

Pall Proposal No.: OPP962995

Date: October 23, 2020

Marco Island Utilities  
50 Bald Eagle Drive  
Marco Island, FL 34145  
Attn: Justin Martin  
Email: JMartin@cityofmarcoisland.com

Re: Module Replacement, 3 Racks

As a follow up to your discussion with Pall, we are pleased to offer a proposal for technical parts and services. We will arrange the execution of the work pending receipt of your purchase order.

#### Scope of Services

Pall Water is pleased to propose providing materials and supervision labor described below for replacing 72 Microfiltration Modules on each of 3 filtration racks on the Marco Island water filtration system, for a total of 216 modules. Module replacement will be performed one rack at a time. Labor for module installation shall be provided by others.

Modules, materials and associated items - Pall will provide the following materials for module replacement:

- 216 Pall UNA-620A Microfiltration modules
- 4 Gal. Lubricant for module nuts
- 432 ea Module nuts
- 432 ea Module O-rings
- 216 ea XR Gaskets
- 216 ea XR Nuts
- 216 ea Clear couplings
- 216 ea Upper end caps
- 216 ea Lower end caps
- 108 each "long" XR hoses
- 108 each "short" XR hoses
- 216 ea. Lower 2" Clamp
- 216 ea. XR 1" Clamp

For module installation, a complement of "Nut wrenches" are required. However, Pall understands that the City bought the wrenches during the last expansion.

In addition, the following will be provided as spare parts:

- 14 ea. Module Nut
- 14 ea. Lower end Cap
- 14 ea. Upper end cap
- 14 ea. XR Nut
- 14 ea. XR gasket
- 14 ea. Clear couplings
- 14 ea Upper end caps
- 14 ea Lower end caps
- 7 each "long" XR hoses

- 7 each "short" XR hoses
- 14 each 2-inch couplings
- 14 each 1-inch couplings
- 500 each membrane repair pins ("Pinning Kit")

Installation Supervision - Pall will provide a qualified Field Service Engineer (FSE) to supervise and assist with removing the old modules and installing the new modules. In addition to the FSE working as supervisor, a labor crew of 3 people for 6 days (two days per rack) will be required. This labor crew is not included in this proposal and must be provided by others. Overall, Pall expects this work to take up to 7 days to complete, including set up and first rack CIP at the beginning and clean up at the end.

As part of this work, Pall will also provide a new Operating Protocol, and update the system Process & Instrumentation Diagram (P&ID) drawing. The Operating Protocol is a document created by Pall's Process Engineers based on a review of your MF system together with incoming water quality\*, and includes recommended settings and protocols for Flux Maintenance (FM), Enhanced Flux Maintenance (EFM) and Clean-In-Place (CIP) operations. The OP is designed to give operators the information and guidance to achieve optimal system performance results. Potential benefits from following Pall's Operating Protocols include improved cleanings, increased up time, and extended service life.

In addition, Pall Water will be onsite for two full days for "training" and will review and evaluate thirty (30) days of performance testing data and provide a performance report to the Owner per the specification. Please see attached Performance Report as an example.

Copies of both the P&ID and the Operating Protocol will be provided shortly after completion of the installation work.

\*Incoming water quality data is provided by the customer. Pall can provide the comprehensive water quality analysis needed for the Operating Protocol at additional cost.

#### Change-Out Plan and Schedule

The Pall Field Service Engineer will arrive at the site a full day before the start of the module removal process to meet with site personnel, review the site where the work will be performed, initiate and complete a CIP on the first rack to be changed, and make preparations for the module change-out process. For safety, a clean-in-place (CIP) procedure will be performed on each rack prior to commencing module removal. At the conclusion of the CIP process the rack will be shut down and drained. The CIP will require one full day per rack to complete.

Once full drainage of the cleaned rack has been verified the old modules will be removed and the new ones installed. The old modules will be set aside for disposal. The new modules will need to be drained of preservative prior to installation on the module rack. Pall will provide a Material Safety Data Sheet for the module preservative upon receipt of order. Disposal of old modules and module preservative is by others.

While the modules on the current rack are being changed out, the CIP process will be performed on the next rack to prepare it for the following day. This means that as many as two racks a day will be unavailable for production during the module change-out process.

Once the full set of modules is installed on each rack, the rack will then be filled and rinsed in place to ensure all preservative has been removed from the modules. The FSE will then verify the operating set points, oversee the start-up of the rack, and verify proper operation.

