Sole Source Procurement Instructions

Department: Harrisonburg Public Utilities (HPU) **Date:** 11/25/25

Vendor: ASTERRA

Product/Service: Acoustic leak detection field investigation - EO Discover/Ucollect Platform

It is the policy of the City of Harrisonburg that contracts/products be awarded on a competitive basis and that the use of a sole source procurement must be limited to those instances where only one source is practicably available. Per Virginia Code 2.2-4303 and 2.2-4360, the sole source document must be posted online for a minimum of ten (10) days before purchasing the product/service.

1. Explain why this is the only product or service that can meet the needs ofthe department making the purchase.

The Harrisonburg Public Utilities department utilized ASTERRA's patented remote sensing water leak survey and data analysis to identify possible water leaks in the water distribution system. Two satellite flyovers resulted in two sets of data with associated points of interest (POIs). Each POI requires filed investigation with acoustic leak detection equipment. HPU forces investigated 95 POI's with 18% of POIs resulting in found leaks. ASTERRA provides professional acoustic leak detection services to enhance field investigation efforts and precisely locate potential leaks. Deliverables from ASTERRA's subcontractor will provide a detailed evaluation of each potential leak and identify the exact location if found. HPU will be given the opportunity to shadow leak detection professionals in the field to gain knowledge and experience to improve current internal leak detection methods and practices.

2. Explain why this vendor is the only practicably available source from which to obtain this product or service.

ASTERRA's unique and patented algorithm for leak detection is precluded by the patent: US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION assigned to ASTERRA. ASTERRA is 100% owned subsidiary of Utilis Inc. HPU utilizes ASTERRA's EO Discover and Uconnect platforms to log and analyze results from each data set and resulting leak investigation. POI's from the second set of data and new POI's to be investigated by ASTERRA's sub-contracted acoustic leak detection will utilize the same platforms for reporting and analysis.

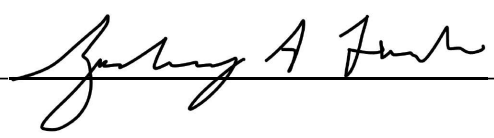
3. Explain why the price is considered reasonable.

HPU evaluated the costs associated with labor and equipment of internal City leak detection efforts and found the professional costs competitive. The proffessonal services will offset labor cost and the expert evaluations are expected to return a higher percentage of leaks found per POI. Completive rates are further justified as HPU forces will be given the opportunity to shadow experts in the field to expand internal knowledge and leak detection practices, and provide experience, direction and accuracy in future leak detection efforts.

4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

HPU Engineering staff met with ASTERRA's existing customer manager to discuss improving earlier leak detection efforts from the first data set's 18% return. With the second data set and new POI's available for investigation, professional leak detection was offered to provide a higher level of service during field investigation efforts. 120-160 hours of acoustic leak detection is estimated for the second data set of 99 POI's. A discounted rate is applied to contracted work 80 hours and above. HPU evaluated the proposal and determined 80 hours an appropriate investment. The remaining investigations may be sub-contracted or performed with internal forces once performance is evaluated.

Please attach this form to the Requisition and forward to Purchasing.

Signature:  Date: 11/25/25