

January 8, 2019

Tony Paar, General Manager  
BrightFarms Chicagoland Greenhouse  
600 S Caron Road  
Rochelle, IL 61068

Subject: Waterplus OxiPlus<sup>75</sup> Media Filtration System Proposal – Model OP024060A100-4  
Iron Treatment for BrightFarms Chicagoland Greenhouse

Tony,

Watersurplus would like to thank you for the opportunity to provide the following quotation for a water treatment system for BrightFarms. The system provided is a model OP024060A100-4 to remove iron prior to your UV system. This system is currently in place and being rented by BrightFarms. Changes will be made to the equipment to accommodate for long term use of the filtration system, rather than the emergency use for which it was originally intended. The key changes include replacement of bag filters with a basket strainer as well as installation of a flow transmitter to communicate with the chemical feed system. Additional description of system components and features include:

- Four (4) 24" diameter x 60" side shell 100 psi, carbon steel, non-code stamped filter vessels- this system is skid mounted, pre-piped and pre-wired
- Each vessel has 3.14 ft<sup>2</sup> of surface area for a total of 12.57 ft<sup>2</sup>
- The optimum flow rate would be 60-120 gpm for 4.77-9.55 gpm/ft<sup>2</sup> surficial loading rate
- The design backwash flow rate is 25 gpm/ft<sup>2</sup>, or about 80 gpm through one vessel, for six minutes per vessel
- The media, which has already been purchased by BrightFarms, consists of OxiPlus<sup>75</sup> (36") catalytic filter media over a gravel and sand transition base
- One 3-way forward flow/automatic backwash valve per vessel
- One 3" automatic Bray butterfly valve for effluent block
- Heads butt welded to side shells for system longevity
- Type 304 Stainless Steel wedge wire lateral underdrain with removable sch 80 PVC hub
- Yoke-style manways on the side of each vessel (6" x 8") and on the top of each vessel (4" x 6")
- On the inlet to the system, a Signet integral mounted 9950 paddlewheel flow meter with the ability to communicate with chemical feed system
- Grundfos chemical feed pump, capable of receiving a 4-20 mA signal from flow transmitter, with 26-gallon tank for sodium hypochlorite feed
- One Valmatic automatic air Release valve (2"), shipped loose for installation on-site - The four vessels will share this common air release
- One Yardney 3" carbon steel with epoxy lining and 304 SS basket strainer (#100 mesh) to be installed post-filtration system to prevent flow of media downstream
- Five, 1/4" Sample valves, one on system inlet and one on each vessel outlet
- Synergy automatic backwash controller/timer
- 3M ScotchKote 134W Fusion Bonded Epoxy lined tank and manifolds
- Installation and Operation/Maintenance manuals are included

On-site service is not included in this quote but we estimate 2-3 days with two service technicians. Please see the attached rate sheet for pricing. Site labor may include:

- Installation of new chemical feed pump and Integral mounted 9950 Signet flow meter. A power converter box will also need to be installed to meet power requirements for the flow meter.
- Air releases on vessels will be piped together and one 2" Valmatic air release valve will be set up
- The bag filter will be disconnected, and a basket strainer will be installed in its place

**The cost for the system with accessories described above is \$54,026.00 plus start-up charges.** The price does not include taxes, fees, or tariffs. Installation of new accessories is not included. BrightFarms is responsible for pulling all local work permits. Lead time is approximately 9-11 weeks ARO and approval of drawings. Standard terms and conditions are attached and apply to this proposal. Pricing is good through February 15<sup>th</sup>, 2019.

The sale of this system is unusual because it is already in place and being rented by BrightFarms. BrightFarms will continue to rent the system until it can be replaced in the Watersurplus rental pool in the timeline described in the paragraph above. At that time, the system may be purchased.

Payment terms outlined below are FOB Watersurplus facility in Loves Park, IL:

10% Down Payment to start Initial Drawings and Submittals
25% Payment for Release to Fabrication
65% Payment on Shipment Date

Additionally, we would like to recommend that you purchase a multiparameter handheld water testing colorimeter (e.g. a Hach DR900 or similar). Due to variability of iron and chlorine concentrations coming from the City of Rochelle, it will be a good idea to test regularly to make sure you are in a range of concentrations that you are comfortable with. We will initially set up the chemical feed system to adjust with the amount of flow going through the filtration system, but this rate scaling will be based on the initial concentrations of iron and chlorine present. The system cannot adjust accurately to large variations in iron and chlorine, and the communication between the flow meter and the chemical feed pump may need to be adjusted if these concentrations change.

