

AWARD/CONTRACT

1. This Contract is a Rated Order under the Defense Priorities and Allocations System (DPAS) - Code of Federal Regulations - at 15 CFR 700.

RATING

PAGE OF PAGES

2. CONTRACT (Procurement, Instruction, Identification) NUMBER

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQUEST/PROJECT NUMBER

5. ISSUED BY CODE

6. ADMINISTERED BY (If other than Item 5) CODE

7. NAME AND ADDRESS OF CONTRACTOR (Number, Street, County, State and ZIP Code)

8. DELIVERY
 FREE ON BOARD (FOB) ORIGIN OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM

11. SHIP TO/MARK FOR CODE

FACILITY CODE

12. PAYMENT WILL BE MADE BY CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION UNDER THE UNITED STATES CODE AT:

10 U.S.C. 3204(a)() 41 U.S.C. 3304(a)()

14. ACCOUNTING AND APPROPRIATION DATA

15A. ITEM NUMBER	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT

15G. TOTAL AMOUNT OF CONTRACT ▶ \$

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE

17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the terms listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)

19A. NAME AND TITLE OF SIGNER (Type or print)

20A. NAME OF CONTRACTING OFFICER

19B. NAME OF CONTRACTOR BY _____ (Signature of person authorized to sign)

19C. DATE SIGNED

20B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)

20C. DATE SIGNED

Section A - Solicitation/Contract Form

Key West Wastewater Treatment System Utility Services

North American Industry Classification System (NAICS): 221320

The subject contract supersedes contract N62467-86-C-1852, for Key West Wastewater Utility Services. This contract/order includes all current accounts, applicable tariff/rates and all supplemental agreements and/or Exhibits, if any, as to be incorporated are identified within this award. Any and all other changes will be executed by means of written communication or modification by the administering Contracting Officer.

Section B - Supplies or Services & Prices or Costs

Additional Information/Notes

Item	Supplies/Service	Quantity	Unit	Unit Price	Amount
0001	Key West Wastewater Treatment System Utility Services Product Service Code: S114 Pricing Arrangement: Firm Fixed Price	120	Months	USD 144,066.375	Firm Price USD 17,287,965.00 Cost Constraint Estimated
0002	Meter installments at NAS Key West. Payment for invoice dated March 20, 2020, for the installation of meters at NAS KEY West on September 2019 Product Service Code: S114 Pricing Arrangement: Firm Fixed Price	1	Project	USD 89,081.97	Firm Price USD 89,081.97

Section C - Description/Specifications/Statement of Work

C - SCOPE OF WORK FOR SEWER SERVICE

C.1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below. Additional definitions are in the "DEFINITIONS" clause in Section I.

