

PUBLIC SERVICE BOARD MEETING AGENDA ITEM REGULAR MEETING

Wednesday, November 09, 2022

SUBJECT

Electromagnetic Condition Assessment Sole Source Services Agreement

BACKGROUND

Many of EPWater's transmission mains are approaching the end of their useful life. Every year, EPWater allocates a budget for the condition assessment of aging transmission mains. This assessment identifies the prioritization of rehabilitation of the aging transmission mains. Pure Technologies U.S. Inc. is the sole service provider of various condition assessment technologies protected by patents. EPWater has been using the electromagnetic condition assessment technology since 2015, and it provides accurate results that we use to program capital improvement projects for our transmission mains.

STRATEGIC OBJECTIVES SUPPORTED

Improve Infrastructure

EVALUATION PROCESS

Pure Technologies U.S. Inc. is the only company within the United States offering pipeline inspection platforms using their patented electromagnetic equipment. This technology is proprietary and is integral to their intellectual property portfolio.

FINANCIAL IMPLICATIONS

Sufficient funds will be available in various project accounts.

PROPOSED ACTION REQUESTED

Consider and approve a sole source services agreement with Pure Technologies U.S. Inc., pursuant to Section 252.022(a)(7)(A) of the Texas Local Government Code, to conduct an electromagnetic condition assessment of transmission mains for an estimated annual amount of \$3,500,000 for a term of one year with the option for two one-year extensions provided that funding is available in the approved budget.

SUPPORTING DOCUMENTATION PROVIDED

- Sole Source Affidavit
- Sole Source Letter



EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

SOLE SOURCE AFFIDAVIT

| | efore me, the undersigned official, on this day, personally appeared a person known to me to be the person whose gnature appears below, whom after being duly sworn upon his/her oath deposed and said: |
|----|---|
| | My name is Mike Garaci . I am over the age of 18, have never been of a convicted crime and am competent to make this affidavit. |
| 2. | I am an authorized representative of the following company or firm: Pure Technologies U.S. Inc. |
| | The above named company or firm is the sole source for the following item(s), product(s) or service(s): SmartBall®, PureEM® - PipeWalker, PipeDiver, and PureRobotics Platform, Electromagnetic Analysis of Concrete Tensioning Wires |
| | PipeDiver® Ultra, Sahara®, SountPrint AFO®, Fibre Optic Sensor Method and Apparatus |
| 4. | Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed). |
| 5. | There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function. |
| 6. | Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the El Paso Public Utilities-Public Service Board. Mike Garaci Digitally signed by Mike Garaci Date: 2022.10.12 15:13:31 -04'00' |
| | Signature |
| SU | UBSCRIBED AND SWORN to before me on this 12th day of October 20 22 |
| | MARIAN NANCE My Notary ID # 130616895 Expires April 6, 2024 MY COMMISSION EXPIRES |
| CO | MPANY NAME: Pure Technologies U.S. Inc. |
| ΑD | DDRESS, CITY, STATE & ZIP CODE: 2310 McDaniel Dr., Carrollton, TX 75006 |
| PH | ONE: 972-512-3600 FAX NUMBER: |
| СО | NTACT NAME AND TITLE: Ramsey Hemaiden, Business Development Manager (CO, OK, West TX) |
| WE | EB ADDRESS; www.puretechltd.com EMAIL: ramsey.hemaidan@xylem.com |
| | DERAL TAX ID NUMBER: 86-0853190 TEXAS SALES TAX NUMBER: |



September 27, 2022

Geoffrey A Espineli P.E., CDT
Engineering Division Manager – Project Administration
El Paso Water
1154 Hawkins Boulevard
El Paso, TX 79925

Subject: Pure Technologies Pipeline Inspection

Dear Mr. Espineli,

Pure Technologies Ltd. ("Pure") has created various leak detection and condition assessment technologies that are protected by various North American and international patents and form an integral part of Pure's intellectual property portfolio.

SmartBall® Leak Detection (SmartBall)

Pure's SmartBall leak detection platform is a free-swimming tool that can accurately identify leaks and air pockets in water and wastewater pipelines. It is capable of locating very small leaks typically within 6 feet (1.8 meters) of their actual location.

The applicable U.S. patents are:

Anomaly Detector for Pipelines (untethered, unpowered, rollable device to sense condition of pipeline wall)

Patent No. 8,098,063 Issue Date: 1/17/2012

PureEM® - PipeWalker, PipeDiver, and PureRobotics Platform

PureEM is an electromagnetic (EM) inspection technology for evaluating the current condition of prestressed concrete cylinder pipe (PCCP) (among other types of concrete pipe), bar wrapped pipe, and metallic pipe.

PureEM is deployed on manned inspection tools and other propriety condition assessment platforms owned by Pure including:

- **PipeDiver**TM **platform.** PipeDiver is an innovative, free-swimming condition assessment platform for water and wastewater pipelines that operates while a main remains in service.
- **PureRobotics[™]**. PureRobotics is a powerful robotic pipeline inspection system that can be configured to inspect virtually any pipe application of 16" up to 120"; virtually any BWP bar from 16" up to 72"; and virtually any BWP cylinder and metallic pipe from 16" up to 42".

The PureEM technology is protected by various North American and international patents. The applicable U.S. patents are listed below.

Electromagnetic Analysis of Concrete Tensioning Wires

Patent No. 6,791,318 Patent No. 6,781,369 Issue Date: 9/14/2004 Issue Date: 8/24/2004

*PureEM has been adapted for use in metallic pipe.



PipeDiver® Ultra

Pure's PipeDiver Ultra platform is a free-swimming inline tool used to identify areas of pipe wall loss, out-of-roundness and video inspection of pressurized metallic water pipelines. It is capable of travelling through in-line butterfly valves, enabling long distance inspections from a single insertion point.

The applicable U.S. patent is:

Method and Apparatus to Detect Flaws in Metallic Pipe

Patent No. 16,535,282 Issue Date: Pending

Sahara®

Pure's Sahara platform is a tethered tool used to identify stress in the pipe wall of pressurized mains which is an indicator of where the pipe will be damaged.

The applicable U.S. patents are:

Deployment of Equipment into Fluid Containers and Conduits

Patent No. 6,889,703 Patent No. 7,331,215 Issue Date: 5/10/2005 Issue Date: 2/19/2008

SountPrint AFO®

Pure's PCCP monitoring system to identify and locate individual wire breaks in near real-time within the pipeline.

The applicable U.S. patent is:

Fibre Optic Sensor Method and Apparatus

Patent No. 7,564,540 Issue Date: 07/21/2009

Pure can state with confidence that we are the only company within the United States or elsewhere offering pipeline inspection platforms with these capabilities, features and accuracy. This technology is proprietary and forms an integral part of our Intellectual Property Portfolio.

PURE TECHNOLOGIES U.S. INC.

John J. Galleher Jr. Vice President