

CHEMICAL SUPPLIER AGREEMENT
Purchase of Liquid Oxygen (LOX)
Specification No. C-2023-1398BD

This CHEMICAL SUPPLIER AGREEMENT (hereinafter referred to as “Agreement”), is made and entered into as of the date fully executed below, by and between Orange County Sanitation District (hereinafter referred to as “OC San”) and Airgas USA, LLC, an Air Liquide Company (hereinafter referred to as “Supplier”), and collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, OC San desires to temporarily engage Supplier to provide Liquid Oxygen (LOX) as described in Exhibit “A”; and

WHEREAS, Supplier submitted its Bid dated April 24, 2023; and

WHEREAS, on June 28, 2023, OC San’s Board of Directors, by minute order, authorized execution of this Agreement.

WHEREAS, OC San has chosen Supplier to provide LOX in accordance with Ordinance No. OC SAN-56; and

NOW, THEREFORE, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agreed as follows:

1. Introduction

1.1 This Agreement and all exhibits hereto is made by OC San and the Supplier. The terms and conditions herein exclusively govern the purchase of LOX as described in Exhibit “A”.

1.2 Exhibits to this Agreement are incorporated by reference and made a part of this Agreement as though fully set forth at length herein.

- Exhibit “A” Scope of Work
- Exhibit “B” Bid
- Exhibit “C” Determined Insurance Requirement Form
- Exhibit “D” OC San Safety Standards
- Exhibit “E” Human Resources Policies

1.3 In the event of any conflict or inconsistency between the provisions of this Agreement and any of the provisions of the exhibits hereto, the provisions of this Agreement shall in all respects govern and control.

1.4 This Agreement may not be modified, changed, or supplemented, nor may any obligations hereunder be waived or extensions of time for performance granted, except by written instrument signed by both Parties.

1.5 The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any section or provision hereof.

1.6 The term “days”, when used in the Agreement, shall mean calendar days, unless otherwise noted as workdays.

- 1.7 The term “workday”. Workdays are defined as all days that are not Saturday, Sunday, or OC San observed holidays. Meetings with OC San staff shall be scheduled from Monday through Friday between the hours of 7:00 a.m. and 4:00 p.m. (exception is Operations staff who maintain plant operations 24 hours per day 7 days per week and work a rotated 12-hour shift) and shall conform to OC San work schedules.
- 1.8 OC San holidays (non-working days) are as follows: New Year’s Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.9 Supplier shall provide OC San with all required premiums and/or overtime work at no charge beyond the total amount of the Agreement.
- 1.10 Except as expressly provided otherwise, OC San accepts no liability for any expenses, losses, or action incurred or undertaken by Supplier as a result of work performed in anticipation of purchases of said services by OC San.

2. Delivery

- 2.1 LOCATIONS: Deliveries shall be made in accordance with the Scope of Work, Exhibit “A”.
 - 2.2 OC San will pay only for the actual quantity of LOX delivered, based upon certified tare weight and net weight. The quantity invoiced by Supplier and payable by OC San will be for the total net weight of LOX delivered (loaded gross weight minus the tare weight). Tare weight shall be determined immediately after each delivery and prior to cleaning, emptying, or clearing the delivery tank.
 - 2.3 In accordance with Exhibit “A”, a bill of lading shall accompany all shipments.
- 3. Possession** Ownership and control of all LOX delivered pursuant to this Agreement shall remain solely and exclusively with Supplier, until complete transfer of possession by delivery to OC San at the designated locations is made by Supplier.

4. Quantity

- 4.1 OC San makes no guarantee to actual use or quantity of LOX purchased. Use may be sporadic based on the wastewater treatment requirements unique to each treatment plant.
- 4.2 OC San will, through the term of this Agreement, purchase LOX from Supplier exclusively, except when OC San determines Supplier cannot make delivery within the time specified, with the quality and quantity specified, at the Agreement price, the level of Service is inadequate, OC San unapproved increase in rate or for any other default or breach of this Agreement. In such event, OC San may purchase LOX elsewhere and charge Supplier any difference in the delivered price to OC San from that provided in this Agreement, or alternatively, OC San may terminate the Agreement based on said breach or failure to deliver the specified product. Quality control tests will be performed by OC San on the delivered LOX to ensure it is consistent with the requirements specified in Exhibit “A”.

