

PROPOSAL TO

Mr. Brice Gordan

For

**REPLACEMENT OF THE SEAWATER  
SUPPLY PUMPING STATION**

**The Saint James Group**  
UNITED STATES VIRGIN ISLANDS

15 OCTOBER 2018

PROPOSAL NUMBER 045-10152018



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### Retention of Intellectual Property Rights

Unless otherwise expressly agreed in writing, Gemini Seawater Systems LLC [GEMINI] and its affiliates retain all right, title, and interest to any intellectual property contained in this Proposal, including but not limited to: any plans, drawings, schematics, renderings, models, specifications, parts lists, bills of materials, data sheets, or other materials which may be subject to copyright, trade secrets, patented subject matter, and confidential business information (collectively, "Gemini Intellectual Property"). The Saint James Group hereby acknowledges that any Gemini Intellectual Property contained in this Proposal or disclosed in connection with this Proposal is presented by GEMINI solely and exclusively for the purpose of this Proposal. The Saint James Group agrees that The Saint James Group shall not use, copy, reproduce, transmit, or disclose Gemini Intellectual Property to any of its officers, employees, agents, consultants, or any other person or entity acting on The Saint James Groups' behalf for any purpose other than to evaluate and consider the merits of this Proposal. The Saint James Group further agrees that The Saint James Group shall not (i) make, sell, offer for sale, or import any Gemini Intellectual Property or any products or systems described or depicted in this Proposal without the express written consent of GEMINI or (ii) copy, reproduce, transmit, transfer, or disclose Gemini Intellectual Property or any products or systems described or depicted in this Proposal to any third party for any reason whatsoever without the express written consent of GEMINI.

2018-1015  
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## INTRODUCTION

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Gemini Seawater Systems LLC (GSS) is pleased to present this proposal for design, fabrication, installation and commissioning of a new seawater intake pumping system to serve the Little St. James desalination system. The proposed seawater supply system has been sized to meet the current feedwater and pressure requirements of the current desalination system as well as those for the proposed expanded plant capacity of 140,000 gallons per day (GPD).

✓ The upgrades pump station will consist of four basket strainers, new PVC piping, priming system, and two intake pumps, each sized to meet the flow and pressure requirements of the desalination plant. Each pump will be controlled using a variable frequency drive (VFD) controlled by the main control panel located at the RO unit. The VFDs will operate using a PID loop to maintain the required pressure at the inlet to the energy recovery units and the high-pressure pump. The proposed design provides 100 percent redundancy. ✓

In addition to controlling the speed of the intake pumps, the VFD offer two other advantages:

1. The drives slowly start and stop each motor, reducing electrical inrush as well as eliminating water hammer caused by the sudden stoppage of water flow. This is a major cause of valve and piping failures; and
2. The recent modifications to the RO plant include provisions for a new post operational flush that requires the flow from the intake pumps to be reduced during the flush cycle. The VFDs now allow the flush to be incorporated into the plant controls. This flush results in the high-pressure and energy recovery pumps and the membrane elements to be stored in low salinity permeate rather than diluted seawater, reducing the potential for corrosion or fouling.

In addition to the new pumps, four new basket strainers and a priming system will be provided. The basket strainers will be fabricated out of reinforced fiberglass and equipped with removeable baskets fabricated from 2205 duplex stainless steel. Each basket strainer will include butterfly isolation valves. ✓

✓ A priming system will be provided that will utilize to insure the intake suction piping is flooded prior to the operation on either intake pump. This system will utilize a submersible type pump rather than the current end suction pump to reduce corrosion to the motor and pump. The submersible pump is constructed from titanium and composites to virtually eliminate corrosion.

The existing control panel will be replaced with a new panel that will be equipped with main disconnect and circuit breakers to feed each VFD. The new remote PLC provided in Phase 1 will be relocated to the new panel.

As part of an effort to implement a preventative maintenance program, a spare set of pump mechanical seals along with four spare baskets will be provided for inventory.

## PROPOSED PROCESS DESCRIPTION

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### Overview

The seawater supply system will utilize the existing feedwater pumping room to house four, high-capacity, suction strainers for the removal of coarse objects, two intake pumps, the intake priming system, and the required controls and electrical equipment. Each basket strainer will be equipped with inlet and outlet isolation valves to permit servicing without shutting down the plant. Each forwarding pump would be equipped with suction and discharge isolation and check valves, and pressure indicators. Pump operation will be via two new variable frequency drives (VFDs) mounted in enclosures adjacent to a new intake pump control panel. The intake, piping and seawater forwarding pumps have been size to meet the flow and pressure requirements for a 140,000 GPD RO unit. The proposed pumps are constructed from 2205 duplex stainless steel for maximum life and are driven using 15 horsepower motors.