- a. Capacity Reservation Rates. A Capacity Reservation Rate is essentially a fee paid to reserve a certain amount of a utility's capacity, in this case, likely for water or Wastewater services
- b. Collection - The gathering of Wastewater from individual Points of Connection and directing it into a network of Sanitary Sewer pipes.
- c. Contracting Officer (KO) - The Contracting Officer is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated.
- d. Contractor - The term Contractor refers to both the prime Contractor and subcontractors and includes any of its subsidiaries and parent companies. The prime Contractor shall ensure that their subcontractors comply with the provisions of this contract.
- e. Connection Charge - This term shall refer to a charge by the City, payable by the Navy, or connecting Navy Wastewater facilities to those owned and operated by the City. This charge shall be determined by calculating the aggregate cost of capital facilities providing utility service to the Navy, referred to as the Capital Cost Basis, multiplied by the Navy's pro rate share of Wastewater contributed to the system, except for the capital cost of facilities allocable to the Navy at 100%.
- f. Cost Basis - This term shall mean the cost-bearing items and activities eligible for allocation of capital and annual costs of the Wastewater system between the City and the Navy. The Capital Cost Basis shall include, but not be limited to, facilities planning, design, and construction of Planned Capital Facilities, as well as improvements to existing facilities of the Key West Wastewater system for the mutual benefit of the City and the Navy. The Annual Cost Basis shall include those cost items budgeted annually in the City's Wastewater Enterprise Fund for operations, maintenance, replacement, and repair of the facilities and administration of the Wastewater system and enterprise accounts which are fair and reasonable. Items included are identified in Section C.7 and items included in the Annual Cost Basis are identified in Section C.8.2.
- g. Critical Infrastructure - Existing and proposed systems and assets, whether physical or virtual, that incapacity or destruction of would negatively affect security, economic security, public health or safety or any combination of those matters.
- h. Federal Holidays - New Year's Day; Martin Luther King, Jr. Day; Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, Christmas Day.
- i. Force Majeure - Cause or condition beyond the control and without the fault or negligence of the Contractor or of a subcontractor at any tier. Such causes shall include, without limitation, acts of God or the public enemy, acts of the Government in its sovereign or contractual capacity, fires, flood, epidemics, quarantine restrictions, or only strikes affecting material or equipment suppliers or sole-source service providers of the Contractor.
- j. Formula for Cost Allocation - This term shall mean the method or procedure by which the City's and the Navy's shares of costs identified in the Cost Basis are allocated. The formula will be used to calculate proportionate cost shares related to the system's use and benefit, as described in Section C.7 and Section C.8.
- k. Future Capital Facilities - This term refers to future capital improvements not identified in the Key West Wastewater Master Plan (2012) and not included in an annual program for Repair and Replacements.
- l. Key West Wastewater Treatment System - This term shall mean those facilities solely owned and operated by the City for the purpose of Wastewater Collection, Transport,, treatment and disposal, and residual sanitary sludge waste management, within the City of Key West's Wastewater utilities service area, including future modifications, additions and extensions to these facilities and/or the service area.
- m. Mission Critical Facilities - Specific buildings and structures that sustain an essential government function around the clock and require first priority response to Force Majeure events.
- n. Navy System - This term shall mean the Wastewater Collection and transmission system owned and used exclusively by the Navy including gravity sewers, manholes, laterals, lift stations, pump stations, force mains, and appurtenances thereto for which the Navy has responsibility for operation and maintenance and renewal and replacement and from which the Navy discharges at the "POINTS OF CONNECTIONS" to the City's Wastewater system.
- o. Non-Mission Critical Facilities - Building and structures not designated as Mission Critical that sustain governmental functions and require priority response to Force Majeure events.
- p. "Planned Capital Facilities - This term refers to new and improved system components of the Key West Wastewater Treatment System that are necessary to provide Wastewater treatment, transmission, disposal, and residual sludge management and disposal. These components are identified in the Key West Wastewater Master Plan, completed in 2012, and any subsequent updates or amendments thereto."