5. California Department of Industrial Relations Registration and Record of Wages

- 5.1 Pursuant to Labor Code sections 1720 et seq., and as specified in Title 8, California Code of Regulations section 16000, prevailing wages are required for all Work under this Agreement. It is Supplier’s responsibility to interpret and implement any prevailing wage

requirements and Supplier agrees to pay any penalty or civil damages resulting from a violation of the prevailing wage laws.

- 5.2 Supplier and its subcontractors shall comply with the registration requirements of Labor Code section 1725.5. Pursuant to Labor Code section 1771.4(a)(1), the Work is subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR).
- 5.3 Pursuant to Labor Code section 1773.2, a copy of the prevailing rate of per diem wages is available upon request at OC San's principal office. The prevailing rate of per diem wages may also be found at the DIR website for prevailing wage determinations at <http://www.dir.ca.gov/DLSR/PWD>.
- 5.4 Supplier and its subcontractors shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulations section 164611. Pursuant to Labor Code sections 1773.2 and 1771.4(a)(2), Supplier shall post a copy of the prevailing rate of per diem wages at the job site.
- 5.5 Supplier and its subcontractors shall maintain accurate payroll records and shall comply with all the provisions of Labor Code section 1776. Supplier and its subcontractors shall submit payroll records to the Labor Commissioner pursuant to Labor Code section 1771.4(a)(3). Pursuant to Labor Code section 1776, the Supplier and its subcontractors shall furnish a copy of all certified payroll records to OC San and/or the general public upon request, provided the public request is made through OC San, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement of the Department of Industrial Relations. Pursuant to Labor Code section 1776(h), penalties for non-compliance with a request for payroll records may be deducted from progress payments.
 - 5.5.1 As a condition to receiving payments, Supplier agrees to present to OC San, along with any request for payment, all applicable and necessary certified payrolls and other required documents for the time period covering such payment request. Pursuant to Title 8, California Code of Regulations section 16463, OC San shall withhold any portion of a payment, up to and including the entire payment amount, until certified payroll forms and any other required documents are properly submitted. In the event certified payroll forms do not comply with the requirements of Labor Code section 1776, OC San may continue to withhold sufficient funds to cover estimated wages and penalties under the Agreement.
- 5.6 The Supplier and any of its subcontractors shall comply with Labor Code section 1774 and section 1775. Pursuant to Labor Code section 1775, the Supplier and any of its subcontractors shall forfeit to OC San a penalty of not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any Work.
 - 5.6.1 In addition to the penalty, and pursuant to Labor Code section 1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Supplier or its subcontractor.
- 5.7 Supplier and its subcontractors shall comply with Labor Code sections 1810 through 1815. Supplier and its subcontractors shall restrict working hours to eight (8) hours per day and

forty (40) hours per week, except that Work performed in excess of those limits shall be permitted upon compensation for all excess hours worked at not less than one and one-half (1.5) times the basic rate of pay, as provided in Labor Code section 1815. The Supplier shall forfeit, as a penalty to OC San, twenty-five dollars (\$25) per worker per calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of Labor Code sections 1810 through 1815.

- 5.8 Supplier and its subcontractors shall comply with Labor Code sections 1777.5, 1777.6, and 1777.7 concerning the employment of apprentices by Supplier or any subcontractor.
- 5.9 Supplier shall include, at a minimum, a copy of the following provisions in any contract it enters into with any subcontractor: Labor Code sections 1771, 1771.1, 1775, 1776, 1777.5, 1810, 1813, 1815, 1860, and 1861.
- 5.10 Pursuant to Labor Code sections 1860 and 3700, the Supplier and its subcontractors will be required to secure the payment of compensation to employees. Pursuant to Labor Code section 1861, Supplier and its subcontractors, by accepting this Agreement, certify that:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.”

6. Pricing and Invoicing

- 6.1 Supplier will invoice for LOX delivered in accordance with Exhibit “A”, and in accordance with the unit price(s) listed in Exhibit “B”. Prices shall include all cartage and taxes except California State Sales Tax. The sales tax will be paid by OC San.
- 6.2 OC San shall pay, net thirty (30) days, upon receipt and approval by OC San of itemized invoices, submitted in a form acceptable to OC San to enable audit of the charges thereon. Supplier shall email invoices to OC San Accounts Payable at APStaff@ocsan.gov and “INVOICE” with the Purchase Order Number and LOX shall be referenced in the subject line. All invoices shall include a description of the delivery location, the delivery date, and the unit price(s).

