

AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into this **5th day of April, 2006**, by and between the City of Naples, Florida, a municipal corporation, (hereinafter referred to as the "OWNER") and **RDP Technologies, Inc.**, a Pennsylvania corporation, whose business address is **2495 Boulevard of the Generals, Norristown, PA 19403** (hereinafter referred to as the "CONTRACTOR").

WITNESSETH:

WHEREAS, the OWNER desires to obtain the professional services of the CONTRACTOR concerning certain services related **to fabrication and installation of a Thermo-Blender Sludge Stabilizing Unit and upgrade/modify the existing Heat System Panel for Phase I at the Wastewater Treatment Plant** (hereinafter referred to as the "Project"), said services being more fully described in Exhibit A, "Scope of Services", which is attached hereto and incorporated herein; and

WHEREAS, the CONTRACTOR has submitted a proposal for provision of those services; and

WHEREAS, the CONTRACTOR represents that it has expertise in the type of professional services that will be required for the Project.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein, the parties hereto agree as follows:

ARTICLE ONE CONTRACTOR'S RESPONSIBILITY

1.1. The Basic Services to be performed by CONTRACTOR hereunder are **to fabricate and install a Thermo-Blender sludge stabilizing unit and upgrade/modify the existing Heat System Panel for Phase 1 at the Wastewater Treatment Plant.**

1.2. The CONTRACTOR agrees to obtain and maintain throughout the period of this Agreement all such licenses as are required to do business in the State of Florida, the City of Naples, and in Collier County, Florida, including, but not limited to, all licenses required by the respective state boards and other governmental agencies responsible for regulating and licensing the professional services to be provided and performed by the CONTRACTOR pursuant to this Agreement.

1.3. The CONTRACTOR agrees that, when the services to be provided hereunder relate to a professional service which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, it shall employ and/or retain only qualified personnel to provide such services.

1.4. CONTRACTOR agrees to employ and designate, in writing, within five (5) calendar days after receiving its Notice to Proceed, a qualified licensed professional to serve as the CONTRACTOR's project manager (hereinafter referred to as the "Project Manager"). The Project Manager shall be authorized and responsible to act on behalf of the CONTRACTOR with respect to directing, coordinating and administering all aspects of the services to be provided and performed under this Agreement.

1.5. The CONTRACTOR has represented to the OWNER that it has expertise in the type of professional services that will be required for the Project. The CONTRACTOR agrees that all services to be provided by CONTRACTOR pursuant to this Agreement shall be subject to the OWNER's review and approval and shall be in accordance with the generally accepted standards of professional practice in the State of Florida, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any

governmental agencies which regulate or have jurisdiction over the Project or the services to be provided and performed by CONTRACTOR hereunder. In the event of any conflicts in these requirements, the CONTRACTOR shall notify the OWNER of such conflict and utilize its best professional judgment to advise OWNER regarding resolution of the conflict.

1.6. CONTRACTOR agrees not to divulge, furnish or make available to any third person, firm or organization, without OWNER's prior written consent, or unless incident to the proper performance of the CONTRACTOR's obligations hereunder, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed, any non-public information concerning the services to be rendered by CONTRACTOR hereunder, and CONTRACTOR shall require all of its employees, agents, subconsultants and subcontractors to comply with the provisions of this paragraph.

1.7. CONTRACTOR agrees not to employ or offer to employ any Elected Officer or City Managerial Employee of OWNER who in any way deals with, coordinates on, or assists with, the professional services provided in this Agreement, for a period of two (2) years after termination of all provisions of this Agreement. For purposes of this paragraph, the term "Elected Officer" shall mean any member of the City Council. For purposes of this paragraph, the term "City Managerial Employee" shall mean the City Manager, the Assistant City Manager, the City Clerk, and any City department head or director. In the event CONTRACTOR violates the provisions of this paragraph, CONTRACTOR shall be required to pay damages to OWNER in an amount equal to any and all compensation which is received by the former Elected Officer or City Managerial Employee of OWNER from or on behalf of the contracting person or entity, or an amount equal to the former Elected Officer's or City Managerial Employee's last two (2) years of gross compensation from OWNER, whichever is greater.

1.8. CONTRACTOR agrees not to provide services for compensation to any other party other than OWNER on the same subject matter, same project, or scope of services as set forth in this Agreement without approval from the City Council of OWNER.

1.9. Except as otherwise provided herein, CONTRACTOR agrees not to disclose or use any information not available to members of the general public and gained by reason of CONTRACTOR'S contractual relationship with OWNER for the special gain or benefit of CONTRACTOR or for the special gain or benefit of any other person or entity.

ARTICLE TWO OWNER'S RESPONSIBILITIES

2.1. The Owner shall designate in writing a project coordinator to act as OWNER's representative with respect to the services to be rendered under this Agreement (hereinafter referred to as the "Project Coordinator"). The Project Coordinator shall have authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with respect to CONTRACTOR's services for the Project. However, the Project Coordinator is not authorized to issue any verbal or written orders or instructions to the CONTRACTOR that would have the effect, or be interpreted to have the effect, of modifying or changing in any way whatever:

- (a) The scope of services to be provided and performed by the CONTRACTOR hereunder;
- (b) The time the CONTRACTOR is obligated to commence and complete all such services; or
- (c) The amount of compensation the OWNER is obligated or committed to pay the CONTRACTOR.