Submittals - Pall Water will provide submit two copies of each of the following to the owner prior to the commencement of installation:

- Shop drawing of membrane modules
- Membrane module manufacturer's literature
- Maintenance manual and data
- Operating instructions
- Installation manual prior to shipment of modules

Disclaimer: This proposal is based on information and conditions known at the time of quotation. Pall Water reserves the right to revise this proposal through change order(s) should conditions vary significantly from those known at the time of quotation and require additional work or materials.

Our proposal, based on time and materials, is calculated using Pall's Service Rate. Should additional time beyond the quoted value be required to successfully complete the scope; we will request a revision to your Purchase Order.

#### PROPOSAL SUMMARY

Modules, Ancillary Parts, Spares, and Installation Supervision	\$325,318.75
Freight	\$ 4,681.25
Contingency per Specification	\$ 5,000.00

**Total amount for purchase order: \$335,000.00**

**Service Reports:** If service reports are required by your site to comply with your company or state regulations, please indicate on your order that service report documents are required. Service reports detailing the visit and recommendations will then be provided.

**Materials:** This proposal covers service time only. All materials purchased by Pall for use on your system will be quoted, and a separate purchase order is to be placed for those items as needed.

**Validity:** This proposal is valid for 30 days.

**Terms of Sale:** Pall Standard Terms and Conditions of Sale of Services attached

**Terms of Service:**

- Maximum workday is 12 hours including travel time.

**Service Order acceptance and payment terms:** Pall Advanced Separations Systems requires all accounts outstanding beyond 30 days to be paid in full prior to order acceptance. Your account status will be verified at the time of order placement, and you will be notified if you have a balance due. To avoid order processing, goods shipment or service scheduling delays, please insure your account is up to date in advance of placing your order. Charges per the proposal will be billed automatically upon completion of the service, and sign-off of the service report, and become payable within 30 business days of receipt of the invoice.

**Changes:** Pall shall not implement any changes in the scope of services described in Pall's proposal unless the Customer and Pall agree to the details of the change. Any resulting price, schedule or other contractual

modifications, will require a verbal change called into Pall's Customer Service Department, with a follow up written confirmation. This includes any changes necessitated by a change in applicable law.

A Purchase Order or written authorization to accept the contract of work as described, along with a signed copy of the attached Customer authorization for service is required in advance of PASS providing the service defined in this proposal.

Please direct your purchase order to:

**Pall Water**  
**Pall System Services**  
P.O. Box 5630  
839 State Route 13  
Cortland, New York 13045-5630  
Tel: 866-475-0115 / Fax: 607.758.4526  
Email: Pall\_Technology\_csc@pall.com  
Attn: Customer Service

**Pall Systems Support**

To obtain support for your Pall systems installation, our Customers can contact Pall via our toll free number at 866-475-0115 or by email to [pall\\_technology\\_csc@pall.com](mailto:pall_technology_csc@pall.com). Through this channel, you gain access to warranty assistance, technical support as well as our service and spares team.

Pall Customers have access to this 24/7 Service Hotline. Pall System Engineers are on full-time rotation to provide around-the-clock availability of live technical support. This service is charged at \$250 for support time for the first 30 minutes, during normal workday hours between 9:00-AM and 4:00-PM EST, excluding weekends and holidays.

If your system is out of warranty or does not have a 24/7 service support contract, there will be a charge when technical support is to be provided for intervals longer than 30 minutes, or after-hours technical support to resolve the issue. Extensive off-site support will require a purchase order or credit card. Billing is based on a minimum 1-hour charge at Pall's off-site hourly service rate. You will be asked to provide your credit card number or service contract purchase order number that will be billed at Pall's Off-Site Service Rates, with a minimum 1-hour charge. If the problem cannot be resolved over the telephone, the Customer can request a Pall System Service Representative to visit the site location. You will be quoted an Emergency Service Rate and billed for last-minute travel expenses.

Please feel free to call me at your convenience with any questions or comments. We look forward to providing you with field services to assist you with system operation, and await your purchase order.

Sincerely,

Jay Garcia  
Key Account Manager  
Cell: 516-301-6332  
Fax: 607-758-4526  
E-mail: [Jay\\_Garcia@Pall.com](mailto:Jay_Garcia@Pall.com)

**Customer Authorization for Service**

I am an authorized representative of the customer, and I accept the Terms and Conditions of this Service Agreement on behalf of the customer. I authorize Pall Corporation to perform the work defined in this agreement, and accept the costs and charges defined in this agreement.

Company: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title/Position

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Purchase Order No. or Reference for Billing: \_\_\_\_\_

Circle Service Visit Frequency: Annual   Semi-Annual   Quarterly   Single   Emergency

Requested Date(s) to Schedule Service Visit(s): \_\_\_\_\_  
(unless deemed emergency service, please allow a 4-week window to accommodate scheduling by Pall.)

