"). The contractor shall specify the amount or rate of wastewater in gallons per hour that he is able to remove. If the Contractor receives prior written authorization to call in a pumping company, the price paid shall be the original invoice for the service plus 20 percent markup.

ITEM NO. 3 - Remove/extract water/wastewater less than 1" deep and clean floors: (Unit cost will be used)

The Contractor shall provide all equipment, labor and materials necessary to remove all standing water/wastewater less than one inch (1") deep and to thoroughly clean water/wastewater, soil and/or residue from all affected floor surfaces including power washing as needed.

ITEM NO. 4 - Clean walls:

The Contractor shall provide all equipment, labor and materials necessary to thoroughly clean water/wastewater, soil and/or residue from all affected wall surfaces.

ITEM NO. 5 - Strip and wax floors:

The Contractor shall provide all equipment, labor and materials necessary to strip old wax buildup and to apply and buff new wax to floor surfaces.

ITEM NO. 6 - Clean carpet and/or rugs on site:

The Contractor shall provide all equipment, labor and materials necessary to thoroughly clean water/wastewater, soil and/or residue from carpet and/or rugs on site with the best available methods appropriate for the type of carpet and/or rugs cleaned.

ITEM NO. 7 - Clean rugs in shop:

The Contractor shall provide all equipment, labor and materials necessary to remove and transport rugs and to thoroughly clean water/wastewater, soil and/or residue from rugs in shop with the best available methods appropriate for the type of rugs cleaned.

ITEM NO. 8 - Deodorizing, disinfecting and mildew control:

The Contractor shall provide all equipment, labor and materials necessary to treat all affected carpet, pad, wall and/or floor surfaces with an EPA registered product such as "Microban", or an approved equal, that will provide deodorizing, disinfecting and/or mildew control.

ITEM NO. 9 - Clean, manipulate, and/or inventory furniture and contents:

The Contractor shall provide all equipment, labor and materials necessary to inventory, remove, clean or dispose of and manipulate all furniture and/or other items. This item shall not include drapery and/or laundry items.

ITEM NO. 10 - Carpet and Floor Fans:

The Contractor shall provide all equipment, labor and materials necessary to install, operate and remove carpet and floor fans.

ITEM NO. 11 - Dehumidifiers:

The Contractor shall provide all equipment, labor and materials necessary to install, operate, and remove dehumidifiers. The base units shall be a size 110 dehumidifier capable of removing 110 pints (13.75 gallons) of water/wastewater per 24 hour period.

ITEM NO. 12 - Stair cleaning, carpet or hard surface:

The Contractor shall provide all equipment, labor and materials necessary to clean stairs, carpeted or hard surface.

ITEM NO. 13 - Hauling truck and labor:

The Contractor, when approved, shall provide a hauling truck, or trucks, and all labor, materials and fuel necessary for the removal and/or disposal of specified items. If the Contractor is providing his own truck(s), the unit price bid shall be per hour of truck service, including fuel, and per man-hour. If the Contractor is providing a rental truck(s), the unit price bid shall be per man-hour, and the price paid for truck(s) and fuel shall be the original invoice(s) plus markup of 20 percent.

ITEM NO. 14 - Dumping and/or landfill fees:

The price paid for this item shall be the original invoice(s) for dump or landfill fees necessary for approved disposal of items plus 20 percent markup by the Contractor.

ITEM NO. 15 - Remove carpet, carpet pad, tack strip and related hardware:

The Contractor shall provide all equipment, labor and materials necessary to remove installed carpet, carpet pad, tack strips and related hardware and dispose in a sanitary landfill.

ITEM NO. 16 - Painting and sealing of affected areas of walls and/or ceiling:

The Contractor shall provide all equipment, labor and materials and preparation, including all masking, drop cloths and draping of contents, necessary to paint affected areas with two coats of paint.

ITEM NO. 17 - Remove and replace and texture drywall:

The Contractor shall provide all equipment, labor and materials necessary to remove, replace and texture drywall. The replaced drywall shall be hung, taped, floated and ready for paint. Drywall should be removed one foot from the floor or six inches (6") above the damaged height, whichever is greater.

ITEM NO. 18 - Remove and replace cove base molding, rubber or vinyl, 4" high:

The Contractor shall provide all equipment, labor and materials necessary to remove and replace 4" high, rubber or vinyl cove base molding.