7. Modifications

- 7.1 This Agreement may be modified or changed only by written instrument in the form of an amendment to this Agreement signed by both Parties.
- 7.2 Pricing modifications: The prices established in this Agreement shall remain firm for the Agreement term. Any adjustments made will allow for increases or decreases in the manufactured cost of LOX and will be based upon OC San validated information furnished by Supplier and OC San sources. Adjustments will only be reviewed on an annual basis. OC San reserves the right to agree with or reject the proposed unit price increase or decrease.

- 7.3 Price changes may be made through the OC San Purchase Order Process.

8. **Agreement Term** The term of this Agreement shall be for one (1) year commencing on August 21, 2023 and continuing through August 20, 2024.

9. Renewals

- 9.1 OC San may exercise the option to renew the Agreement for up to four (4) one-year periods. OC San shall make no obligation to renew nor give reason if it elects not to renew. The prices established in the original Agreement may be adjusted. The adjustment will allow for any increase or decrease in the manufactured cost of the LOX and will be based upon OC San validated information furnished by Supplier and OC San sources. Adjustments will only be reviewed on an annual basis. OC San reserves the right to agree with or reject the proposed unit price increase or decrease.
- 9.2 Renewals may be made through the OC San Purchase Order Process.

10. Termination

- 10.1 OC San reserves the right to terminate this Agreement for its convenience, with or without cause, in whole or in part, at any time, by written notice from OC San. Upon receipt of a termination notice, Supplier shall immediately discontinue all work under this Agreement (unless the notice directs otherwise). OC San shall thereafter, within thirty (30) days, pay Supplier for work performed (cost and fee) to the date of termination. Supplier expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Agreement. Such notice of termination shall terminate this Agreement and release OC San from any further fee, cost or claim hereunder by Supplier other than for work performed to the date of termination.
- 10.2 OC San reserves the right to terminate this Agreement immediately upon OC San's determination that Supplier is not meeting specification requirements for delivery of quantities needed, the level of service is inadequate, for poor quality of product, for OC San unapproved increase in unit price(s), or any other default or breach of this Agreement.
- 10.3 OC San may also immediately terminate for default of this Agreement in whole or in part by written notice to Supplier:
- if Supplier becomes insolvent or files a petition under the Bankruptcy Act; or
 - if Supplier sells its business; or
 - if Supplier breaches any of the terms of this Agreement; or
 - if total amount of compensation exceeds the amount authorized under this Agreement.
- 10.4 All OC San property in the possession or control of Supplier shall be returned by Supplier to OC San upon demand, or at the termination of this Agreement, whichever occurs first.

- 11. Indemnification and Hold Harmless Provision** Supplier shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by Supplier's services under this Agreement, or by its subcontractor or by anyone directly or indirectly employed by Supplier, and whether such damage or injury shall accrue or be discovered before or after the termination of the Agreement. Except as to the sole active negligence of or willful misconduct of OC San, Supplier shall indemnify, protect, defend and hold harmless OC San, its elected and appointed officials, officers, agents and employees, from and against any and all claims, liabilities, damages or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person or damage to property or interference with the use of property, arising out of or in connection with Supplier's performance under this Agreement, and/or (b) on account of any goods and services provided under this Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Supplier or anyone employed by or working under Supplier. To the maximum extent permitted by law, Supplier's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are

meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Supplier agrees to provide this defense immediately upon written notice from OC San, and with well qualified, adequately insured, and experienced legal counsel acceptable to OC San. This section shall survive the expiration or early termination of the Agreement.

