

CHEMICAL SUPPLIER AGREEMENT
Purchase of Liquid Ferric Chloride (FeCl₃)
Specification No. C-2023-1381BD

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 Pencco, Inc. (hereinafter referred to as "Supplier"), and collectively referred to herein as the "Parties."

RECITALS

WHEREAS, OC San desires to temporarily engage Supplier to provide Ferric Chloride (FeCl₃) as described in Exhibit "A"; and

WHEREAS, Supplier submitted its Proposal dated January 25, 2023; and

WHEREAS, on March 22nd, 2023, OC San's Board of Directors, by minute order, authorized execution of this Agreement between OC San and Supplier; and

WHEREAS, OC San has chosen Supplier to provide Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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" Proposal
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 Thursday between the hours of 8 a.m. and 4 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 Work Hours: The work required under this Agreement may include normal business hours, evenings, and weekends.
- 1.10 Supplier shall provide OC San with all required premiums and/or overtime work at no charge beyond the total amount of the Agreement.
- 1.11 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 16461(e). 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) 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 Ferric Chloride (FeCl₃) and will be based upon OC San validated information furnished by Supplier and OC San sources. Adjustments will only be reviewed once every six (6) months. 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 Services provided under this Agreement shall be for the period of six (6) months commencing on the effective date of the Notice to Proceed.

9. **Renewals**

9.1 OC San may exercise the option to renew the Agreement for up to a twelve (12) month period at a time not to exceed a combined total Agreement term of five (5) years based upon the criteria set forth in Exhibit "A", if mutually acceptable terms can be negotiated. 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 Ferric Chloride (FeCl₃).

9.2 Adjustments to price of Ferric Chloride (FeCl₃) will be based upon OC San validated information furnished by Supplier and OC San sources. Adjustments will only be reviewed once every six (6) months. OC San reserves the right to agree with or reject the proposed unit price increase or decrease.

9.3 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 and 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 and (b) it understands the facilities, difficulties, and restrictions of the work under this Agreement. 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: Jackie Lagade
Principal Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708
JLagade@OCSan.gov

Supplier: Sarah Duffy
Bid Secretary
Pencco, Inc.
P.O. Box 600
San Felipe, TX 77473
Sarah@pencco.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

PENCCO, INC.

Dated: _____

By: _____

Print Name and Title of Officer

WC

EXHIBIT A
SCOPE OF WORK
For
Purchase of Liquid Ferric Chloride (FeCl₃)

EXHIBIT A
SCOPE OF WORK
PURCHASE OF LIQUID FERRIC CHLORIDE (FeCl₃)
SPECIFICATION NO. C-2023-1381BD

A. General - Ferric Chloride is used to enhance primary solids coagulation and maintain hydrogen sulfide levels below Air Quality Management District (AQMD) permit levels. Ferric Chloride also reduces plant odors and corrosion. It is estimated that Orange County Sanitation District ("OC San") may use up to 7,000 net dry tons of Ferric Chloride annually. The quantity stated is an estimate only. OC San does not guarantee Ferric Chloride usage. The actual quantity used may be sporadic and is based on treatment requirements unique to each plant.

B. Technical –The Ferric Chloride supplied under these specifications shall be clean and free from all dirt, wood, plastic particulate matter or substances that precipitate out as a water-soluble gelatinous mass, which could cause pumping failure. It shall contain no foreign substances, organic or inorganic and will not adversely impact treatment plant process, receiving water, sludge quality or cause OC San to exceed its National Pollutant Discharge Elimination System Permit (NPDES) requirements. The liquid Ferric Chloride delivered shall meet the following criteria and purity requirements:

1. FeCl₃: 25%-45% by weight, (+/- 2% based on manufacturer's certification)
2. FeCl₂: less than 0.5% by weight
3. Free Acid (as HCl): less than 1% by weight
4. Specific Gravity 1.237 – 1.488 @ 20 degrees Centigrade
5. Total Insoluble Matter: less than 0.03% by weight
6. Sulfate: less than 1% by weight
7. Following heavy metals not to exceed the following concentrations, based on the FeCl₃ dry weight. The maximum metal concentrations shall not exceed 1000 mg/Kg.