Pall Proposal No.: \_\_\_\_\_

**Effective Date and Duration:** This Agreement will be effective as of the date signed below, and will remain in effect:

- until on site service work has been completed by Pall,
- or until 30 days after receipt of notice of termination by either party.

Customer Billing Address: \_\_\_\_\_

Customer Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## Pall Standard Terms and Conditions of Sale of Services

1. **Acceptance:** Acceptance by Pall Corporation ("Seller") of Buyer's order is limited to Seller's express terms and conditions of sale contained herein and on the face of any order acknowledgment form, Seller's quotation, proposal or similar document delivered by Seller to Buyer (the "Seller's Acknowledgment Form") and any terms incorporated herein or therein by reference ("Seller's Terms and Conditions of Sale"). Any additional or different terms or any attempt by Buyer to vary in any degree any of Seller's Terms and Conditions of Sale are hereby objected to and shall be deemed material and not binding on Seller.
2. **Services:**
  - 2.1 Seller will provide such services ("Services") as are expressly described in its quotation, proposal, statement of work or other document executed by Seller (the "Quote") during normal business hours and will charge Buyer in accordance with Seller's then current schedule of rates, unless otherwise specified in the Quote. Services requested or required by Buyer to be performed outside of normal business hours or in an expedited manner or in addition to the Services included in the Quote will be charged at Seller's then current schedule of rates, including any applicable overtime or expediting charges, and will be in addition to the charges outlined in the Quote.
  - 2.2 The schedule for the provision of Services is the best estimate possible based on conditions existing at the time of Seller's acceptance of the order or Seller's Quote and receipt of all specifications, as applicable, and in the case of non-standard Services, any such date is subject to Seller's receipt of complete information necessary for completion of Services. Seller assumes no liability whatsoever, including loss of use or for any other direct, indirect, or consequential damages, due to delays.
  - 2.3 It is understood that the Services provided by Seller are not to be considered Professional Engineering Services or Works-for-Hire. In the event design documentation requires a Professional Engineering Stamp, a written scope and definition of responsibility must be executed by Buyer and Seller.
3. **Prices:** Except as may be specifically provided in Seller's quotation, all prices are subject to change without notice.
4. **Taxes:** All prices are exclusive of any applicable U.S.A. federal, state or local sales, use, excise or other similar taxes. All such taxes will be for Buyer's account and will be paid by Buyer to Seller upon submission of Seller's invoices. Buyer agrees to make tax accruals and payments to the tax authorities as appropriate. If Buyer is exempt from any applicable sales tax or equivalent but fails to notify Seller of such exemption or fails to furnish its Sales Tax Exemption Number to Seller in a timely manner and Seller is required to pay such tax, the amount of any such payment made by Seller will be reimbursed by Buyer to Seller upon submission of Seller's invoices.
5. **Payment:**
  - 5.1 Payment for U.S. and Puerto Rico billing shall be made by Buyer in U.S. Dollars net thirty (30) days after the date of invoice. Payment for non-U.S. billing shall be in accordance with Seller's written instructions.
  - 5.2 A monthly interest charge at the rate of 1.5% or the maximum legal rate allowed by applicable law, whichever is lower, will be assessed on all past due payments calculated from the date of invoice.
  - 5.3 Seller may, at any time or times, suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to Seller when, in Seller's opinion, the financial condition of Buyer or other grounds for insecurity warrant such action.
  - 5.4 All sales are subject to the approval of Seller's credit department.
  - 5.5 Buyer may not setoff any amounts that may be claimed by Buyer against any amounts that are owed to Seller.
6. **Warranty, Limitation of Liability and Remedies:**
  - 6.1 SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE SERVICES, NOR IS THERE ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS PROVIDED FOR HEREIN.
  - 6.2 Seller further warrants that all Services will be performed in a workmanlike manner and that Seller will use suitably qualified personnel (this warranty shall survive for 90 days following Seller's completion of the Services). Seller's liability under any service warranty is limited (in Seller's discretion) to repeating the Service that during the foregoing 90-day period does not meet this warranty or issuing credit for the nonconforming portion of the Service.
  - 6.3 If Seller determines that any warranty claim is not, in fact, covered by the foregoing warranties, Buyer shall pay Seller Seller's then customary charges for any additionally required Services. Buyer shall notify Seller promptly in writing of any claims and provide Seller with an opportunity to inspect and test the Service claimed to fail to meet the above warranty. Buyer shall provide Seller with a copy of the original invoice for the Service. All claims must be accompanied by full particulars, including system operating conditions, if applicable.
  - 6.4 In no event will Seller be liable for any damages, incidental, special, consequential, indirect, punitive or otherwise, including loss of profit, remanufacturing costs and rework costs, and lost Buyer product costs (other than price of Seller service) whatever the claim (tort, breach of contract or warranty or otherwise) and whatever the forum, whether arising out of or in connection with the manufacture, packaging, delivery, storage, use, misuse or non-use or resale of any of its Services or any other cause whatsoever. Without limiting the generality of the foregoing, in no event will Seller be liable for any losses or damages in excess of the price paid to Seller with respect to the Services sold to Buyer hereunder which are claimed to fail to meet above warranties.
  - 6.5 In no event shall Buyer be entitled to claim under the above warranty if Buyer is in breach of its obligations, including but not limited to payment, hereunder.