12. **Insurance** Supplier shall purchase and maintain, throughout the life of this Agreement and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Acknowledgement of Insurance Requirements, Exhibit "C". Supplier shall not commence work under this Agreement until all required insurance is obtained in a form acceptable to OC San, nor shall Supplier allow any subcontractor to commence service pursuant to a subcontract until all insurance required of the subcontractor has been obtained. Failure to maintain required insurance coverage shall result in termination of this Agreement.
13. **Equipment Loss** OC San will be responsible for any loss or damage to Supplier-owned equipment, when OC San determines OC San is at fault, only to the extent of OC San's fault, and will reimburse Supplier for such loss or damage upon receipt of invoices, minus a deduction for any amount determined to be the fault of Supplier or its subcontractor or a third party.
14. **Conflict of Interest and Reporting** Supplier shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
15. **Supplier's Relationship to OC San** Supplier's relationship to OC San in the performance of this Agreement is that of an independent contractor. The personnel performing Services under this Agreement shall, at all times, be under Supplier's exclusive direction and control, and shall be employees of Supplier and not employees of OC San. Supplier shall pay all wages, salaries and other amounts due its employees in connection with this Agreement, and shall be responsible for all legal reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, worker's compensation and similar matters.
16. **OC San Safety Standards**
 - 16.1 In addition to the requirements set forth in Exhibit "A", Supplier shall meet with personnel from OC San's Risk Management Division prior to providing Services to OC San to review safety and accident prevention policies and procedures. All subcontractors should be present at this meeting. Supplier is responsible to inform all subcontractors of the items discussed at this meeting. Supplier shall not be permitted to provide Services to OC San prior to this meeting.
 - 16.2 OC San requires Supplier and its subcontractor(s) to follow and ensure their employees follow all Federal, State, and local regulations as well as OC San Safety Standards while working at OC San locations. If during the Agreement it is discovered that OC San Safety Standards do not comply with Federal, State, or local regulations, then the Supplier is required to follow the most stringent regulatory requirement at no additional cost to OC San. Supplier and all of its employees and subcontractors shall adhere to all applicable OC San Safety Standards attached hereto in Exhibit "D".

17. **Drug-Free Workplace** All employees of Supplier who will perform work under this Agreement must adhere to the California Drug-Free Workplace Act, Government Code Sections 8350 through 8357.
18. **Assignments** Neither this Agreement nor any interest herein or any claim hereunder may be assigned by Supplier either voluntarily or by operation of law, nor may all or substantially all of this Agreement be further subcontracted by Supplier without the prior written consent of OC San.
19. **Attorney's Fees** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to any other relief to which it may be entitled.
20. **Permits, Ordinances and Regulations** Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to work performed under the terms of this Agreement shall be paid by Supplier. Fees demanded for obtaining certificates, including associated inspection fees and expenses of regulatory inspectors shall be paid by Supplier.
21. **Training Certification** When required by regulation, certificates of training shall be maintained on-site for the duration of the activity that requires an employee of Supplier to be certified. Certificates shall be current. Lack of certificates when required will be cause for removal of offending personnel from the site, termination of the Agreement, or both.
22. **Compliance with Law** Supplier warrants that under the performance of this Agreement, it shall comply with all applicable Federal, State and local laws, and all lawful orders rules and regulations thereunder. In connection with the execution of this Agreement, Supplier shall not discriminate against employees or an applicant for employment because of race, religion, color, sex or national origin. Supplier shall take affirmative action to ensure that applicants are employed and employees are treated during their employment without regard to their race, religion, color, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rate of pay, or other forms of compensation; and selection for training, including apprenticeship.
23. **Disputes**
 - 23.1 This Agreement shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in Orange County, in the event any action is brought in connection with this Agreement or the performance thereof. Pending final resolution of a dispute hereunder, Supplier shall proceed diligently with the performance of this Agreement and in accordance with OC San's decision.
 - 23.2 In the event of a dispute as to the construction or interpretation of this Agreement, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.

23.3 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of Agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.

24. Right to Review Services, Facilities, and Records

24.1 OC San reserves the right to review any portion of the Services performed by Supplier under this Agreement, and Supplier agrees to cooperate to the fullest extent possible. Supplier shall furnish to OC San such reports, statistical data, and other information pertaining to Supplier's Services as shall be reasonably required by OC San to carry out its rights and responsibilities under its agreements with its bondholders or noteholders an in connection with the issuance of its official statements and other prospectuses with respect to the offering, sale, and issuance of its bond and other obligations.

24.2 The right of OC San to review or approve specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by Supplier shall not relieve Supplier of any obligation set forth herein.

25. **Severability** Any provision of this Agreement which is found to be invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions hereof.

26. **Waiver** The waiver of either party of any breach or violation of, or default under, any provision of this Agreement, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Agreement or default thereunder.

27. **Breach** Any breach by Supplier to which OC San does not object shall not operate as a waiver of OC San to seek remedies available to it for any subsequent breach.