2.2. The Project Coordinator shall:

- (a) Review and make appropriate recommendations on all requests submitted by the CONTRACTOR for payment for services and work provided and performed in accordance with this Agreement;

(b) Arrange for access to and make all provisions for CONTRACTOR to enter the Project site to perform the services to be provided by CONTRACTOR under this Agreement; and

(c) Provide notice to CONTRACTOR of any deficiencies or defects discovered by the OWNER with respect to the services to be rendered by CONTRACTOR hereunder.

2.3. CONTRACTOR acknowledges that access to the Project Site, to be arranged by OWNER for CONTRACTOR, may be provided during times that are not the normal business hours of the CONTRACTOR.

ARTICLE THREE TIME

3.1. Services to be rendered by CONTRACTOR shall be commenced subsequent to the execution of this Agreement upon written Notice to Proceed from OWNER for all or any designated portion of the Project and shall be **performed and completed by September 29, 2006**. Time is of the essence with respect to the performance of this Agreement.

3.2. Should CONTRACTOR be obstructed or delayed in the prosecution or completion of its services as a result of unforeseeable causes beyond the control of CONTRACTOR, and not due to its own fault or neglect, including but not restricted to acts of God or of public enemy, acts of government or of the OWNER, fires, floods, epidemics, quarantine regulations, strikes or lock-outs, then CONTRACTOR shall notify OWNER in writing within five (5) working days after commencement of such delay, stating the cause or causes thereof, or be deemed to have waived any right which CONTRACTOR may have had to request a time extension.

3.3. No interruption, interference, inefficiency, suspension or delay in the commencement or progress of CONTRACTOR's services from any cause whatsoever, including those for which OWNER may be responsible in whole or in part, shall relieve CONTRACTOR of its duty to perform or give rise to any right to damages or additional compensation from OWNER. CONTRACTOR's sole remedy against OWNER will be the right to seek an extension of time to its schedule. This paragraph shall expressly apply to claims for early completion, as well as claims based on late completion. Provided, however, if through no fault or neglect of the CONTRACTOR, the services to be provided hereunder have not been completed within 18 months of the date hereof, the CONTRACTOR's compensation may be equitably adjusted, with respect to those services that have not yet been performed, to reflect the incremental increase in costs experienced by CONTRACTOR after expiration of said 18 month period.

3.4. Should the CONTRACTOR fail to commence, provide, perform or complete any of the services to be provided hereunder in a timely and reasonable manner, in addition to any other rights or remedies available to the OWNER hereunder, the OWNER at its sole discretion and option may withhold any and all payments due and owing to the CONTRACTOR until such time as the CONTRACTOR resumes performance of its obligations hereunder in such a manner so as to reasonably establish to the OWNER's satisfaction that the CONTRACTOR's performance is or will shortly be back on schedule.

ARTICLE FOUR COMPENSATION

4.1. The total compensation to be paid CONTRACTOR by the OWNER for all Basic Services **shall be an amount not-to-exceed \$500,000.00** and shall be paid in the manner set forth in Exhibit A, "Basis of Compensation", which is attached hereto and incorporated herein.

ARTICLE FIVE MAINTENANCE OF RECORDS

5.1. CONTRACTOR will keep adequate records and supporting documentation which concern or reflect its services hereunder. The records and documentation will be retained by CONTRACTOR for a minimum of five (5) years from the date of termination of this Agreement or the date the Project is completed, whichever is later. OWNER, or any duly authorized agents or representatives of OWNER, shall have the right to audit, inspect and copy all such records and documentation as often as they deem necessary during the period of this Agreement and during the five (5) year period noted above; provided, however, such activity shall be conducted only during normal business hours.

ARTICLE SIX INDEMNIFICATION

6.1. CONTRACTOR agrees to indemnify and hold harmless the City from liabilities, damages, losses and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Contractor and persons employer or utilized by the Contractor in the performance of the Contract.

ARTICLE SEVEN INSURANCE

7.1. CONTRACTOR shall obtain and carry, at all times during its performance under the Contract Documents, insurance of the types and in the amounts set forth in Exhibit B to this Agreement.

ARTICLE EIGHT SERVICES BY CONTRACTOR'S OWN STAFF

8.1. The services to be performed hereunder shall be performed by CONTRACTOR's own staff, unless otherwise authorized in writing by the OWNER. The employment of, contract with, or use of the services of any other person or firm by CONTRACTOR, as independent contractor or otherwise, shall be subject to the prior written approval of the OWNER. No provision of this Agreement shall, however, be construed as constituting an agreement between the OWNER and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the OWNER beyond such as may otherwise exist without regard to this Agreement.

ARTICLE NINE WAIVER OF CLAIMS

9.1. CONTRACTOR's acceptance of final payment shall constitute a full waiver of any and all claims, except for insurance company subrogation claims, by it against OWNER arising out of this Agreement or otherwise related to the Project, except those previously made in writing and identified by CONTRACTOR as unsettled at the time of the final payment. Neither the acceptance of CONTRACTOR's services nor payment by OWNER shall be deemed to be a waiver of any of OWNER's rights against CONTRACTOR.