If you have any questions, please do not hesitate to contact me at your convenience.

Respectfully submitted,

***Jim Groose, VP Business Development***

**WATERSURPLUS**

726 Beacon St.

Loves Park, IL 61111

[jim.groose@watersurplus.com](mailto:jim.groose@watersurplus.com)

Accepted including Attached Terms & Conditions

*James Groose*

January 8, 2019

**WATERSURPLUS**

Loves Park, IL 61111

[www.watersurplus.com](http://www.watersurplus.com)

\_\_\_\_\_ (Print)

\_\_\_\_\_ (Signature)

## STANDARD TERMS AND CONDITIONS

Products and Services furnished by Surplus Management, Inc. (SMI) are sold only on the Terms and Conditions stated herein. Notwithstanding any terms and conditions on Customer's order, SMI's performance of any contract is expressly made conditional on Customer's agreement to SMI's Terms and Conditions of Sale unless otherwise specifically agreed to in writing by SMI. In the absence of such agreement, commencement of performance and/or shipment shall be only for Customer's convenience and shall not be deemed or construed to be acceptance of Customer's Terms and Conditions or any part thereof. If a contract is not previously formed by mutual written agreement, acceptance of any Product or Service shall be deemed acceptance of the Terms and Conditions stated herein. All contracts for the Sale of Products shall be construed under and governed by the law of the location of SMI at Rockford, Illinois, USA.

### Quotations and Prices

All quotations are subject to the Terms and Conditions stated herein as well as any additional Terms and Conditions that may appear on the face hereof. In the case of a conflict between the Terms and Conditions stated herein and those appearing on the face hereof, the latter shall control. SMI quotations and prices are subject to the following:

- a.) All pricing is subject to change without notice.
- b.) Unless otherwise stated in writing, all quotations expire thirty (30) days after date thereof and are subject to withdrawal, change or prior sale without notice.
- c.) Unless otherwise stated in writing, all prices quoted shall be exclusive of crating or packaging for shipment, transportation, insurance, taxes, license fees, customs fees, duties and other charges related thereto and shall be the responsibility of Customer.
- d.) Stenographic, typographical and clerical errors are subject to correction.

### Terms of Payment

Terms of Payment are due in full thirty (30) days from the date of invoice. Past due balances shall be subject to a service charge of 1-1/2% per month (18% annually), but not more than the amounts allowed by law. Partial shipments will be invoiced as made and payments thereof are subject to the above terms. SMI may cancel or delay delivery of Products in the event Customer fails to make prompt payment therefore, or in the event of an arrearage in Customer's account with SMI.

### Assignments and Terminations

Any assignment by Customer of any contract hereupon without the express written consent of SMI is void. No order may be terminated by Customer except by mutual written agreement. Terminations by mutual agreement are subject to the following:

- a.) Customer will pay, at applicable contract prices, for all Products which are completely manufactured and allocable to Customer at the time of SMI's receipt of notice of termination.
- b.) Customer will pay all costs, direct and indirect, which have been incurred by SMI with regard to Products which have not been completely manufactured at the time of SMI's receipt of notice of termination.
- c.) Customer will pay a termination charge on all other determined costs and other charges. To reduce termination charges, SMI will divert completed parts, material or work-in-progress from terminated contracts to other Customers whenever, at SMI's sole discretion, it is practical to do so.
- d.) A 25% restocking fee will be applied to returned items that are standard inventory items.
- e.) Any custom products or systems will be at the sole discretion of SMI.
- f.) Truck unloading times greater than 1 hour shall be billed at \$85/hour demurrage charge.

### Performance

SMI will make all reasonable effort to observe its dates indicated for performance. However, SMI will not be liable for failure to perform hereunder due to any contingency beyond its reasonable control, including, without limitation, acts of God, fires, flood, wars, riots, sabotage, accidents, labor disputes or shortages, government laws, regulations, ordinances or codes, inability to obtain material, material equipment or transportation and any similar or different contingencies. In no event, whether as a result of breach of contract or warranty or tort (including negligence), will any penalty clause of any kind be effective, nor will SMI be liable for any incidental or consequential damages including, but not limited to, damages for loss of revenue, cost of capital, claims of customers for service interruptions or failure of supply, and costs and expenses incurred in connection with labor, overhead, transportation installation or removal of products or substitute facilities or supply sources.