SERVICES NOT COVERED IN OTHER BID ITEMS:

Items essential to restoration, but not covered in the above items, may be bid on as an "as needed" basis with the prior approval of an authorized representative of the District.

ITEM NO. 19 - Clean, seal and deodorize furnace and duct system:

The Contractor shall provide all equipment, labor and materials necessary to perform cleaning, sealing and deodorizing of furnace systems at a pre-authorized bid price.

ITEM NO. 20 - Install tack strips, carpet and carpet pad:

The Contractor shall provide all equipment, labor and materials necessary to install new carpet, pad and related hardware. The price paid will be the Contractors' invoice price for materials plus 20 percent markup by the contractor on materials. The price for installation shall be at a pre-authorized bid price. The cost and quantity of materials is subject to approval of a representative of the District.

ITEM NO. 21 - Sewer line cleaning:

The Contractor shall provide all equipment, labor and materials necessary to clean the sewer service pipe from the building to the District's sewer main. Sewer service pipes may be cleaned using snakes, augers or high-pressure hot water. The lump sum price shall be at a pre-authorized bid amount.

ITEM NO. 22 - Remove and replace Vinyl floor covering, (sheet goods):

The Contractor shall provide all equipment, labor and materials necessary to remove and replace vinyl floor covering, including any needed preparation. This service shall be provided at a pre-authorized bid price.

ITEM NO. 23 - Remove and replace Resilient Vinyl tile flooring:

The Contractor shall provide all equipment, labor and materials necessary to remove and replace resilient vinyl floor covering, including any needed preparation. This service shall be provided at a pre-authorization bid price.

ITEM NO. 24 - Vinyl floor covering, (sheet goods):

The Contractor shall provide new vinyl floor covering, (sheet goods), of the type(s) and grade(s) specified by an authorized representative of the District. This service shall be provided at a pre-authorized bid price.

ITEM NO. 25 - Resilient Vinyl tile flooring:

The Contractor shall provide resilient Vinyl tile flooring of the type(s) and grade(s) specified by an authorized representative of the District. This service shall be provided at a pre-authorized bid price.



Time & Materials

Updated 01-01-2016

2016 Scheduled Priority Rates

With Standard Field & Electronic Documentation Best Practices Attached

96 PROOF
96% OF OUR CLIENTS SAY,
"I would hire BluSky again."

Since 2004, more than 96 out of every 100 customers say they would hire BluSky Again!

APPROVED

Pages 1 - 8

Customer

Date

BluSky

Date

BluSky requires an advance payment on all T&M Projects equal to 50% of the estimated contract price within 7 days of contract. Final payment is due 14 days after invoice. All remaining payments are due Net 14 days from the date of invoice submittal. Customer requests that all payments pertaining to BluSky's work be paid directly to BluSky by insurance carrier and to add BluSky as an additional payee on any claim payments for the work.