ARTICLE TEN TERMINATION OR SUSPENSION

10.1. CONTRACTOR shall be considered in material default of this Agreement and such default will be considered cause for OWNER to terminate this Agreement, in whole or in part, as further set forth in this section, for any of the following reasons: (a) failure to begin work under the Agreement within the times specified under the Notice(s) to Proceed, or (b) failure to properly and timely perform the services to be provided hereunder or as directed by OWNER, or (c) the bankruptcy or insolvency or a general assignment for the benefit of creditors by CONTRACTOR or by any of CONTRACTOR's principals, officers or directors, or (d) failure to obey laws,

ordinances, regulations or other codes of conduct, or (e) failure to perform or abide by the terms or spirit of this Agreement, or (f) for any other just cause. The OWNER may so terminate this Agreement, in whole or in part, by giving the CONTRACTOR seven (7) calendar day's written notice.

10.2. If, after notice of termination of this Agreement as provided for in paragraph 10.1 above, it is determined for any reason that CONTRACTOR was not in default, or that its default was excusable, or that OWNER otherwise was not entitled to the remedy against CONTRACTOR provided for in paragraph 10.1, then the notice of termination given pursuant to paragraph 10.1 shall be deemed to be the notice of termination provided for in paragraph 10.3 below and CONTRACTOR's remedies against OWNER shall be the same as and limited to those afforded CONTRACTOR under paragraph 10.3 below.

10.3. OWNER shall have the right to terminate this Agreement, in whole or in part, without cause upon seven (7) calendar day's written notice to CONTRACTOR. In the event of such termination for convenience, CONTRACTOR's recovery against OWNER shall be limited to that portion of the fee earned through the date of termination, together with any retainage withheld and any costs reasonably incurred by CONTRACTOR that are directly attributable to the termination, but CONTRACTOR shall not be entitled to any other or further recovery against OWNER, including, but not limited to, anticipated fees or profits on work not required to be performed.

ARTICLE ELEVEN CONFLICT OF INTEREST

11.1. CONTRACTOR represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. CONTRACTOR further represents that no persons having any such interest shall be employed to perform those services.

ARTICLE TWELVE MODIFICATION

12.1. No modification or change in this Agreement shall be valid or binding upon the parties unless in writing and executed by the party or parties intended to be bound by it.

ARTICLE THIRTEEN NOTICES AND ADDRESS OF RECORD

13.1. All notices required or made pursuant to this Agreement to be given by the CONTRACTOR to the OWNER shall be in writing and shall be delivered by hand or by United States Postal Service Department, first class mail service, postage prepaid, return receipt requested, addressed to the following OWNER's address of record:

City of Naples
735 Eighth Street South
Naples, Florida 34102-3796
Attention: Dr. Robert E. Lee, City Manager

13.2. All notices required or made pursuant to this Agreement to be given by the OWNER to the CONTRACTOR shall be made in writing and shall be delivered by hand or by the United States Postal Service Department, first class mail service, postage prepaid, return receipt requested, addressed to the following CONTRACTOR's address of record:

RDP Technologies, Inc.
2495 Boulevard of the Generals
Norristown, PA 19403
Attn: Dick Christy

13.3. Either party may change its address of record by written notice to the other party given in accordance with requirements of this Article.

**ARTICLE FOURTEEN
MISCELLANEOUS**

14.1. CONTRACTOR, in representing OWNER, shall promote the best interest of OWNER and assume towards OWNER a duty of the highest trust, confidence, and fair dealing.

14.2. No modification, waiver, suspension or termination of the Agreement or of any terms thereof shall impair the rights or liabilities of either party.

14.3. This Agreement is not assignable, in whole or in part, by CONTRACTOR without the prior written consent of OWNER.

14.4. Waiver by either party of a breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Agreement.

14.5. The headings of the Articles, Exhibits, Parts and Attachments as contained in this Agreement are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such Articles, Exhibits, Parts and Attachments.

14.6. This Agreement constitutes the entire agreement between the parties hereto and shall supersede, replace and nullify any and all prior agreements or understandings, written or oral, relating to the matter set forth herein, and any such prior agreements or understanding shall have no force or effect whatever on this Agreement.

**ARTICLE FIFTEEN
APPLICABLE LAW**

15.1. Unless otherwise specified, this Agreement shall be governed by the laws, rules, and regulations of the State of Florida, and by the laws, rules and regulations of the United States when providing services funded by the United States government. Any suit or action brought by either party to this Agreement against the other party relating to or arising out of this Agreement must be brought in the appropriate Florida state court in Collier County, Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for the day and year first written above.

ATTEST:

OWNER:

CITY OF NAPLES, FLORIDA,
A Municipal Corporation

By: _____
Tara A. Norman, City Clerk

By: _____
Dr. Robert E. Lee, City Manager

Approved as to form
and legal sufficiency:

By: _____
Robert D. Pritt, City Attorney

CONTRACTOR:
RDP Technologies, Inc.
A Pennsylvania Corporation

By: _____

witness

(CORPORATE SEAL)

Contract for work performed
(not Architects/Engineers)
315219_1



RDP Technologies, Inc.[®]

Ken Kemplage
Supervisor Naples WWTP
380 Riverside Circle
Naples, FL 34102

December 23, 2005

Subject: RDP EnVessel Pasteurization System

Dear Ken,

RDP developed the EnVessel Pasteurization Process about 10 years ago and at that time we were awarded a patent on this technology. The RDP EnVessel Pasteurization[™] Process is covered under U.S. Patents 5,013,458; 5,229,011; 5,401,402; 5,346,616; 5,405,536; 5,433,844; 5,618,442; 5,554,279 and 5,186,840 and other U.S. Patents and Patent Pending. As such, no one else can manufacture this equipment.