- q. Points of Connection - This term shall mean the points where the Navy's system connects to the City's system for the purpose of delivering Wastewater into the City's system from the Navy's system as may be amended from time to time by mutual consent of the City and the Navy .
- r. Potable Water - Potable Water is water that is chemically, biologically and radiologically safe and is aesthetically pleasing. Potable Water should be clear, odorless and tasteless.
- s. Public Sanitary Sewer Purveyor - A public utility, municipal water district or municipality that collects and treats Sanitary Sewer water for customers.
- t. Public Water Purveyor - A public utility, municipal water district or municipality that delivers Potable Water to customers.
- u. Rates - Rates, hereinafter referred to as Rates and charges, shall mean the charge for a unit of service determined from Annual Cost Basis times the measured and estimated flows of the Navy, as a percent of total system flows, as described in Section C.8.3. as well as unit charges for exceeding strength parameters as set forth in Section C.8.4 and additional charges as described in Section C.5.1 for costs incurred by the City in events where the Navy flows exceed the amount for which capacity is reserved.
- v. Regular Working Hours - The Government's regular (normal) working hours are from 0800 to 1630, Monday through Friday except Federal Holidays.
- w. Renewals and Replacements - any on-going normal and ordinary Renewals and Replacements of the Utility Systems necessary to preserve long-term reliability, durability, functionality, and efficiency. Renewals and Replacements do not include new construction and focus on addressing the lifecycle of existing assets.
- x. Repair and Replacement- This term refers to annually budgeted cost for upkeep, repair and ongoing Replacement of the Wastewater system. It shall be represented in the annual Wastewater enterprise budget as a separate Repair and Replacement (R&R) account.
- y. Sanitary Flow - This term shall mean Wastewater derived from dwellings, businesses, governmental operations and commercial operations, the characteristics of which are typical of "Domestic Wastewater ", excluding industrial Wastewater, and clear water resulting from infiltration and inflow. Sanitary Flow estimates shall be derived from water delivery data provided by the Florida Keys Aqueduct Authority (FKAA), as adjusted.
- z. Sanitary Sewer - A pipe or conduit (sewer) intended to carry Wastewater or water-borne wastes from homes, businesses, and industries to the publicly owned treatment works.
- aa. Transport - The moving or conveying of Wastewater and its entrained solids through a network of pipes and pump stations, beginning at the Point of Connection and ending at the head of the Wastewater treatment plant.
- bb. Wastewater - Any combination of domestic, industrial, or commercial activities, and any sewer inflow or sewer infiltration.

C.2. SCOPE

Subject to the terms and conditions set forth herein, the City of Key West (hereinafter called "Contractor") shall furnish Government with Sanitary Sewer "Points of Connections" for sanitary sewerage flow to the Key West Wastewater Treatment System for the purpose of Wastewater treatment and disposal, and residual sanitary sludge waste management within the Contractor's Wastewater utilities service area. The service area solely owned and operated by the Contractor and the sewage disposal, and treatment facilities should be in conformity with applicable laws, rules, codes, industry standards, permits and regulations promulgated by Federal, state and local authorities having jurisdiction. The Government's system for Wastewater Collection and transmission is owned and used exclusively by the Government or its Contractors, including gravity sewers, manholes laterals, lift stations, pump stations, force mains, and appurtenances has the responsibility for operation and maintenance from which the Government discharges at the "Points of Connections" to the Contractor's Wastewater Treatment System. The "Points of Connections" at which the Government and Contractor Sanitary Sewer lines connect together are as follows:

1. Sigsbee Island (Flow Meter "C")

Non-Sigsbee Navy Flow Meters:

2. 41 - Trumbo Front Gate
3. 42 - Trumbo Backflow Prevent
4. 43 - Trumbo Back Gate
5. 52 - Emma & Amelia
6. 53 - Truman & Fort
7. Outer Mole
8. 51 - United and Whitehead
9. A - Medical Center
10. Dive Center

All meters (if any) shall be installed by the Contractor in a manner that allows verification by Government personnel. The Government reserves the right to have the Contractor install meters at any location served by the system. The Contractor's cost for such installation(s) is a pass-through cost billed to the Contractor and passed on to the Government as a direct cost without markup.

The Contractor shall operate the sewage disposal and treatment facilities in conformity with applicable laws, rules, codes, industry standards, permits and regulations promulgated by Federal, state and local authorities having jurisdiction.

The Government hereby grants to the Contractor, free of any rental or similar charge, but subject to the limitations specified in this contract, a revocable permit to enter the service location for any proper purpose under this contract, including use of the site or sites agreed upon by the parties hereto for the installation, operation, and maintenance of the facilities of the Contractor required to be located upon Government premises. Authorized representatives of the Contractor will be allowed access to the facilities of the Contractor at suitable times to perform the obligations of the Contractor with respect to these facilities. It is expressly understood that the Government may limit or restrict the right of access herein granted in any manner considered to be necessary for the National security. In such a case, Contractor may not be held liable for interruptions of service due to facts beyond his control in order to operate and maintain service.