Unit	Job Classification	Rate
Standard BluSky Consulting, Project Management, and Labor Charges		
Hour	Consultant [C]	\$135.00
Hour	Project Director [PD]	\$112.50
Hour	Project Manager [PM]	\$76.50
Hour	Assistant Project Manager (APM)	\$67.50
Hour	Reconstruction Superintendent [S]	\$67.50
Hour	Resource Coordinator (RC)	\$58.50
Hour	OTR Driver (DR)	\$76.50
Hour	Safety Officer (SO)	\$76.50
Hour	Project Accountant/ Auditor [PA]	\$58.50
Hour	Mold or Asbestos Technician [MT]	\$63.00
Hour	Mold or Asbestos Supervisor [MS]	\$72.00
Hour	Cleaning, Water or Fire Restoration Technician [RT]	\$49.50
Hour	Cleaning, Water or Fire Restoration Supervisor [RS]	\$58.50
Hour	Skilled Tradesman-Framing, Drywall, Roofing [ST]	\$67.50
Hour	Restoration Labor [RL]	\$36.00
Hour	General Labor - Day Labor [GL]	\$27.00
Hour	Equipment Technician	\$67.50
Overtime BluSky Consulting, Project Management, and Labor Charges		
Hour	Consultant [C]	\$202.50
Hour	Project Director [PD]	\$168.75
Hour	Project Manager [PM]	\$114.75
Hour	Assistant Project Manager (APM)	\$101.25
Hour	Reconstruction Superintendent [S]	\$101.25
Hour	Resource Coordinator (RC)	\$87.75
Hour	OTR Driver (DR)	\$114.75
Hour	Safety Officer (SO)	\$114.75
Hour	Project Accountant/ Auditor [PA]	\$87.75
Hour	Mold or Asbestos Technician [MT]	\$94.50
Hour	Mold or Asbestos Supervisor [MS]	\$108.00
Hour	Cleaning, Water or Fire Restoration Technician [RT]	\$74.25
Hour	Cleaning, Water or Fire Restoration Supervisor [RS]	\$87.75
Hour	Skilled Tradesman-Framing, Drywall, Roofing [ST]	\$101.25
Hour	Restoration Labor [RL]	\$54.00
Hour	General Labor - Day Labor [GL]	\$40.50
Hour	Equipment Technician	\$101.25
BluSky Scheduled Equipment		
Each/Day	2 way radios - Per pair	\$22.50
Each/Day	Air Compressor Tow Behind 185 CFM	\$225.00
Each/Day	Air Compressor Tow Behind 325 CFM	\$500.00
Each/Day	Air Conditioner 10 Ton	\$485.00
Each/Day	Air Conditioner 20 Ton	\$740.00
Each/Day	Air Conditioner 30 Ton	\$895.00
Each/Day	Air Conditioner 50 Ton	\$1,325.00
Each/Day	Air Conditioner w/heater 25 Ton	\$795.00
Each/Day	Air Conditioner w/heater 40 Ton	\$995.00
Each/Day	Air Movers, Axial	\$26.10
Each/Day	Air Movers, Standard	\$22.50
100'/Week	Barricade Fencing	\$39.60
Each/Day	Buffer, Floor	\$40.50
Each/Day	Carpet Cleaning/Extraction Machine, Portable	\$157.50
Each/Day	Carpet Cleaning/Extraction Machine, Truck Mounted	\$495.00
Each/Day	Carpet Stretcher	\$67.50
Each/Day	Cart, Demolition/Tilt	\$27.00
Each/Day	Dehumidifier: Etes Heat Unit	\$202.50
Each/Day	Dehumidifier: Large Dri-Eaz LGR 1200 to 2400	\$112.50