28. **South Coast Air Quality Management District's (SCAQMD) Requirements** It is Supplier's responsibility that all equipment furnished and installed be in accordance with the latest rules and regulations of the South Coast Air Quality Management District (SCAQMD). All work practices, which may have associated emissions such as sandblasting, open field spray painting or demolition of asbestos containing components or structures, shall comply with the appropriate rules and regulations of the SCAQMD.

29. **Performance** Time is of the essence in the performance of the provisions hereof.

30. **Familiarity with Work** By executing this Agreement, Supplier warrants that: 1) it has investigated the work to be performed; (b) it understands the facilities, difficulties, and restrictions of the work under this Agreement; and (c) it has examined the site of the work

and is aware of all conditions at the site. Should Supplier discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OC San, it shall immediately inform OC San of this and shall not proceed, except at Supplier's risk, until written instructions are received from OC San.

31. **Damage to OC San's Property** Any OC San property damaged by Supplier, its subcontractor(s), or by the personnel of either will be subject to repair or replacement by Supplier at no cost to OC San.
32. **Third Party Rights** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OC San and Supplier.
33. **Authority to Execute** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.
34. **Read and Understood** By signing this Agreement, Supplier represents that it has read and understood the terms and conditions of the Agreement.
35. **Entire Agreement** This Agreement constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.
36. **Notices** All notices under this Agreement must be in writing. Written notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Any facsimile notice must be followed within three (3) days by written notice. All notices shall be effective when first received at the following addresses:

OC San: Darius Ghazi
Senior Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708
dghazi@ocsan.gov

Supplier: Christophe Tardieu
President, West Division
Airgas USA, LLC, an Air Liquide Company
3737 Worsham Avenue
Long Beach, CA 90808
christophe.tardieu@airgas.com

IN WITNESS WHEREOF, intending to be legally bound, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives.

ORANGE COUNTY SANITATION DISTRICT

Dated: _____

By: _____
Chad P. Wanke
Chair, Board of Directors

Dated: _____

By: _____
Kelly A. Lore
Clerk of the Board

Dated: _____

By: _____
Ruth Zintzun
Purchasing & Contracts Manager

Airgas USA, LLC, an Air Liquide Company

Dated: _____

By: _____

Print Name and Title of Officer

LL

Exhibit “A”

SCOPE OF WORK

SCOPE OF WORK
Purchase of Liquid Oxygen (LOX)
SPECIFICATION NO. C-2023-1398BD

This Notice Inviting Bids is for procuring Liquid Oxygen (LOX) for Orange County Sanitation District's (OC San's) Plant 2 as detailed in this Scope of Work.

1. PRODUCT REQUIREMENTS

- 1.1 Liquid Oxygen (LOX) - Quantity:** The Supplier shall provide the unit price of gaseous oxygen (\$/100 scf, where 100 scf = ccf@STP) and the total price for the first year, including delivery and unloading.

The estimated annual LOX demand would be 160,000,000 scf (1,600,000 ccf@STP). It is used for Plant No. 2 biological Activated Sludge (AS) process 24 hours a day and seven days a week. Actual LOX requirements may vary depending on numerous factors, including but not limited to internal plant operations and the quantity and quality of wastewater received at Plant No. 2. Under most circumstances, these factors are beyond Orange County Sanitation District's (OC San's) control. Therefore, LOX demand at Plant No. 2 will not be constant monthly. Historically the LOX demand varies by ±20% around the long-term average usage. The Supplier must meet all variable LOX needs without adjusting the unit price. OC San does not guarantee any minimum or maximum use of LOX.

- 1.2 Liquid Oxygen – Quality:** All LOX deliveries shall conform to the following purity requirements:

Purity, vol. % O ₂	99.5% (min.)
Total hydrocarbons, ppm as CH ₄	50 (max.)
Water, ppm	7 (max.)

OC San reserves the right to demand a "Certificate of Conformance" for any or all deliveries as confirmation that any delivery conforms to purity requirements. Certificate of Conformance will present analytical data on LOX delivered to OC San and the LOX storage tanks. As a minimum, all purity data specified in this section will be analyzed and reported on the "Certificate of Conformance".

A delivery statement shall accompany all shipments and state the delivered gallons, as determined by the delivery vehicle's flow meter and the delivered LOX's actual purity. Payment shall be based on the actual volume of product delivered (expressed as ccf@STP).