RDP has developed our technology over the past 10 years and the Upgrade will bring to Naples the best available technology and components for Pasteurizing Biosolids. Similarly over the past 10 years the Operators have developed a good understanding of what is required for regular operations and maintenance. The Upgrade will take advantages of this knowledge combining new technology to provide a much-improved Class "A" Biosolids processing operation for the City of Naples.

We are anxiously looking forward to working with you and your staff.

Sincerely,

Dick Christy
RDP Technologies, Inc.

BASIS OF COMPENSATION

A.1.1. As consideration for providing Basic Services as set forth herein in Article I, Section 1.1 of the Agreement, OWNER agrees to pay, and CONTRACTOR agrees to accept payment on a time and reimbursement cost basis as follows:

PART 1 - GENERAL**1.01 DEFINITIONS**

- A. RDP Technologies, Inc. considered the supplier of the system and is referred to as "SYSTEM SUPPLIER".
- B. City of Naples, FL is herein referred to as the "OWNER".

1.02 REQUIREMENTS

- A. The completed work will include all necessary permanent safety devices, such as machinery guards, emergency stops and similar items required by OSHA.
- B. Lamicoid equipment nameplates will be fastened to the equipment in accessible locations with stainless steel screws or drive pins. Nameplates will contain the equipment tag number, SYSTEM SUPPLIER'S name, model, serial number, size, characteristics, and appropriate data describing the machine performance ratings.
- C. All anchor bolts, for the furnished equipment, will be sized by the SYSTEM SUPPLIER.
- D. Bearings:
 - 1. Bearings will conform to the standards of the Anti-Friction Bearing Manufacturers Association, Inc. (AFBMA).
 - 2. Except where otherwise indicated, bearings of process equipment will have a minimum L-10 life expectancy of 100,000 hours.
- E. Gears and Gear Drives:
 - 1. Except as otherwise indicated, gears will be of the worm, helical, or spiral-bevel type, designed and manufactured in accordance with AGMA Standards Class II operation, with a minimum service factor of 1.4, a minimum L-10 bearing life of 40,000 hours. Helical gears will have a minimum efficiency of 94 percent.
 - 2. Gear speed reducers or increasers will be of the enclosed type, oil- or grease-lubricated and fully sealed, with a breather to allow air to escape but keep dust and dirt out. The casing will be of cast iron or heavy-duty steel construction with lifting lugs and an inspection cover for each gear train.
 - 3. Gears and gear drives as part of an equipment assembly will be shipped fully assembled for field installation.
 - 4. Material selections will comply with AGMA values and the manufacturer's recommendations. Input and output shafts will be properly designed for the service and load requirements.
 - 5. Oil level and drain location will be readily accessible. As indicated gears may be grease packed.

6. Where gear drive input to output shafts connect to couplings or sprockets, the gear drive manufacturer will supply matching key.
- F. Equipment not SST or galvanized will be sandblasted in accordance with SSPC-SP6 requirements and prime painted with one coat of epoxy polyamide and one coat of finish paint prior to shipment, 3 – 5 mils DFT.
 - G. All handrailings and ladders will conform to BOCA and OSHA (USA).
 - H. All fabrications will utilize 304 SST hardware for assembly, except structural connections. All components such as motors, reducers, valves and electro-mechanical drives will be provided with the Original Manufacturer's standard hardware.
 - I. The equipment will be designed for access and maintenance of all components by operating or maintenance personnel.
 - J. All plates and shapes that are galvanized will be hot dipped galvanized per ASTM A-123-92. All sheet steel per ASTM A-653.
 - K. Dissimilar metals will be isolated.

1.03 SERVICES OF SYSTEM SUPPLIER

- A. The system supplier will provide the following:
 1. Equipment described in this Proposal.
 2. The demolition of the existing equipment to be replaced.
 3. Disposal of demolished equipment.
 4. Installation of the new equipment.
- B. The coordination of both the demolition and installation of the new equipment will be coordinated with the Owner to minimize downtime and disruption of daily operations.
- C. Demolition will be performed for the items and areas as described and in other areas, as necessary, to complete the work as specified herein. Demolition shall include mechanical and electrical requirements as specified below.
 1. Demolition includes:
 - a. Removal of the existing ThermoBlender.
 - b. Removal of existing Reversing Conveyor.
 - e. Demolition of existing equipment piers and anchors associated with the demolished equipment. The effected floor areas will be repaired to a smooth, safe finish.

- D. The following are the anticipated time frames for completion of each phase of this project:
1. Demolition – [1] weeks
 2. Installation – [3] weeks
 3. Start-Up and Testing – [1] week
- E. Start-Up activities will include the following:
1. Startup and field testing for proper operation three [3] days.
 2. The authorized service representative will also furnish the indicated services for instruction of the OWNER'S personnel in the operation and maintenance of the equipment including step-by-step troubleshooting procedures with necessary test equipment for two [2] days.
 3. Approximately 12 months after start-up, an additional field service trip consisting of two days on-site will be provided to inspect the equipment and provide additional training.