Element	Name	Maximum Concentration	
		mg/kg Dry FeCl ₃	mg/kg (typical 40% FeCl ₃ solution)
Ag	Silver	3	1
Al	Aluminum	875	350
As	Arsenic	15	6
Ba	Barium	350	140
Be	Beryllium	17	7
B	Boron	350	140
Cd	Cadmium	10	4
Co	Cobalt	52	21
Cr	Chromium	201	80
Cu	Copper	350	140
Hg	Mercury	0.087	0.035
Mn	Manganese	2000	800
Mo	Molybdenum	39	15
Ni	Nickel	63	25
Pb	Lead	63	25
Sb	Antimony	8.7	3.5
Se	Selenium	38	15
Ti	Titanium	2000	800
Tl	Thallium	350	140
V	Vanadium	350	140
Zn	Zinc	524	210

- C. **Product Certification** – A Certificate of Analysis must accompany each shipment and be provided to OC San Operations staff upon arrival. A certified analysis is defined as a statement signed by the manufacturer or supplier's representative declaring the product delivered meets the listed product specifications. Repeated deviations from the specifications of more than twice per calendar month may be used as grounds for terminating the Agreement. The Certificate of Analysis shall contain the analysis date, Bill of Lading number, percent ferric chloride, percent ferrous chloride, percent free acid as HCL, percent ferric iron, percent ferrous iron, Specific gravity at 20 degrees centigrade, pounds dry FeCl₃ per gallon, and the percent total insoluble matter. The analyses shall be run in accordance with the American Water Works Association (AWWA) Standard for Liquid Ferric Chloride Method ANSI/AWWA B407-18.
- D. **Product Sample Delivery** – OC San reserves the right to randomly test any product load or request a sample separate from product delivery. The sample container shall be a clean 500 mL plastic container with leak free lid. The bottle shall be labeled with the delivery location, shipper number, delivery date, percent ferric chloride, percent ferrous chloride, and specific gravity. A delivery statement shall accompany all shipments and state the delivered weight, delivered gallons, delivered dry tons, specific gravity of the product, and percent ferric chloride of the delivered solution.
- E. **Product Quality** – OC San may terminate the Agreement if more than two (2) deliveries of Ferric Chloride do not meet the specifications per calendar month.

Analysis of product samples and product troubleshooting analysis are the responsibility of the Supplier. OC San reserves the right to verify product quality using the methods below, on a periodic basis, or more frequently, as needed, at the Supplier's expense.

Criteria	Analysis Methods
Specific Gravity @ 20 deg C	ANSI/AWWA B407-18 -Sec. 5.3
Total insoluble matter (% w/w)	ANSI/AWWA B407-18 -Sec. 5.4
Total Iron, Fe, (% w/w)	ANSI/AWWA B407-18 -Sec. 5.5
Ferrous Chloride Iron, Fe, (% w/w)	ANSI/AWWA B407-18 -Sec. 5.6
Ferric Chloride Iron, Fe, (% w/w)	ANSI/AWWA B407-18 -Sec. 5.7
Free acid expressed as HCl (% w/w)	ANSI/AWWA B407-18 -Sec. 5.8
Sulfate %/w)	SM4500-SO ₄ ²⁻ D
Metals	Plasma Emission Spectroscopy (ICPES) SM 3120 B
Mercury	Cold Vapor Atomic Absorption (CVA) SM 3112 A

- F. **Measurement and Payment** – OC San will pay only for the actual dry tons of Ferric Chloride delivered into OC San's storage, based upon certified tare weight and net weight. Dry tons invoiced by Supplier and payable by OC San will be for the total net dry tons of Ferric Chloride 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.

G. Delivery Requirements - Refer to the "Bulk Chemical Delivery Procedure for Contract Drivers" for additional requirements (reference Appendix "A-1").

1. Supplier shall be notified by OC San staff when to provide the delivery. A method of communication for subsequent deliveries shall be clarified between the Supplier and OC San.
2. Supplier shall deliver the Ferric Chloride to either Plant No. 1 or Plant No. 2 as ordered. Supplier shall be required to deliver on any day of the week, on an as needed basis.
 - Plant No. 1 is located at 10844 Ellis Avenue, Fountain Valley, CA 92708
 - Plant No. 2 is located at 22212 Brookhurst Street, Huntington Beach, CA 92646
3. At time of all deliveries, Supplier shall provide all the necessary, fully trained, and qualified personnel to be in continuous attendance during the transfer of Ferric Chloride.
4. Supplier shall allow a two-hour unloading time for each delivery. The Supplier's personnel shall provide one (1) copy of the delivery package to OC San's operator(s) prior to connection. The delivery package includes the weight ticket, the analysis report and the Bill of Lading.
5. Supplier shall provide all necessary safety equipment required by the Supplier or its contract hauler.
6. Supplier shall provide a twenty-four (24) hour phone number where qualified personnel can be contacted in the event of an emergency. It will be the Supplier's responsibility to update any changes or phone numbers.
7. **Bills of Lading** must be labeled with the information listed below in order to be accepted:
 - a) Approved name/number of product.
 - b) Specify "Ferric Chloride" (FeCl₃).
 - c) Deliver and place into Ferric Chloride (FeCl₃) Tank.