# EQUIPMENT SPECIFICATIONS

## Seawater Supply

Strainer Inlet Isolation .....	Butterfly
Manufacturer .....	Asahi
Size .....	4"
Material of Construction .....	PVC
Number Provided .....	4
 Basket Strainers	
Manufacturer .....	Mer-Made
Size .....	4"
Material of Construction .....	Fiberglass housings with 2205 Duplex SSTL baskets
Number Provided .....	4
Spare Parts .....	4 each, replacement baskets
 Strainer Outlet Isolation.....	
Manufacturer .....	Asahi
Size .....	4"
Material of Construction .....	PVC
Number Provided .....	4
 Intake Pump Suction Isolation .....	
Manufacturer .....	Asahi
Size .....	4"
Material of Construction .....	PVC
Number Provided .....	2
 Seawater Intake Pumps	
Number Provided .....	2
Manufacturer .....	Ampco
Model.....	ZCH2 3 x 2.5
Pump Fluid End.....	2205 Duplex Stainless Steel ✓
Motor Rating, HP .....	15
Enclosure .....	TEFC
Rating .....	Premium Efficiency/Severe Duty
Spare parts.....	2 Mechanical Seals
 Intake Pump Discharge Check .....	
Manufacturer .....	Asahi
Size .....	4"
Material of Construction .....	PVC
Number Provided .....	2

Intake Pump Discharge Isolation ..... Butterfly  
 Manufacturer ..... Asahi  
 Size ..... 4"  
 Material of Construction ..... PVC  
 Number Provided ..... 2

Pressure Indicator  
 Location ..... Intake Suction  
 Manufacturer ..... WIKA  
 Size ..... 4-1/2"  
 Range ..... 30" Hg Vac. to 30 PSIG  
 Material of Construction ..... 316 SSTL Wetted and Phenolic Case  
 Liquid Fill ..... Glycerin  
 Number Provided ..... 1

Pressure Indicator  
 Location ..... Pump Discharge Header  
 Manufacturer ..... WIKA  
 Size ..... 4-1/2"  
 Range ..... 0 to 100 PSIG  
 Material of Construction ..... 316 SSTL Wetted and Phenolic Case  
 Liquid Fill ..... Glycerin  
 Number Provided ..... 1

Priming Pump Isolation  
 Type ..... Ball  
 Manufacturer ..... Asahi  
 Size ..... 1.5"  
 Material of Construction ..... PVC  
 Number Provided ..... 1

Seawater Intake Priming Pump  
 Number provided ..... 1  
 Manufacturer ..... Tsurumi  
 Model ..... 50TM2.4S  
 Pump Fluid End ..... Titanium  
 Motor Rating, HP ..... 1/2

Priming Solution Isolation  
 Type ..... Ball  
 Manufacturer ..... Asahi  
 Size ..... 1.5"  
 Material of Construction ..... PVC

Number Provided ..... 1

Priming Vacuum Line Isolation

Type ..... Y-Check  
Manufacturer ..... GF  
Size ..... 1/2"  
Material of Construction ..... PVC  
Number Provided ..... 5

Priming Vacuum Line Isolation

Type ..... Ball  
Manufacturer ..... Asahi  
Size ..... 1/2"  
Material of Construction ..... PVC  
Number Provided ..... 5

Priming Vacuum Line Isolation – At Basket Strainers and Suction Header

Type ..... Ball  
Manufacturer ..... Asahi  
Size ..... 1/2"  
Material of Construction ..... PVC  
Number Provided ..... 5

Priming Eductor

Manufacturer ..... Pardee  
Size ..... 1.5"  
Material of Construction ..... Glass reinforced polyethylene  
Number Provided ..... 1

Low Pressure Piping

Material ..... Schedule 80 PVC  
Connections ..... Socket or 150 pound ANSI Flanged

Fasteners ..... 316 Stainless Steel  
Structural Frames ..... Structural Aluminum  
Finish – Metal Preparation ..... Sand blasted  
Finish ..... Powder Coated (Electrostatic Resin Baked to 400 Degrees F.)  
Piping Supports ..... Fiberglass  
Conduits ..... PVC or Fiberglass

## COMMERCIAL TERMS

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### PRICING

Price for intake pumping system replacement are as follows:

Description	Pricing
Seawater Pumping System Equipment, Fabrication, Installation and Commissioning	\$70,380
Spare parts	\$4,930
<b>Total Price</b>	<b>\$75,310</b>

The above prices do not include shipping from Gainesville, Florida to project site or any applicable taxes, duties or insurance. The above prices are valid for thirty (30) days from the date of this proposal.