Unit	Job Classification	Rate
BluSky Scheduled Equipment (continued)		
Each/Day	Dehumidifier: Small Dri-Eaz 1200 non LGR	\$99.00
Each/Day	Dehumidifier: Desiccant up to 750 cfm	\$500.00
Each/Day	Dehumidifier: Desiccant up to 3,000 cfm	\$1,000.00
Each/Day	Dehumidifier: Desiccant up to 5,000 cfm	\$1,500.00
Each/Day	Dehumidifier: Desiccant up to 10,000 cfm	\$2,150.00
Each/Day	Dehumidifier: Desiccant up to 15,000 cfm	\$3,250.00
Each/Day	Duct, Flex Duct per 25' Section	\$38.25
Each/Day	Electrical Distribution, Turtle Box (120 amps)	\$40.50
Each/Day	Extension Cords, 220v (50' to 100')	\$67.50
Each/Day	Fogger, Thermal	\$85.50
Each/Day	Fogger, Ultra Low Volume (ULV)	\$46.80
Each/Day	Fuel Cell 100 gallon	\$58.50
Each/Day	Generator, small to 6,500 watts	\$103.50
Each/Day	Generator, trailer mounted to 65 kw	\$700.00
Each/Day	Generator, trailer mounted to 125 kw	\$900.00
Each/Day	Generator, trailer mounted to 250 kw	\$1,600.00
Each/Day	Generator, trailer mounted to 350 kw	\$3,100.00
Each/Day	Generator, trailer mounted to 650 kw	\$4,100.00
Each/Day	Generator, trailer mounted to 1000 kw	\$9,000.00
Each/Day	Generator, trailer mounted to 1500 kw	\$12,000.00
Each/Day	Generator, trailer mounted to 2000 kw	\$13,000.00
Each/Day	Heater 2kw Electric	\$45.00
Each/Day	Heater, 15kw Electric	\$144.00
Each/Day	Heater, 30kw Electric	\$270.00
Each/Day	Heater, Direct Fire 1000k BTU	\$450.00
Each/Day	Heater, torpedo 200k BTU	\$36.00
Each/Day	HEPA Filtration Unit, 2,000 cfm (Large)	\$112.50
Each/Day	HEPA Filtration Unit, 500 cfm (Small)	\$76.50
Each/Day	Hydroxyl Generating Deodorization Unit	\$175.50
Each/Day	Infrared Inspection Camera	\$121.50
Each/Day	Injectidry System	\$103.50
Each/Day	Insulation Extraction Unit, Motorized	\$121.50
Each/Day	Ladder, Extension 24' +	\$22.50
Each/Day	Manometer	\$67.50
Each/Day	Media Blaster	\$337.50
Each/Day	Ozone Generator, Large	\$112.50
Each/Day	Ozone Generator, Small	\$90.00
Per Person/Day	Personal Fall Protection	\$67.50
Each/Day	Phone-Satellite	\$157.50
Each/Day	Pump, Gas Powered Trash 2"	\$112.50
Each/Day	Pump, Sump (Electric)	\$67.50
Each/Day	Pump, Trailer Mounted 4" Includes 20 feet of hose	\$1,000.00
Each/Day	Pump, Trailer Mounted 6" Includes 20 feet of hose	\$1,300.00
Each/Day	Saw, Gas Powered Demo or Concrete Saw	\$40.50
Each/Day	Sprayer, Airless Paint Sprayer	\$112.50
Each/Day	Steamer, Vapor	\$202.50
Each/Day	Temporary Lighting Cart 2000W	\$180.00
Each/Day	Temporary Lighting Rope Mount per 25ft	\$11.25
Each/Day	Temporary Lighting Stand Mount 500W	\$27.00
Each/Day	Tent, 10'x10' Sun Shade	\$40.50
Each/Day	Trailer, Flatbed or Small Box Trailer	\$67.50
Each/Day	Trailer, Semi 53' Hauling or Storage	\$337.50
Each/Day	Vacuum, Commercial Backpack	\$76.50
Each/Day	Vacuum, HEPA (large)	\$112.50
Each/Day	Vacuum, HEPA (small)	\$76.50

Unit	Job Classification	Rate
BluSky Scheduled Equipment (continued)		
Each/Day	Vaportech Restorator	\$112.50
Each/Day	Vehicle, Car, Van, SUV, or Truck	\$90.00
Each/Day	Vehicle, Mobile Command Unit (Power & AC)	\$517.50
Each/Day	Vehicle, Moving or Box Truck, to 26'	\$135.00
Each/Day	Vehicle, Semi Tractor	\$247.50
Each/Day	Washer, Pressure (cold)	\$58.50
Each/Day	Washer, Pressure (hot)	\$166.50
Each/Day	Washer, Trailer Mounted Pressure (hot)	\$247.50
BluSky Scheduled Consumables		
Gallon	Adhesive Remover	\$67.50
Gallon	All Purpose Cleaner or Degreaser (Simple Green)	\$31.50
Pint	All Purpose Spotter	\$29.70
Gallon	Antimicrobial Sealer (IAQ6000)	\$76.50
Gallon	Anti-Yellow, Carpet/ Upholstery	\$19.80
Block	Bad Odor Block (Small Square)	\$7.20
Gallon	Benefect Degreaser	\$58.50
Gallon	Benefect Disinfectant	\$43.20
Pound	Blasting Media	\$1.13
Gallon	Bleach	\$9.00
Gallon	Carpet Cleaner/Defoamer	\$27.00
Gallon	Carpet Rinse/Neutralizer	\$27.00
Quart	Concentrated Odor Counteractant (Last Resort)	\$85.50
Gallon	Crystal Odor Counteractant	\$31.50
Quart	Deruster	\$22.50
Quart	Dish Washing Detergent	\$13.50
Gallon	Disinfectant/Biocide Microban Blue	\$40.50
Gallon	Enzyme Disinfectant (Consume)	\$67.50
Gallon	Fabric Protector (Scotchgard)	\$81.00
Gallon	Furniture Oil Cleanser (Murphy's Oil Soap)	\$31.50
Quart	Glass Cleaner	\$13.50
Quart	Goof Off	\$31.50
Gallon	Grout Cleaner	\$40.50
Gallon	Hardwood Floor Cleaner	\$57.60
Gallon	Heavy Duty Disinfectant Microban QGC	\$49.50
Gallon	HVAC Encapsulant (Unsoot 1 or 2)	\$103.50
Pint	Isopropyl Alcohol	\$9.00
Pint	Lemon Oil Furniture Polish	\$13.50
Gallon	Odor Counteractant/Smoke Eliminator (9D9)	\$108.00
Gallon	Pigmented Shellac (B.I.N)	\$67.50
Pint	Red Out, Carpet/Upholstery	\$36.00
Gallon	Serum 1000	\$45.00
Quart	Serum Booster	\$25.20
Gallon	Serum Encapsulant	\$99.00
Can	Spray Adhesive	\$6.75
Can	Stainless Steel Cleanser	\$10.80
Gallon	Thermal Fog, Oil Based	\$68.40
Gallon	Thermal Fog, Water Based	\$102.60
Gallon	Wall Wash (Hard Power)	\$31.50
Quart	Wood Restoration Cream	\$27.00
BluSky Scheduled Materials		
Each	2x4x12	\$8.10
Each	2x4x8	\$5.63
Each	2x6x12	\$12.60
Each	2x6x8	\$7.20
Each	4x4x12	\$28.80