PART 2 PRODUCTS

2.01 SYSTEM SUPPLIER

- A. The System Upgrade and all related controls described in this section will be the product of a single System Supplier and will be manufactured by RDP Technologies, Inc. No other alternates.
- B. The system will provide a Class A quality product. In order to demonstrate compliance, three (3) random samples will be taken over a 1-day operating period. All three (3) samples will have less than 1000 living organisms of fecal coliform per 1 gram of solids. In addition, all samples will have a pH of 12.0 for 2 hours and at least 11.5 for an additional 22 hours. The pH tests will be performed by the owner's laboratory personnel under the supervision of the Pasteurization System supplier. All fecal coliform samples will be tested by an independent testing lab. The System Supplier will document all procedures as complying with U.S. EPA 503 Regulations and copies of all lab test results will be furnished.
- C. The performance test will be conducted after the dewatering equipment and the Pasteurization System have achieved steady state conditions. Steady state shall be defined as a consistent feed rate of pounds of sludge (plus or minus 5%), pounds of cake at a consistent cake solids concentration, and consistent lime feed rate,

without interruption. The cake solids concentration shall be at or above the specified % solids.

- D. The Lime Pasteurization System is furnished by RDP Technologies, Inc. who will be responsible for the overall performance of the System and all components. The RDP EnVessel Pasteurization™ Process is covered under U.S. Patents 5,013,458; 5,229,011; 5,401,402; 5,346,616; 5,405,536; 5,433,844; 5,618,442; 5,554,279 and 5,186,840 and other U.S. Patents and Patent Pending. As such, a License Agreement will be provided to the Owner, after receipt of final payment to RDP Technologies. The License Agreement will be provided without charge to the owner.

2.02 BASIS OF DESIGN

- A. Sludge Characteristics:
- B. Dewatered Sludge Cake Characteristics
1. Percent Solids = 14% to 18%
 2. Initial Temperature = 60 degrees F
- C. Sludge Cake Processing Rate
1. Pounds per hour of dry solids = 2,000
 2. Pounds per hour of dewatered cake = 11,111 to 14,285
- D. Lime Consumption
1. Lime Characteristics: The system is designed to process with granular quicklime with greater than 93% available CaO. The lime will produce a 40°C temperature rise, as defined by AWWA standard B202-88, in 3 minutes and the reaction will be complete within 10 minutes. The lime will be 10 mesh.

2.03 EQUIPMENT SCHEDULE

- A. The System Upgrade will be designed to process into Class A product from dewatered sludge cake with the characteristics listed above. The alkaline stabilization process will utilize quicklime sources of alkalinity in conjunction with supplemental electrical heat to qualify as a Class A Pasteurization Process under the EPA 503 Regulation.

- B. The New ThermoBlender™ will be designed to adequately blend a maximum of 14,285 pounds per hour of sludge with up to 900 pounds per hour quicklime producing an end product that meets the specified requirements. The motor will be 15 HP. The ThermoBlender will be provided with a zero speed switch.
- C. The north Pasteurization Vessel compartment will be closed off and a new inlet flange will be provided for the south compartment to receive sludge for the New ThermoBlender. The south compartment will be utilized on a fulltime basis.
- D. Protective coatings for equipment will be as described further. Motors, reducers, bearings, etc. incorporated into equipment will be provided with the manufacturers standard coating system.

2.06 NEW THERMOBLENDER™

- A. The ThermoBlender™ housing will consist of a 1/4" thick 304 SST superstructure which will house the augers, 304 SST trough, heat system and covers. The augers will be 20" diameter, 304 SST, specifically designed to thoroughly convey, mix and heat the biosolids through the ThermoBlender™. The 304 SST trough will be bolted to the housing and be provided with a 6" drain for use in daily maintenance.
- B. The head shaft bearings will be grease, lubricated, flanged roller bearings. The trough will be sealed with a plate-type seal to prevent sludge from passing through the seal and into the bearing. The head shaft bearings will have a B-10 life of 100,000 hours as defined by AFBMA standards. The tail shaft bearings will be the bronze bushed journal type to allow for thermal expansion. The bearings will be the split pillow block type and be provided with grease lines to extend external of the ThermoBlender™.
- C. One auger shaft will be driven by a motor and speed reducer. The speed reducer will have a service factor of 1.4 as defined by AGMA Class II standards and will be based on the calculated developed horsepower. The motor will be connected to the speed reducer through a belt drive, which is suitably covered with a 14-gauge OSHA approved guard. The motor will be minimum 15.0 HP, Corro-Duty 480 Volt, adjusted through a VFD.
- D. The ThermoBlender™ will be equipped with an electrical resistance heating system to heat the sludge. The heating elements will be designed to supply adequate heat to raise the temperature of the lime/sludge mixture to a minimum 158°F at the inlet point of the Pasteurization Vessel. The Heat System will consist of four independent heat zones. Two (2) internal heat zones each will provide 156 kilowatts each and two (2) external heat zones will provide 54

kilowatts each of power. The Heat System will include all temperature sensing probes necessary to properly control the Heat System and to protect the System from excessive temperature. Additional temperature sensors will be provided as spares as shown on the electrical drawings. The 304 SST through will be provided with a thermocouple to detect excessive temperatures and shut down heat system. The discharge end will be provided with a thermocouple to indicate biosolids discharge temperature.