## **Warranty**

New Items - Where manufacturer's warranties exist, such warranties and all such Terms and Conditions thereof shall be passed to Customer. SMI neither makes nor assumes any liability under any warranty, whether statutory, by operation of law or otherwise, including, but not limited to, implied warranties or merchantability and fitness for a particular purpose. SMI does not warrant that such equipment or merchandise conforms with any plans or specifications of Customer or others or meets any requirements of federal, state, or local laws, regulations or ordinances pertaining to safety or insurance requirements.

## **Customer's Responsibility and Indemnity**

It shall be the Customer's responsibility to ensure that any equipment or item purchased from SMI is installed and operated in a proper and safe manner. Customer also acknowledges that it may have to install or change guards, safeties, warnings, or other components to ensure that the machine will conform to all laws, regulations, ordinances, codes, insurance requirements and industry standards. Customer agrees to defend, indemnify and hold harmless SMI from and against all suits, claims, costs and expenses, including, but not limited to, reasonable attorney's fees, for personal injury, death, or property damage arising from the purchase, ownership and use of the equipment or item purchased by the Customer, Customer's agent, employees or independent contractors.

## **Damages and Liabilities**

SMI's liability for damages shall not exceed the payment, if any, received by SMI for the unit of product or service furnished or to be furnished which is the subject of claim or dispute. Failure to give notice of claim within thirty (30) days from the date of delivery or the date fixed for delivery (in the case of non-delivery), shall constitute a waiver by Customer of all claims in respect of such product or service. In no event will SMI be liable for incidental, consequential or special damages of any kind, however caused, arising out of, or in any way connected with, the product or service furnished by SMI to Customer.

If Customer should default in the performance of any obligations herein, then, in addition to any and all other rights or remedies SMI may have against Customer, Customer shall be liable to SMI for all court costs and attorney's fees incurred in enforcing the terms and provisions of this agreement.

## **Disputes**

All disputes under any contract between SMI and Customer shall be submitted first to a mutually agreed, non-binding arbitration procedure for resolution. All disputes under any contract concerning Products, not otherwise resolved between SMI and Customer, shall be resolved in a court of competent jurisdiction for the location of SMI at Rockford, Illinois, USA, and no other place. Provided that, at SMI's sole discretion, such action may be heard in some other place designated by SMI, if necessary to acquire jurisdiction over third parties, so that the dispute can be resolved in one action. Customer hereby consents to the jurisdiction of such court or courts and agrees to appear in any such action upon written notice thereof. No action, regardless of form arising out of, or in any way connected with, the Products or Services furnished by SMI, may be brought by Customer more than one (1) year after the cause of action has occurred. If any part, provision or clause of the Terms and Conditions of Sale, or the application thereof to any person or circumstances, is held invalid, void or unenforceable, such holding shall not affect and shall leave valid all other parts, provisions, clauses or applications of the Terms and Conditions remaining, and to this end the Terms and Conditions shall be treated as severable.



## Water Surplus Domestic Services Rates

Products and services shall be billed as cost plus and negotiated rate per schedule listed below - All Purchase orders would go directly between Water Surplus and Vendor of Choice.

Products and Services	Pricing Matrix
Process Water Expert / PE	\$TBD/Hour
Principle Process Engineer / Consulting	\$185/Hour
Field Service Engineer	\$125/Hour
Equipment Technician	\$95/Hour
Travel Time (all levels) during weekdays. Saturday travel rate x 1.5 (\$112.50/hour) Sunday and Holiday travel rate x 2 (\$150/hour)	\$75/Hour
Travel and Duration of Stay Expenses (mileage, tolls, airfare, rental car, hotel, parking, etc.)	Actual Cost Plus 10%
Meals Per-Diem Rate	\$50 per man-day (may be higher in some locations)

**Notes:**

1. Engineering/Consulting rate applies to on-site and off-site services.
2. Automobile mileage rate is based on federal standards at the time of travel.
3. Hourly rates are based on work and travel occurring during standard business hours 7am – 5pm Monday through Friday, excluding holidays.
  - In excess of eight hours per week day 1.5x hourly rate
  - Time on Saturdays up to eight hours 1.5x hourly rate
  - In excess of eight hours on Saturday 2x hourly rate
  - Time on Sundays and Holidays up to eight hours 2x hourly rate
  - In excess of eight hours on Sunday or Holiday 2.5x hourly rate