C.3. GENERAL REQUIREMENTS AND PROCEDURES

3.1 SEWER SERVICE

The Sewer service supplied shall be measured by standard flow metering equipment to be owned and installed by the Contractor. The Contractor's cost for such installation(s) is a pass-through cost billed to the Contractor and passed on to the Government as a direct cost without markup. The Contractor shall furnish Sanitary Sewer "Points of Connections" for sanitary sewerage flow as required by the Government and shall receive, carry, treat and dispose of all sanitary sewage originating at the Government facilities in such amounts as the Government desires to release into the Contractor's sewer system and in a manner and by such means as will constitute no hazard to the public.

3.2 CHANGES IN CHARACTER OF SERVICE

The Government shall give reasonable notice of any material changes anticipated in demand or service requirements. The Contractor shall give reasonable notice of any material changes anticipated in service capability or capacity.

3.3 CONTINUITY OF SERVICE

The Contractor shall use reasonable diligence to provide a regular and uninterrupted service to the Government in accordance with the terms and conditions of this contract and the specification(s) but shall not be deemed to be in default for failure, suspension, diminution, or other variations of service occasioned by Force Majeure. In the event the Contractor shall be unable to provide service by reason of Force Majeure, the Contractor shall use due diligence to cure or correct any cause or condition which so affects the continuity of utility service. Further, the Contractor shall promptly commence and use due diligence to repair or replace any buildings, equipment or apparatus rendered inoperable, in whole or in part, by reason of Force Majeure, and functionally required to meet the obligations of this contract. If, by reason of Force Majeure, the Contractor is required to prioritize its response to such Force Majeure events over a customer base that exceeds the service locations of this contract, first priority shall be given to Mission Critical Facilities. The Contractor's inability to deliver utility services shall not be deemed a result of Force Majeure if caused by (a) defects in design or construction of the System which prevents or impedes its operation or, (b) the failure to cure or remedy the consequences of Force Majeure within a reasonable time. The Contractor shall respond to Government customer's requests/problems during normal duty hours and non-duty hours.

3.4 CONTRACTOR'S FACILITIES AND SERVICE LOCATION

Subject to the terms and conditions hereinafter set forth, the Contractor, at its expense, unless otherwise provided for in this contract, shall furnish, install, operate, and maintain all facilities required to furnish service hereunder as specified herein and in accordance with the Service Specifications. The Contractor's cost for such installation(s) is a pass-through cost billed to the Contractor and passed on to the Government as a direct cost without markup.

3.5 COORDINATION OF WORK

Emergency is any deficiency or failure of the Wastewater Treatment System that compromises the mission, life, health and/or safety. The Contractor shall respond immediately and have personnel on site within one (1) hour. The Contractor shall remain on site until the emergency has been resolved or safely mitigated, and service is restored. Service shall be restored within 24 hours barring mitigating circumstances. Urgent is any deficiency that does not immediately endanger personnel or property, but could result in damage to Government property, affect the security, health, or well-being of personnel. Urgent requests completed within five working days barring mitigating circumstances.

Routine is any deficiency that is needed to maintain the system condition and function. Maintain the agreed upon facility condition. Routine requests shall be completed within 30 calendar days. Emergency work shall be completed no-later than 24 -hours after notification of the Contractor by the Contracting Officer or Contracting Officer's Representative. Routine work, such as the scheduled replacement or retirement/removal of inventory and equipment shall be coordinated with the Contracting Officer.

The Contractor shall provide 24-hour service for trouble calls made to a published telephone. The Government employee responsible for the building or facility experiencing service outages or trouble will call the Contractor's published telephone number to report any outages. Restoration of service shall be coordinated with the person responsible for the building or facility.

Routine is any deficiency that is needed to maintain the system condition and function. Maintain the agreed upon facility condition. Routine requests shall be completed within 30 calendar days.