If the above information is not on the Bill of Lading, off-loading will not take place without confirmation from OC San's Operations and Maintenance Supervisor and/or Supplier that the shipment is the product ordered.
8. OC San's plant gates are equipped with intercoms for the purpose of announcing arrivals. Please follow instructions - **DO NOT BLOW HORNS**.
9. Chemical delivery driver must sign in at the Control Center at Plant No. 1 or the Operations Center at Plant No. 2.
10. Ferric Chloride drivers, under no circumstances, are to remove or clean basket strainers at storage vessel. If there is an issue, please notify OC San Operations.
11. Chemical deliveries will be refused for any of the following:
 - a) Incorrect chemical sample color or appearance.
 - b) Ferric Chloride basket strainers plug up more than two (2) times during off-loading.
 - c) Unsafe delivery vehicle off-loading equipment.
12. The driver is responsible for clean-up of spilled material. Clean-up must be conducted in conformance with OC San's safety procedures, Environmental Protection Agency (EPA), regional and local regulations and ordinances and product manufacturers recommended clean-up procedures. OC San only has

plant water available for use by the driver. Neutralizing agents, special equipment or chemicals required for clean-up must be furnished by the Supplier.

13. The driver shall not over-pressurize the off-loading system, piping or appurtenances. Chemical shall not be off-loaded at a rate greater than can be off-loaded in one (1) or two (2) hours nor at pressures greater than thirty (30) psi. The driver shall not surge or create hammer pressures in the system when clearing or purging the tank, hose or piping.
14. OC San reserves the right to request Ferric Chloride deliveries to be on schedule convenient to the needs of the treatment plants. Deliveries will be made, seven (7) days a week and received between the hours of 7:00 am and 4:00 pm Pacific Standard Time, or as required. Plant No. 2 is located in close proximity to residential homes off of Brookhurst Street. The drivers shall not arrive early to the Plant unless required by OC San. The drivers are discouraged from arriving early and parking along Brookhurst Street before entering the Plant site.
15. In the event of an emergency, immediately call the Control Center or Operations Center for assistance:

Plant 1: 714-593-7133 or

Plant 2: 714-593-7677

- H. **Rejection of Shipment** -OC San may reject any delivery of Ferric Chloride which does not meet the product specifications. Supplier shall be responsible for removing the rejected material within 48 hours at no cost to OC San. OC San may request a report of incidents. OC San may terminate the Agreement if more than two (2) deliveries of Ferric Chloride are rejected in a calendar month or deemed to not meet the specifications.

EXHIBIT B
COST PROPOSAL FORM
Purchase of Liquid Ferric Chloride (FeCl3)
Specification No. C-2023-1381BD

The undersigned does hereby propose to provide Ferric Chloride in accordance with all provisions of the Request for Proposal and the Specifications for the following price. Incomplete submittal of requested information as called out in the proposal specification requirements may deem the proposal as non-responsive. Submit total amount as follows:

Contract may be awarded to multiple proposers. Total estimated OC San product demand is 7000 dry tons/year, NO guaranteed usage. Completely fill out each and every unit quantity Supplier proposes to supply. Individual consideration will be made only for the quantities for which unit Prices are provided.

1	2	3	4	5
Quantity Dry tons per year	Product Unit Price \$/Dry Ton	Freight Cost \$/Dry Ton	Product Shipped Via Common Carrier Company Owned Truck	Total Unit Price
1000	\$1250.00/dry ton	\$200.00/dry ton	*As Backup X	\$1450.00/dry ton
2000	\$1250.00/dry ton	\$200.00/dry ton	*As Backup X	\$1450.00/dry ton
3000	\$1150.00/dry ton	\$200.00/dry ton	*As Backup X	\$1350.00/dry ton
4000	\$1050.00/dry ton	\$200.00/dry ton	*As Backup X	\$1250.00/dry ton
5000	\$950.00/dry ton	\$200.00/dry ton	*As Backup X	\$1150.00/dry ton
6000	\$950.00/dry ton	\$200.00/dry ton	*As Backup X	\$1150.00/dry ton
7000	\$950.00/dry ton	\$200.00/dry ton	*As Backup X	\$1150.00/dry ton
Notes	Provide your bid price(s) excluding freight and taxes corresponding to the Dry tons/year	Provide unit freight cost	Check one box per quantity bid (X) to indicate the mode of product shipping	Product Unit Price (Col. 2) + Freight Cost (Col. 3)

Penccco, Inc.

Name of Firm

sarah@penccco.com

Email

Sarah Duffy

Authorized Agent (Type)

979-987-7979

Telephone No.



Signature

1/19/2023

Date