### PAYMENT TERMS

Because the proposed improvements have such a short lead time, 90 percent of the amount will be due at the time of authorization with the final 10 percent due 15 days once the intake pump station has been installed and is commissioned.

### SCHEDULE

The equipment will be ready for shipment in approximately 6 to 8 weeks after placement of order and deposit. GSS will make every effort to ship sooner if possible. Installation of the seawater pumping system is anticipated to take less than one week. This schedule assumes normal lead time for the proposed equipment.

### VALIDITY

The above prices are valid for sixty (30) days from the date of this proposal.

### SERVICES PROVIDED BY THE SAINT JAMES GROUP

During the construction phase of the project, The Saint James Group will provide the following at no charge to GSS:

1. All taxes, VAT and/or duties that may be applied to the importation of the equipment;
2. All necessary permits to support pumping system modification
3. Shipping from Gainesville, Florida to project site;
4. Full access to the project site including transportation from Red Hook to Little St. James. Working hours will be coordinated with staff;
5. Lodging, meals and local transportation for installation and commissioning crew;
6. Equipment for offloading and place at the plant; and
7. Disposal of any equipment not salvaged.

# ACCEPTANCE OF PROPOSAL

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This proposal when signed by both parties below, shall be considered as a Contract between the parties, and shall be binding upon the parties and their respective successors and assigns may be amended or modified only by further writings signed by both parties.

This contract sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, related to the subject meter hereof.

The total price of the proposed upgrades is \$\_\_\_\_\_ and the following items (from the Pricing page) are not included in the Contract and have been deleted and initiated by Owner.

_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREAS, the parties have executed this Contract the date and year first written below.

ACCEPTED BY:

THE SAINT JAMES GROUP(OWNER)

GEMINI SEAWATER SYSTEMS (SUPPLIER)  
8916 SW 44<sup>th</sup> Lane  
Gainesville, FL 32608

Representative: \_\_\_\_\_  
Email: \_\_\_\_\_

Representative: Dean Bedford  
Email: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed name Above

\_\_\_\_\_  
Printed Name Above

## TERMS AND CONDITIONS

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This proposal by Gemini Seawater Systems ("GSS") to The Saint James Group ("Purchaser") (collectively, "the Parties") includes the following Terms and Conditions. Upon acceptance of the proposal by Purchaser, the proposal will function as the agreement between the Parties ("the Agreement").

### 1. Definitions:

- a. "Equipment" means all equipment specified in this proposal.
- b. "Services" means all engineering, design, procurement, project management, fabrication, installation and commissioning included in this proposal that is required to supply the system specified in the proposal.
- c. "Site" means the property of The Saint James Group desalination plant, Little St. James, the area immediately surrounding such property, and any other locations in St. Thomas where work is performed in connection with the Agreement.

2. **Term of Proposal:** This proposal will automatically expire 30 days from the date identified on the cover page unless the proposal is accepted by Purchaser or the Parties otherwise expressly agree in writing. GSS reserves the right to modify or withdraw this proposal at any time and for any reason, prior to acceptance by Purchaser.

3. **Quotations of Prices:** All prices quoted by GSS are F.O.B. point of origin unless otherwise indicated. If GSS is requested or required to perform any additional services beyond those set forth in this proposal, Purchaser agrees to pay GSS's then-standard rate for those additional services, as well as any incidental and related expenses incurred by GSS.

4. **Warranties by GSS:** For the period ending twelve months after Equipment start-up or eighteen months after shipment, whichever occurs earlier, GSS warrants that Equipment manufactured, sold, or otherwise provided by GSS will conform in all material respects to any descriptions, plans or specifications included in the Agreement, and will be free of defects in material and workmanship. GSS warrants that any Services will be performed in a good and workmanlike manner. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND GSS MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OTHER THAN AS EXPRESSLY STATED IN THIS AGREEMENT.