- E. The ThermoBlender™ will be provided with an insulated trough and cover. The trough will be insulated with a minimum 2 inches of insulation material. Insulation will be designed to withstand a maximum temperature of 2,200° F. The insulation will be provided with a minimum "K" value of 0.6. The trough covers will be a combination 304 SST, 12-gauge and 14-gauge with 1 inch of insulation. The insulation will be sealed from moisture of steam generated by the sludge.
- F. The ThermoBlender will be provided with (1) non-contacting zero speed switch. The switch will operate on 12VDC.
- G. The equipment will be furnished with all necessary supports as shown on the drawings. The supports will be galvanized.

2.07 MODIFICATIONS TO THE EXISTING PASTEURIZATION VESSEL

- A. The Existing Reversing Belt Conveyor will be removed from atop the Pasteurization Vessel. The inlet to the north Pasteurization Vessel compartment will be closed off and a new inlet flange will be provided for the south compartment to receive sludge for the New ThermoBlender. The south compartment will be utilized on a fulltime basis.

2.08 MODIFICATIONS TO EXISTING THERMOFEEDER SUPPORTS

- A. The existing supports for the ThermoFeeder will be modified as shown on the drawings to allow room for the New ThermoBlender and shall be modified to access to the tail end of the New ThermoBlender.

2.11 THERMOBLENDER VFD PANEL

- A. A ThermoBlender VFD Panel (TVP) will be provided, to control the electric motor for the ThermoBlender and provide proper interlocking of the equipment. The control panel will be manufactured and assembled in a UL registered shop. All components (relays, breakers, pilot devices, etc.), wiring and labeling will be the System Suppliers standard to meet UL requirements. Prior to shipment, the

control panel will be inspected, approved, and labeled in accordance with UL 508A Requirements. The control panel will be furnished by the System Supplier. The panel will be shipped loose and shall be field wired.

- B. The Panel will provide the following functions:
 - 1. On/off control and fault indication and speed control of ThermoBlender motor.

2.12 MODIFICATIONS TO THE EXISTING HEAT SYSTEM CONTROL PANEL

- A. The System Supplier will modify the existing Heat System Control Panel to facilitate a functioning heat system for the New ThermoBlender being provided for this contract. The System Supplier will provide new field wiring and necessary conduit to power and control the heat system and terminate new wires within the panel. The heat system for the existing ThermoFeeder will be disconnected from the panel and wired to the new ThermoBlender.
- B. After terminating the new wires within the panel, the System Supplier will make the necessary changes to its face to provide a complete and operable system.

2.13 MODIFICATIONS TO THE EXISTING STABILIZATION SYSTEM CONSOLE

- A. The System Supplier will modify the existing Stabilization System Console to facilitate a functioning control system for the New Conveyors, ThermoBlender and heat system being provided for this contract. The system Supplier will be required to provide new field wiring and necessary conduit to control the new equipment and terminate new wires within the console.
- B. After terminating the new wires within the console, the System Supplier will make the necessary changes to its face to provide a complete and operable system.

PART 3 EXECUTION

3.01 INSTALLATION

- A. All sections and loose items will be tagged prior to shipping.
- B. Installation shall be in accordance with the local codes and requirements

3.02 TESTING

- A. The Owner will provide the specified material, as described in the contract documents and further clarified in section 2.02 – Basis of Design, for Performance Testing, as described below. The System Supplier will operate the System and demonstrate compliance with the requirements of the specified product through Laboratory Analysis described herein. The Performance Testing will occur for (1) day, under steady state conditions, for a period up to (6) hours. Samples will gathered once per hour, after the specified product has been heated to 158-F or greater for a period of 30 minutes.
- B. Laboratory Analysis will be conducted on each of the samples gathered. The System will produce the specified product by demonstrating that all sample meet the following requirements. All samples will have less than 1000 living organisms of fecal coliform per 1 gram of solids. In addition, all samples will have a pH of 12.0 for 2 hours and at least 11.5 for an additional 22 hours. The pH tests will be performed by the owner's laboratory personnel under the supervision of the System Supplier. All fecal coliform samples will be tested by an independent testing lab. The System Supplier will document all procedures as complying with U.S. EPA 503 Regulations and copies of all lab test results will be furnished.

3.03 MAINTENANCE AGEEMENT

- A. The System Supplier will enter into an agreement where the equipment provided will be unconditionally warranted for parts and labor for a period of one (1) year after initial start-up. In addition the System Supplier shall warrant and replace at no cost to the Owner all “non-wear” components (specifically Collector Ring Brushes) associated with the Heat System, for a period of ten (10) years. This includes heating elements, sensors, control devises and power distribution devices.

END OF SECTION

The cost for the equipment materials and services proposed is \$500,000.00.

Pricing is based upon the following Terms and Conditions. Additionally, exclusions include, but are not limited to, the following:

- Construction Permits
- Chemicals and lime
- Taxes of any type include Florida State Sales Tax
- Disposal of unstabilized sludge during construction
- Modification or upgrade to equipment not listed in this proposal

All pricing is based on F.O.B. Destination, with freight included and prepaid.

Pricing is based upon the following payment terms:

- 20% of contract upon acceptance of contract
- 20% of contract upon drawing approval
- 50% of contract upon equipment delivery
- 5% of contract upon installation
- 5% of contract upon completion of the Performance Test

Shipments will be made in accordance with the proposal schedule. Partial shipments, billings and payments will be required in accordance with the proposed delivery schedule.