Unit	Job Classification	Rate
BluSky Scheduled Materials (continued)		
Each	4x4x8	\$16.20
Each	Asbestos Sampling Tubes	\$6.75
Each	Bags, Furniture (mattress/sofa)	\$2.70
Each	Bags, Remediation (6 mil.)	\$2.70
Each	Bags, Trash Bags up to 4 mil	\$0.90
Each	Blades, Concrete Diamond (14")	\$189.00
Each	Blankets, Furniture	\$9.00
Each	Boxes, Book	\$3.60
Each	Boxes, Dish Pack	\$5.40
Each	Brush, Deck	\$8.10
Each	Brush, Small Nylon	\$3.60
Each	Brush, Wire	\$3.60
Roll	Carpet Mask	\$440.50
Box	Cleaning Cotton Swab Sticks	\$10.80
Each	Decontamination Chamber, Disposable	\$292.50
Bag	Drying Compound	\$34.20
Foot	Duct, Lay Flat	\$1.35
Box	Fasteners (Hog Rings)	\$16.20
Each	Filter, HEPA (2,000 cfm air scrubber)	\$256.50
Each	Filter, HEPA (500 cfm air scrubber)	\$238.50
Each	Filter, HEPA (Vacuum)	\$213.75
Each	Filter, 24"x24" Pre Filter Material	\$4.50
Each	Filter, Secondary Filter Material	\$3.15
Each	Filter, 24"x24" Pleated Filter	\$11.25
Each	Filter, Pleated Dri-Eaz Dehumidifier Filter	\$58.50
Each	Filter, Charcoal HEPA	\$31.50
Box	Foam Blocks or Poly Squares	\$49.50
Box	Gloves, Nitrile	\$13.50
Pair	Gloves, Latex, Rubber, PVC, or Leather	\$6.30
Each	Hasps	\$12.60
Each	Hinges, set of 3	\$18.90
Roll	Inventory Stickers	\$31.50
Box	Inventory Tags	\$31.50
Each	Lock Set	\$58.50
Each	Lockbox	\$46.80
Each	Mop Heads, Cotton	\$19.80
Box	Newsprint	\$88.20
Each	Protective Suit, Particulate Protection	\$6.75
Each	Protective Suit, Liquid Protection	\$19.80
Each	Rain Gear	\$39.60
Roll	Resin Paper	\$28.80
Each	Respirator (N95/Dust Mask)	\$3.15
Each	Respirator Cartridge, HEPA (P100)	\$6.75
Each	Respirator Cartridge, Chemical Vapor	\$11.25
Each	Roller Covers, Paint	\$4.50
Roll	Poly Sheeting, 1.5 mil. 10'x100'	\$29.70
Roll	Poly Sheeting, 4 mil. 10'x100'	\$54.00
Roll	Poly Sheeting, 6 mil. 10'x100'	\$69.30
Each	Scrubbers, Green 3M	\$1.80
Each	Sheathing (1/2x4x8)	\$24.75
Each	Sheathing (3/4x4x8)	\$40.50
Bag	Soda (Blasting Material)	\$58.50
Bag	Soda w/ Abrasive (garnet, cob)	\$67.50
Bag	Sponges, Natural Rubber for Soot Removal	\$5.85
Each	Spray Bottle, Trigger	\$6.75