- a. **Conditions on Warranties:** Any performance warranties stated elsewhere in the Agreement shall apply only if Equipment is operated in accordance with GSS's instructions when operated on water or other liquid having characteristics specified in the Agreement. Components and materials of the type that need replacement periodically due to normal wear and tear, such as membranes, frames, gaskets, filter cartridges, pump seals and fuses, are warranted against defects only as of the shipment date, unless expressly stated otherwise. Warranties do not apply to damage or wear resulting from accidents, negligence, abuse, or misuse by Purchaser or third parties: from failure to follow GSS's instructions for installation, operation or maintenance; or from alterations or repairs not performed in accordance with GSS's instructions.
- b. **Inspection Required for Warranty:** If Purchaser wishes to make a warranty claim, Purchaser shall return to GSS any item for which the warranty claim is to be made.
- c. **Assignment of Warranties:** GSS shall assign to Purchaser any manufacturer's warranties of Equipment or materials purchased from others, to the extent they are assignable, and Purchaser's sole recourse shall be against the manufacturer.
- d. **Claims on Warranties:** Purchaser shall promptly notify GSS of any warranty claim, and Purchaser's sole remedy shall be the repair or replacement (at GSS's election) of defective Equipment or the correction of deficient Services.

5. **Method of Payment:** GSS shall present any fees incurred and charges owed by Purchaser by commercial invoice against Purchaser's letter of credit. Purchaser shall make all payments to GSS in full in lawful, free, and unblocked currency of the United States of America ("U.S.A.") at the time GSS delivers Equipment to Purchaser, unless GSS and Purchaser mutually agree otherwise in writing. GSS reserves the right to review Purchaser's credit prior to shipping Equipment, and GSS's obligation to ship Equipment shall be subject to GSS's approval of Purchaser's credit. GSS may require Purchaser to make full or partial payment in advance. In the event that GSS requires advance payment, pro rata payments shall become due at the time the Equipment is shipped, unless the parties mutually agree otherwise in writing. If Purchaser is located outside the U.S.A. or its territories, Purchaser shall deliver an irrevocable letter of credit in GSS's favor confirmed by a first class U.S.A. bank upon acceptance of Purchaser's order.

- a. **Delay of Payment:** If payment is not made in full within thirty (30) days after invoice, any unpaid amount shall bear interest at the rate of 1.5 percent per month or the maximum lawful rate, if lower than 1.5 percent. Purchaser shall reimburse cost, including reasonable attorney's fees, incurred by the GSS to collect overdue amounts.