AN AMOUNT NOT-TO-EXCEED \$500,000.00

TERMS AND CONDITIONS

This proposal and any resulting contract will be subject to the following terms and conditions except as otherwise agreed to by an officer of the company or in RDP's letter acknowledgment acceptance of a contract. Commencement of the work will not constitute acceptance by RDP of additional or different terms and conditions. The pricing and project schedule is based on many factors and should be considered valid for 30 days. After 30 days, the pricing and/or the project schedule may need to be revised to reflect changes in RDP's costs and availability of our production capabilities.

1. Delivery

- a. Unless otherwise specified, delivery will be made F.O.B. point(s) of shipment with freight allowed to designated job site based on said job site being accessible by common carrier.
- b. Shipment may commence eight (8) weeks after drawing approval and will be complete twenty (18) weeks after receipt of final drawing approval, consummation of all technical/commercial details and/or release for fabrication.
- c. RDP will not, in any event, by contract or otherwise, be liable for delays in performance caused by any factor beyond RDP's control such as, but not limited to; (1) acts of governmental authorities, (2) acts of God, (3) casualty, (4) civil disturbance, (5) insurrection, (6) labor strikes or disputes, (7) inability to obtain materials, (8) delay in consulting engineer's approval of submittal data and drawings, and/or (9) delays by transportation carriers.
- d. OWNER must accept shipment when RDP advises equipment is ready for shipment in accordance with the contract schedule. If buyer cannot accept shipment, we will attempt to provide for storage at an additional charge.
- e. In the event the contract shipping date is extended by acts of buyer including, but not limited to, unreasonable delays in approval of submittal drawings, escalation of the selling price at the rate of 1.5% per month for each month or partial month of delay, will be applied.

2. Prices

Prices specified herein do not include any sales, use, excise, occupational or similar taxes and/or license fees in connection with the engineering, manufacturing, sale or delivery of the equipment. Such taxes and fees will be paid by the buyer directly to the taxing and/or licensing authorities or the buyer will submit to RDP a proper tax exemption certificate acceptable to such authorities.

3. Terms of Payment

Unless otherwise specified in this proposal, terms of payment will be 100% of invoice, net thirty (30) days from the date of shipment. Overdue invoices will be subject to 1.5% per month finance charges.

4. Field Service

(Start-Up and Instructions)

- a. If job site field service is included in RDP's prices, it will be so stated in this quotation and the number of days and trips included will be so specified. In the event the Buyer requires such services for additional days or trips, RDP will invoice the Buyer at a rate of \$875.00 for each additional day plus travel and lodging expenses incurred by the service personnel during such additional days.
- b. The per diem rate is subject to change to the rate in effect at the time such service is furnished.
- c. The Buyer is to indemnify and hold RDP Technologies, Inc. harmless from and against all suits, legal expenses, claims, judgments for personal injury to or death of our or your employee(s) or third

parties or from damage to property resulting from any act of our employee(s) or agents while at the job site except if such injury, death or property damage is directly caused by the sole negligence of RDP's employee(s) or agent, but in no event will RDP be liable for indirect or consequential damages.

5. Safety

The equipment covered in this proposal will be designed in accordance with RDP's engineering standards and interpretation of the requirements of the Occupational Safety and Health Act of 1970.

6. Shortages

(Manufacturing Discrepancies)

a. Notify the RDP Technologies, Inc. immediately upon discovery of any apparent manufacturing discrepancies or material shortages.

b. Fabricated steel parts and assemblies furnished by RDP are manufactured in accordance with acceptable shop practices and standards of the industry. However, some misfits and imperfect work may arise. In such cases, the American Institute of Steel Construction "Code of Standard Practice, Section 5-150" is to be understood to apply to erection of this equipment. It reads as follows: "Correction of minor misfits and a reasonable amount of cutting and reaming are considered a part of erection. Any error in shop work which prevents the proper assembling and fitting of parts by the moderate use of drift pins or a moderate amount of reaming, chipping or cutting, should be immediately reported to the fabricator so that he may either correct the error or approve the method of correction that is to be used."

7. Backcharge Policy

No backcharges will be allowed without prior approval from RDP. Written authority must be given in the form of a purchase order. Authority will be issued when the extent of such modifications and the price for performing these modifications have been agreed upon between the contracting parties.

8. Title: Lien Rights

The equipment will remain personal property of RDP regardless of how affixed to any realty or structure until the price (including any notes given therefore) of the equipment has been fully paid in cash. RDP will, in the event of the Buyer's default, have the right to repossess such equipment.

9. Order Cancellation

The Buyer may cancel this order at any time but only on terms which will save RDP Technologies, Inc. harmless from all loss.

10. Limitation of Liability

a. RDP will not be liable under any Contract, or otherwise, for consequential or economic damages such as, but not limited to: (1) loss of use of property, (2) damage to property, (3) increased costs of operations, (4) loss of capacity, (5) loss of profits, (6) fines, (7) penalties, and/or (8) liquidated damages arising in connection with the delivery, sale or use of or inability to use the equipment covered by this order.

b. RDP's liability under any Contract or otherwise, will not (in the aggregate) exceed the Contract value.

11. Changes

Additional engineering work may be required based upon reasonable errors and omissions by third parties. RDP has estimated the cost and bid for this project with the assumption that the plans and specifications are complete and current. Any additional drafting time will be billed at a rate of \$285/hr., engineering time will be billed at \$425/hr., and project management time at \$585/hr.