Unit	Job Classification	Rate
BluSky Scheduled Materials (continued)		
Pack	Steel Wool	\$9.90
SF	Tarp, Blue or Grey	\$0.90
Roll	Tape, Clear Packing	\$5.40
Roll	Tape, Low Adhesion Blue Painters	\$8.55
Roll	Tape, NIOSH 357, NIOSH 398, 2 sided, or Duct	\$18.00
Each	Wipes, Cotton Cloth	\$1.80
Each	Wipes, Lint Free	\$7.20
Box	Wipes, Shop Towel	\$55.80
Roll	Wrap, Bubble (750')	\$199.80
Roll	Wrap, Shrink	\$39.60
Each	Zippers, Peel & Stick Containment	\$15.75
Bag	Zip Ties	\$11.25
Per Diem		
Each/Day	Lodging	Actual Cost + 10%
Each/Day	Per Diem	Actual Cost + 10%
Each/Day	Any Incidental Costs	Actual Cost + 10%

1.0 Introduction

1.1 Purpose

The purpose of this Best Practice is to outline the standard BluSky Time and Material billing practices in order to gain clarity and consistency, both internally & externally.

1.2 Audience

This Practice applies to anyone at BluSky who documents, manages, or assists in the compilation or billing of Time & Material Projects. This document also applies to BluSky customers.

2.0 Background

Time & Material billing was the original way mitigation and restoration projects were estimated and billed before the advent of computerized & standardized estimating platforms. As restoration and emergency projects become larger in size, today's standardized computer based estimating platforms build in profit which exceeds both market pricing (competitive) and what would appear to be a fair profit. Additionally, the current Insurance Repair Estimating Software is geared heavily toward smaller & residential projects, making a better system of accurately capturing items and costs appropriate.

3.0 Time & Materials Billing Notes

3.1 Overhead

In a Time & Materials billing project, it is important to understand the difference between General Contractor Overhead & direct job costs, because General Contractor Overhead is added to each line item in the rate sheets, while direct job costs are not, thus the individual line item charges.

General Contractor Overhead, also referred to as General & Administrative Expenses, includes business costs which ARE NOT attributable to an individual project. According to Generally Accepted Accounting Principles or GAAP, a contractor's General & Administrative Expenses which are not attributable to, or generated by a particular project, are considered General Contractor Overhead (General & Administrative Expenses). Examples include: Payroll for Sales, Business Development, Human Resources, Office Staff, Managers & the associated Payroll Taxes, Corporate Income Taxes, Employee Benefits & Paid Time Off, Non-Job Vehicles, Non-Job Fuel, Vehicle Repairs and Maintenance, Advertising, Marketing, Non-Job Printing, Office Equipment, Office Furniture, Office Supplies, Employee Training, Apparel, Charitable Contributions, Insurance Expenses: General Liability, Automobile, Workers Compensation, Pollution, Health, & Automobile, Rent, Utilities, Office Phones, Non-Job Cell Phones, Computers: Hardware, Software & IT Consultants, Depreciation, Bad Debt, Non-Job Legal Fees, Professional & Accounting Fees, Bank Fees & Interest, Non-Job Travel, Etc.

Direct Job Costs are those costs which can be directly attributable to a particular project. Direct Job Costs, are those costs which a contractor incurs as a result of performing a particular project, and which should be added to the Time & Material Charges on each individual Project. Direct Job Costs include such things as: Payroll: Project Management, Supervision, Production, Estimating, & Consulting Labor, Subcontract Labor & Costs, Permits, Licenses, Inspection Fees, Design Fees, Rented & Rental Equipment Fees, Tool Use/Damage & Losses, Job Vehicles & Job Fuel, Materials, Chemicals, Hardware, Supplies, Bonds, Job Site Storage & Offices, Etc. Once General Contractor Overhead & Burden is added as a percentage or by other means to each line item or to the total sum of all Direct Job Costs, the total project cost can be determined.

Time & Material billing rates should not be confused or used in combination with standardized estimating programs, unless caution is exercised to differentiate on the basis of how the rates are derived in terms of overhead, burden, insurance, taxes, profit, etc.