- 1.3 Liquid Oxygen - Pricing:** The price provided for LOX under Section 1.1 will remain constant for 12 months, with no exceptions allowed. The Supplier may adjust the price at the beginning of the second and all subsequent 12-month periods by providing acceptable justifications, including variations in energy, O&M, and delivery costs. OC San reserves the right to accept or reject any proposed unit price modifications or request further supporting documents.

1.4 Liquid Oxygen - Storage Facilities: LOX will be delivered to and stored at OC San Plant No. 2, located at 22212 Brookhurst Street, Huntington Beach, CA 92646. The LOX storage facilities consist of two (2) 43,000-gallon, horizontally mounted vacuum-insulated tanks (Tanks A and B) with appurtenant piping and one 9,000-gallon backup tank. LOX is vaporized through atmospheric vaporizers and used in the biological secondary treatment process. Tank A is currently out of service and is expected to be back in service by April 2024.

1.5 Liquid Oxygen - Storage Facilities Monitoring: LOX levels inside the storage tanks will be monitored locally in the OC San SCADA system and remotely by the LOX Supplier at Supplier's production or central monitoring facility. All telemetering instrumentation will be supplied, installed, and configured by LOX Supplier. The Supplier will retain title to and will be responsible for maintaining, at Supplier's own cost, monitoring instrumentation for the duration of the Agreement period. At Agreement termination, the Supplier will remove its telemetering instrumentation. All expenses relating to the tank-level remote monitoring instrumentation, including installation, setup, and maintenance are to be provided at no additional cost to OC San.

1.5.1 Any modifications required to OC San's existing equipment to accommodate Supplier's remote monitoring instrumentation require OC San's approval prior to modification/ installation.

1.6 Liquid Oxygen - Delivery Scheduling: Liquid oxygen is a critical supply component for OC San's wastewater treatment system at Plant No. 2. LOX supply interruption due to delivery or equipment breakdowns will seriously compromise OC San's ability to meet federal and state-mandated regulations. As such, an uninterrupted supply of bulk LOX, in the quantities required, is essential to the success of wastewater operations and will be a critical component of this Agreement.

OC San has no capacity for on-site oxygen generation; therefore, the Supplier is responsible for fulfilling the entire demand by trucking the LOX from the off-site oxygen generation facilities. The Supplier must acknowledge having the assets and capability to provide an uninterrupted supply of LOX as detailed in this Scope of Work.

1.6.1 Deliveries will be automatic, based on an OC San Standing Order to maintain a minimum inventory. Delivery schedules must conform to the requirements of this Scope of Work unless otherwise agreed by OC San authorized staff.

1.6.2 Deliveries must happen with minimum vehicular traffic in the Huntington Beach area where Plant No. 2 is located. Partial load deliveries will not be acceptable except in emergency situations or with OC San authorized staff approval.

1.6.3 Before the delivery truck leaves the site, a delivery ticket documenting the quantity of delivered LOX (expressed as gallons and ccf@STP) and the delivery date and time must be left with OC San Plant No. 2 personnel. The Supplier must use a flow meter on the delivery vehicle to determine the delivered gallons of LOX.

2. GENERAL PROCEDURES

- 2.1** The Supplier shall maintain compliance with all applicable Department of Transportation (DOT) – including, but not limited to 49 CFR 171-180, 382, 383, 387, and 397 – and Occupational Health and Safety Administration (OSHA) – including, but not limited to 29 CFR 1910.1200 – rules and regulations that pertain to the Supplier's equipment or personnel.
- 2.2** Delivery trucks, trailers, and trailer-based LOX transfer piping shall be in good mechanical condition, and the delivery truck driver shall be experienced in LOX offloading. The driver will be responsible for leaving the fill station site in a condition comparable to that existing before the transfer.
- 2.3** Scheduled deliveries will be made Monday through Friday, 7:00 a.m. to 4:00 p.m.
- 2.3.1** In emergencies, the Supplier can deliver on any day of the week, on an as-needed basis, as directed by OC San.
- 2.4** OC San's Plant No. 2 gate is staffed with security guards on a 24-hour per day basis to check visitors into the plant and for staff protection. The security staff will be opening the gate for the delivery vehicles. Should the security staff be absent, the gates are equipped with intercoms to announce arrivals. Please follow the instructions – DO NOT BLOW HORNS.
- 2.5** The Supplier's delivery vehicles must be crewed only by appropriately commercial-licensed operators. Operators shall be DOT HAZMAT trained and adequately trained in all LOX aspects, including its unique properties, hazards, handling precautions, and delivery aspects. The training must adhere to generally accepted industry standards for LOX delivery drivers. LOX Supplier must be able to demonstrate that they have a training program for drivers. A list of training materials should be submitted to OC San by the LOX Supplier upon request. Shipping papers (delivery ticket), emergency response information, and LOX Safety Data Sheets (SDS) shall be readily available in the delivery driver's vehicle.
- 2.6** At the time of delivery and during the LOX transfer, the Supplier's fully trained and qualified personnel must be in continuous attendance.
- 2.7** OC San reserves the right to observe the LOX fill piping connection, disconnection, and tank filling. The Supplier's personnel shall accommodate all reasonable OC San personnel observation requests.
- 2.8** Vapor plumes associated with line connections/disconnections and line or storage tank purging must always be minimized.
- 2.9** The tanks are equipped with pressure relief systems that could release oxygen in case of tank overfilling. Any liquid spillage caused or noticed by the Supplier's personnel must be immediately reported to OC San plant personnel. Supplier personnel must take all steps necessary to secure the hazardous area in conformance with OC San's safety procedures and NFPA standards.