This proposal may be changed or revoked and withdrawn by the RDP Technologies, Inc. at any time upon written notice to the Buyer.

12. Disputes

Any controversy or claim arising out of or relating to this contract, or breach thereof, will be settled by arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration will be held in Montgomery County, Pennsylvania.

13. Exclusive Warranty

RDP's Warranty is for workmanship and materials, as described in this Proposal.

14. License Agreement

- A. RDP Technologies, Inc. hereinafter designated as the "COMPANY", has obtained, and is the sole owner of U.S. Patents 5,013,458; 5,229,011; 5,346,616; 5,401,402; 5,405,536; 5,433,844; 5,186,840; and 5,476,983 and other Patents Pending relating to apparatus, processes (including the process steps identified in Paragraph G4), and manufacturing techniques for waste sludge treatment and/or Pasteurization and lime slaking and has filed related divisional and continuation patent applications covering the apparatus and process (all hereinafter referred to as the "Patent Rights").
- B. The COMPANY hereby grants to The City of Naples, FL, hereinafter referred to as the "OWNER", a non-assignable, nontransferable, non-exclusive, paid-up license to use (but not any right to make or sell), in the geographic area represented by the boundaries of the OWNER, the equipment sold by the COMPANY for use of the OWNER.
- C. This License Agreement will apply to the System and equipment to which the COMPANY has said Patent Rights therein, include equipment sold by the COMPANY to or for the benefit of the OWNER in connection with the sales agreement governing the sale of equipment of the COMPANY for use by the OWNER.
- D. The COMPANY and the OWNER desire to operate the equipment to comply with the environmental control standards set forth by the U.S. EPA. Any use under this License Agreement of the System to which the Patent Rights pertain is to be commensurated with the capacity for which the equipment is designed. For use of the COMPANY System covered by the Patent Rights at more than one (1) location within the OWNER, an additional license will be required for each additional location.
- E. The term of the license will commence upon receipt and acceptance of a Purchase Order by the COMPANY and will be in effect through Construction and Final completion of the Contract. The License will renew at that time provided full and final payment, minus any agreed upon penalties that are part of the performance requirements, by the OWNER for all equipment sold under this Agreement by the COMPANY for use by the OWNER under Paragraph C hereof and continue through the life of said Patent Rights for no additional monetary consideration beyond said full and final payment. The parties hereto agree that an unlicensed use of the said Patent Rights, including any equipment, apparatus, or processes covered thereunder, without final payment may occur during a start-up period, but no longer than six (6) months.
- F. The License to use the Patent Rights thereunder is personal to the OWNER and the OWNER will not transfer, sublease, assign, or deliver the apparatus or such license relating to the apparatus or process of the COMPANY'S Patent rights to another without the prior written consent of the COMPANY.

END OF EXHIBIT A.

GENERAL INSURANCE REQUIREMENTS

The Contractor shall not commence work until he has obtained all the insurance required under this heading, and until such insurance has been approved by the Owner, nor shall the Contractor allow any subcontractor to commence work until all similar insurance required of the subcontractor has also been obtained and approved by the Owner.

Certificates of insurance must be issued by an authorized representative of the insurance company at the request and direction of the policyholder and must include sufficient information so as to identify the coverage and the contract for Owner's improvements for which they are issued. Certificates of insurance must be issued by a nationally recognized insurance company with a Best's Rating of no less than B+VII, satisfactory to the Owner, and duly licensed to do business in the state of said Contract.

The Contractor shall procure and maintain, during the life of this Contract, Workmen's Compensation Insurance for all of his employees to be engaged in work under this Contract, and he shall require any subcontractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work, unless such employees are covered by the protection afforded by the Contractor's insurance. In case any employees are to be engaged in hazardous work under this Contract, and are not protected under this Workmen's Compensation statute, the Contractor shall provide, and shall cause each subcontractor to provide, adequate coverage for the protection of such employees. It is acceptable to use a State-approved Workmen's Compensation Self-Insurance fund.

The Contractor shall take out and maintain during the life of this Contract, Public Liability and Property Damage and shall include Contractual Liability, Personal Injury, Libel, Slander, False Arrest, Malicious Prosecution, Wrongful Entry or Eviction, Broad Form Property Damage, Products, Completed Operations and XCU Coverage to be included on an occurrence basis, and to the full extent of the Contract to protect him, the Owner, and any subcontractor performing work covered by this Contract from damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from operations under this contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them. The Contractor shall also maintain automobile liability insurance including "non-owned and hired" coverage. The entire cost of this insurance shall be borne by the Contractor.

The amount of such insurance shall be no less than \$1,000,000 annual aggregate for bodily injury and property damage combined per occurrence.

The City of Naples and their Engineer must be named as **Additional Insured** on the insurance certificate and the following must also be stated on the certificate. "These coverages are primary to all other coverages the City possesses for this contract only." The City of Naples shall be named as the Certificate Holder. **The Certificate Holder shall read as follows:**

**The City of Naples
735 Eighth Street South
Naples, Florida 34102**

No City Division, Department, or individual name should appear on the Certificate.
No other format will be acceptable.

Thirty (30) days cancellation notice required.

The Certificate must state the bid number and title.

When using the "Accord" form of insurance certificate, please note that under the cancellation clause, the following must be deleted: "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company"