3.0 Time & Materials Billing Notes (continued) EXHIBIT B

3.2 Labor Rate Notes

- 3.2.1 BluSky Standard Labor Rates apply to the first 40 hours worked during a standard 7 day week, overtime billing will be incurred for times beyond this 40 hour period.
- 3.2.2 Overtime, After Hours, and Weekend Labor Rates are set at 1.5 times the Standard Labor Rate.
- 3.2.3 National holidays will be billed at 2 times the standard rate when any work is performed on a nationally recognized holiday, which includes New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day and Christmas Day.
- 3.2.4 In circumstances where labor rates must be altered based on Federal, State, or Local requirements, or when minimum wage, Davis-Bacon wage, prevailing wage, collective bargaining, or any other extenuating wage consideration applies, BluSky may amend these rates with advance notice and agreement by customer.
- 3.2.5 BluSky Labor Rates will be charged whether performed by BluSky personnel, subcontractors, or contract labor when performing the applicable Job Function or Duties outlined in our Rate Sheets. For any functions not outlined in our rate sheets, BluSky will charge actual subcontractor fees plus 20%.
- 3.2.6 BluSky Labor rates are applied from portal to portal meaning travel to and from the jobsite are billable hours, but only if incurred and paid by BluSky.
- 3.2.7 Standby Time is billed based on the actual Standby Time incurred by BluSky, but will not be billed for BluSky salaried personnel. Customer will have final say whether we de-mobilize & re-mobilize, and BluSky will apply standby charges as applicable. Standby rates are typically 4 – 6 hours per day of billable time.
- 3.2.8 In Alaska, California, Hawaii, New York, and other Resort & High Cost of Living areas, BluSky may apply a labor factor of 1.25 times the standard and overtime rates listed above.
- 3.2.9 Charges will be added for Project Accountant time. This figure is based on historical project accounting costs. This cost covers: compiling all daily field notes into the master project spreadsheet; reconciling employee time cards with our accounting system; compiling subcontractor and supplier invoices; issuing payments and credits; managing the overall project accounting; preparing, mailing, and collecting customer invoices, as well as any reconciliations. This does not include actual clerk of the work's time.
- 3.2.10 Charges will be added for Resource Coordinator time. This figure is based on historical resource coordination costs. This cost covers: ordering of materials, supplies and chemicals, re-stocking, loading & unloading trucks, approving resource invoices, etc. This does not include actual clerk of the work's time.

3.3 Equipment Rate Notes

- 3.3.1 The Daily Rental Rate will be charged for each calendar day equipment is located on the project, whether a partial or complete day.
- 3.3.2 A 3% Small Tools fee will be added to all projects as a percentage of all labor costs. BluSky T&M Rate Sheets generally do not include charges for tools and equipment which cost less than \$100 to purchase new. The Small Tools Charge covers the acquisition, use, damage, and replacement of items such as: shovels, rakes, brooms, mops, mop buckets, step ladders, wheel barrows, shop vacs, hammers, pry bars, measuring tapes, levels, squares, screwdrivers, sockets, wrenches, utility blades, saw blades, reciprocating blades, drill bits, etc. We also do not charge for an accounting package, cleaning kit, demolition kit, or small moisture management tools like meters and thermohygrometers.
- 3.3.3 Equipment which BluSky rents to perform the required work which is not on the scheduled equipment list will be charged at cost plus 20%.
- 3.3.4 BluSky's weekly billing rate is equal to 5 days rental rate and our monthly billing rate is equal to 3 weeks billing rate, or 15 days. These discounted rates do not apply to major equipment such as Desiccant Dehumidifiers, Generators, AC Units, Truck Mount Extraction Units, Heavy Equipment, Vehicles, Trailers, etc.

3.0 Time & Materials Billing Notes (continued) EXHIBIT B

3.4 Miscellaneous Rate Notes

- 3.4.1 Per Diem: BluSky will charge for all costs incurred for lodging, per diem, and any incidental costs, for all workers assigned to the project. These costs will be billed at actual costs plus 10%
- 3.4.2 Travel, airfare, rental cars, shipping, delivery, Freight and other mobilization costs may apply. All Travel & Mobilization costs not included in scheduled rates will be billed at cost plus 20%.