7. **Cancellation:** Buyer may not cancel its order after Seller's acceptance unless all the details are approved in writing by the parties, including Buyer's agreement to pay a stated amount of termination charges.
8. **Ownership of Materials:** All devices, equipment, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with Services provided, and all related intellectual property rights, shall remain Seller's property. Buyer is not authorized to use information supplied by Seller for other purposes unless agreed to in writing by Seller. Buyer shall not disclose any such material to third parties without Seller's prior written consent.
9. **Entire Agreement:** Seller's Terms and Conditions of Sale and the Confidentiality Agreement, if any, constitute the entire agreement between the parties hereto and supersede all prior agreements and understandings, oral and written, between the parties relating to the subject matter hereof. Seller's Terms and Conditions of Sale shall be binding on the parties and their successors and permitted assigns. No change, addition to or waiver of any of the terms of Seller's Terms and Conditions of Sale shall be binding as to the parties hereto unless approved in writing by the parties hereto or their authorized representatives.
10. **Quotation:** All quotations by Seller are subject to change or withdrawal without prior notice to Buyer, unless otherwise specifically stated in the quotation. Quotations are made subject to approval by Seller of Buyer's credit. All sales, contracts and orders become effective only if and when approved and accepted in writing by Seller by the issuance of the Seller Acknowledgment Form and shall be subject to these terms and conditions.
11. **Confidentiality:** If Seller discloses or grants Buyer access to any research, development, technical, economic, or other business information or "know-how" of a confidential nature, whether reduced to writing or not, Buyer will not use or disclose any such information to any other person or company at any time, without Seller's prior written consent. In the event that Buyer and Seller have entered into a separate confidentiality agreement ("Confidentiality Agreement"), the terms and conditions of such agreement shall take precedence over the terms of this paragraph.
12. **No Waiver:** Seller's failure to insist on Buyer's strict performance of the terms and conditions contained herein at any time shall not be construed as a waiver by Seller of performance in the future.
13. **Force Majeure:** Whenever performance by Seller of any of its obligations hereunder, is substantially prevented by reason of any act of God, strike, lock-out, or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war conditions, or by reason of any other matter beyond its reasonable control, then such performance shall be excused, and deemed suspended during the continuation of such event and for a reasonable time thereafter, delayed, or adjusted accordingly.
14. **Validity:** If any provision of Seller's Terms and Conditions of Sale is held invalid by any competent authority to be illegal or unenforceable in whole or any part, such provision shall be ineffective, but only to the extent of such invalidity or unenforceability, without invalidating the remainder of such provision, nor the other provisions, which shall not be affected.
15. **Governing Law, Service of Process:** Seller's Terms and Conditions of Sale and the parties' agreement for the sale of Services shall be governed by the laws of the State of New York, regardless of conflict of laws principles, and the parties hereby unconditionally and irrevocably submit to (and waive any objection on the grounds of inconvenient forum or otherwise) the jurisdiction of the Supreme Court of the State of New York, County of Nassau or the United States District Court for the Southern District of New York, which courts shall have exclusive jurisdiction to adjudicate and determine any suit, action or proceeding regarding or relating to the Seller's Terms and Conditions of Sale and the purchase and supply of the Services. A judgment, order or decision of those courts in respect of any such claim or dispute shall be conclusive and may be recognized and enforced by any courts of any state, country or other jurisdiction. Each party hereby waives personal service of process, and irrevocably submits to service of process by mail.
16. **Jurisdiction:** Each party hereby waives all objections to the jurisdiction specified herein on the grounds of inconvenient forum or otherwise. A judgment, order or decision of those courts in respect of any such claim or dispute shall be conclusive and may be recognized and enforced by any courts of any state, country or other jurisdiction.
17. **Survival:** All payment, confidentiality and indemnity obligations, warranties, limitations of liability, product return, and ownership of materials provisions together with those Sections the survival of which is necessary for the interpretation or enforcement of these terms and conditions, shall continue in full force and effect for the duration stated in such provisions or the applicable statute of limitations.