- b. **Dispute of Invoice:** If Purchaser disputes any portion of an invoice, Purchaser shall notify GSS, specifically identify the disputed portions in writing, and pay the undisputed portion within 30 days of receiving the invoice.
6. **Limitation of Liability:** The collective liability of GSS, its subcontractors, and its employees, officers, directors, and agents in connection with the Agreement and all Equipment and Services provided thereunder shall be limited to the amount actually paid by Purchaser to GSS for such Equipment and Services. GSS shall not be liable for any special, indirect, incidental, consequential, or punitive damages, including lost profits or loss of use.
  7. **Indemnification of Purchaser:** GSS shall indemnify and hold harmless Purchaser, its directors, agents, and employees against all claims and damages, including reasonable attorney's fees, that proximately result from acts or omissions of GSS, its directors, agents, employees, or subcontractors, in connection with any bodily injury, sickness, disease, or death or damage to property resulting from work performed in connection with this Agreement.
  8. **Indemnification of GSS:** Purchaser shall indemnify and hold harmless GSS, its directors, agents, employees, and subcontractors against all claims and damages, including reasonable attorney's fees, that proximately result from acts or omissions of Purchaser, its directors, agents, employees, or contractors other than GSS, in connection with any bodily injury, sickness, disease, or death or damage to property that may occur at the Site, in connection with work performed under this Agreement, or in connection with Purchaser's obligations under this Agreement.
  9. **Right of Inspection:** GSS shall provide Purchaser or its designated representative a reasonable opportunity to inspect any Equipment prior to delivering the Equipment to a carrier for shipment. If Purchaser elects to inspect any Equipment, Purchaser shall bear all costs associated with the inspection. If Purchaser fails to promptly inspect the Equipment, Purchaser will be deemed to have waived its right of inspection.
  10. **Payment of Taxes and Fees, Duties, and Fees:** Purchaser shall pay all taxes, duties, and fees imposed on GSS, GSS's subcontractors and agents, and Purchaser for the production, sale, shipment, or use of Equipment or the provision of any Services in connection with the Agreement.
  11. **Shipment of Equipment:** Purchaser shall provide GSS with complete shipping instructions at least 21 days before the estimated delivery date and shall arrange for receiving, unpacking, and installing the Equipment to be shipped. The term "estimated delivery date" refers to the date of shipment, which is estimated based on conditions prevailing at the time of quotation. Unless GSS expressly agrees otherwise, GSS does not guarantee the estimated delivery date. Any products offered by GSS from stock are subject to prior sale. Unless otherwise agreed, Purchaser will pay all shipping costs, fees, and insurance.
  12. **Assignment of Title and Risk of Loss:** GSS shall maintain title and bear the risk of loss until the Equipment is delivered to the carrier for shipment. Upon delivery of Equipment to the carrier for shipment, title and risk of loss shall pass to Purchaser upon delivery of Equipment to the carrier for shipment. Notwithstanding the transfer of title and risk of loss, Purchaser grants and GSS maintains a security interest in all Equipment until GSS has received full payment. If Purchaser delays a shipment for any reason, payment shall become due on the date GSS is prepared to make shipment, and Purchaser shall bear the risk of loss and pay all expenses and fees associated with transporting and storing the Equipment during the time that shipment is delayed.
  13. **Exportation of Equipment:** If Equipment is to be exported to any location outside the U.S.A., GSS's acceptance is subject to GSS's ability to reasonably obtain, without unduly burdensome efforts, any applicable and necessary export licenses or permits.
  14. **Compliance with U.S. Export Regulations:** Purchaser will not, directly or through an intermediary, export any Equipment (including related technology and information) to any country that is subject to embargo or similar restriction under U.S. Export Regulations, or transfer it to a national of any such country or to any other person or company restricted from receiving it, or put it to a prohibited end use, or transfer it with knowledge or reason to believe that it is intended for a prohibited destination, recipient or use.
  15. **Force majeure:** GSS shall not be responsible for any delays, damages, or failures to perform due to circumstances beyond its reasonable control, including those caused by Purchaser. Purchaser shall extend the time for performance by GSS by a period commensurate with the amount of delay caused by such circumstances.
  16. **Ownership of Documents:** All plans, drawings, specifications and other documents furnished by GSS in connection with Equipment shall remain the property of GSS, and Purchaser warrants that no use will be made of such documents except to facilitate Purchaser's installation, operation and maintenance of Equipment. Such documents shall be provided to Purchaser's employees only on a need-to-know basis and shall not be provided to third parties without GSS's written consent.
  17. **Retention of Intellectual Property Rights:** Unless otherwise expressly agreed in writing, GSS retains all right, title, and interest to any intellectual property contained in this proposal, including but not limited to any plans, drawings, specifications, data sheets, or other materials subject to copyright; trade secrets; patented subject matter; and confidential business information.
  18. **Reliance on Information:** GSS will be deemed to have reasonably relied on any representations made or information provided by Purchaser as to the intended use of any Equipment and the characteristics of any liquids

to be treated by such Equipment, regardless of whether such representations are made or such information is provided prior to, on, or after the date of the Agreement.

19. **Payment for Cancelled Orders:** If Purchaser cancels an order, Purchaser shall deliver a payment to GSS. The payment shall include a pro rata payment to GSS for all work completed prior to and on the date of cancellation, inventory obtained for the cancelled order, work in progress related to the order, allowances for overhead and profit, and reasonable costs of winding up the work, terminating subcontractors, and closing out the project.
20. **Return of Equipment:** Purchaser may not return any Equipment to GSS without GSS's prior written authorization.
21. **Termination and Suspension of Agreement:** If Purchaser is in breach of the Agreement or if Purchaser is overdue on any payment owed to GSS under this Agreement or any other agreement between GSS and Purchaser, GSS is entitled to terminate the Agreement or to suspend any shipment.
22. **Prohibition against Assignment:** This proposal has been prepared specifically for Purchaser, and the Agreement, its proposals and provisions, and any rights and obligations contained therein may not be sold, assigned, or transferred without the express written consent of GSS.
23. **Choice of Law and Venue:** The Agreement shall be governed and construed in accordance with the laws of the State of Florida, U.S.A.
24. **Language of Contract:** If the Agreement is prepared or presented in any language other than English, the English language version of the Agreement shall govern its interpretation.
25. **Entirety of Agreement:** Upon acceptance of proposal by Purchaser, GSS's written proposal and these Terms and Conditions constitute the entire Agreement between the Parties. The Agreement may be modified or amended only by a writing signed by an authorized representative of the party against which enforcement is being sought. These Terms and Conditions shall prevail over any inconsistent terms and conditions included in Purchaser's order, unless GSS expressly agrees to such terms and conditions in a signed writing.