- 2.9.1 With conditions permitting, the Supplier's driver must remain on-site to ensure that oxygen safety procedures are fulfilled, and normal atmospheric oxygen concentrations return to the fill station area. Failure to re-establish safe operating conditions at the fill station and LOX storage site will be considered a breach of Agreement and could result in Agreement termination.
- 2.9.2 In the event of a spill on asphalt or any petroleum-based material, the Supplier's driver must cordon off the area until the frost that formed has evaporated for at least 30 minutes; do not walk, drive, or roll equipment over the affected area. Personnel exposed to concentrated LOX vapor during a spill must go to an open area to ventilate clothing for at least 30 minutes and avoid any sources of ignition.
- 2.10** Supplier shall provide the telephone number(s) where qualified Supplier personnel can be contacted in the event of an emergency during the LOX delivery in the LOX Storage and Vaporization Systems area. This telephone number must be handled by qualified personnel 24 hours/day, seven days/week, including all holidays. The Supplier must keep contact details and phone numbers up-to-date and known to OC San's operating personnel.
- 2.11** The Supplier must investigate any more-than-one-gallon LOX spills caused by its personnel and submit a written report to OC San. The report must include the date and time of the spill, approximate quantity, cause of the spill, approximate time required for the spill to vaporize and dissipate, procedure followed by the driver to secure the hazardous area and ensure the fill station returned to safe atmospheric oxygen concentrations, and recommended steps to prevent similar spills in the future. A written report will be provided to OC San no later than 14 calendar days after the spill. Failure to comply with this provision of the Scope of Work will be considered a breach of Agreement requirements and could result in Agreement termination.
- 2.12** Supplier shall deliver LOX in company-owned vehicles.
- 2.12.1 If the Supplier uses third-party delivery equipment and personnel, Supplier must provide OC San with the name of the hauling company and the safety-related provisions set forth between the Supplier and the hauling company before the commencement of the Agreement.
- 2.12.2 The Supplier is responsible for providing training on all OC San contract delivery provisions to the third-party delivery company at Supplier's own cost.
- 2.13** Upon execution of the Agreement, one set of reproducible originals of the Product Information Bulletin and Safety Data Sheet (SDS) for LOX will be provided by Supplier to OC San Safety personnel.

3. DELIVERY UNLOADING PROCEDURES

Upon arrival at OC San Plant No. 2 Treatment Facility, the driver shall:

- 3.1** Notify the Operations Center at Plant No. 2. The driver shall sign the visitor log and notify the clerk that he/she is at Plant No. 2 to deliver LOX. At this point, the driver may be directed where and how to proceed, if necessary.
- 3.2** OC San reserves the right to reject any delivery that does not conform to these specifications or may compromise overall Plant No. 2 safety. Delivery rejection will not be applied capriciously and will not result in additional costs to OC San.
- 3.3** Supplier shall comply with the requirements of OC San's Chemical Delivery SOP (i.e., OPS-SOP-39-002) and all other safety requirements as referenced in the Agreement.
- 3.4** Supplier shall have documented prior supply and delivery experience comparable to OC San LOX demand with three industrial references (references must be submitted with bid documents).