Emergency work shall be completed no-later than 24 -hours after notification of the contractor by the Contracting Officer or Contracting Officer's Representative.

Routine work, such as the scheduled replacement or retirement/removal of inventory and equipment shall be coordinated with the Contracting Officer.

The contractor shall provide 24-hour service for trouble calls made to a published telephone. The Government employee responsible for the building or facility experiencing service outages or trouble will call the contractor's published telephone number to report any outages. Restoration of service shall be coordinated with the person responsible for the building or facility.

The Contractor shall cooperate with the Government and Contractors of the Government to facilitate outages and underground utility's location markings to allow construction/repairs on the installation(s). The Contractor shall notify the Contracting Officer at least 10 days prior to any scheduled excavation. The Contractor shall mark the proposed excavation location with standard industry markings, no more than 24 hours prior to providing notification. The Contractor shall not begin any excavations without prior site approval. Such approval/disapproval shall be timely and not cause unreasonable delays in Contractor's related work or be unreasonably withheld. The Contractor shall be liable for all damages incurred by the Government related to excavations by the Contractor without prior approval.

C.4. CONTINUITY OF SERVICE AND CONSUMPTION

The City shall use reasonable diligence to provide a regular and uninterrupted supply of service at the service location but shall not be liable to the Navy for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control and without the fault or negligence of the City. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, or failure or breakdown of transmission or other facilities.

The Navy shall have the right to proportionate use of the Key West Wastewater Treatment System not to exceed a designated capacity as stipulated in Section C.5.1, provided such use meets the terms and conditions as set forth herein. The Navy shall maintain the Navy's System, in good repair and shall institute a program Repair and Replacement of components of the Navy's System, to reduce excessive infiltration/inflow and thereby ensure that such designated reserve capacity is not exceeded. The Navy shall be responsible for operation and maintenance, including financing, of the Navy's System, which shall not be in a whole or part a responsibility of the city.

In the event the Navy is unable to operate the service location in whole or in part for any cause beyond its control and without its fault or negligence, including but not limited to acts of God or of the public enemy, fires, floods, epidemics, quarantine restrictions or strikes, an equitable adjustment shall be made in the minimum monthly charge if the period during which the Navy is unable to operate the service location in whole or in part shall exceed fifteen (15) days during any billing period hereunder.

C.5. RATES AND CHARGES

For all service furnished under this contract to the service location, the Government shall pay the Contractor at the Rates and charges specified in Rates, Fees and Charges attached here to and made a part of this contract, and all revisions thereof. Rates for Wastewater service shall be specified on a cost per one-thousand gallons basis of usage. (\$/Kgal).

For purposes of charges, any demands due to faulty operation of, or to excessive or fluctuating pressure on the Contractor's system, shall not be included as part of the Government's demand.

The Contractor must give the Contracting Officer written notice of the filing of an application for rate changes concurrently with the filing of an application. The notice shall fully describe the proposed rate change.

The Contractor shall give the Contracting Officer written notice of any annual rate adjustment resolution or ordinance immediately after it is passed or approved by the City of Key West, City Commission. In the event that the regulatory body promulgates any regulation not concerning Rates which materially affects this contract, the Contractor shall immediately notify the Contracting Officer.

The Contractor must give the Contracting Officer written notice of any annual rate adjustment resolution or ordinance immediately after it is passed or approved by the City of Key West, City Commission.

Verification and Implementation. The City shall verify all rate adjustments prior to the commencement of the new fiscal year billing cycle. The adjusted Rates will be reflected in the first billing statement of the new fiscal year.

The current and historical Rates can be verified via the Key West, Florida - Code of Ordinances, (S) 74-246, available at https://library.municode.com/fl/key_west/codes/code_of_ordinances?nodeId=SPAGEOR_CH74UT_ARTIISASESY_DIV5SERACHBIPR_SDIIMORACH_S74-246ANSERACHCO

In the event that the regulatory body promulgates any regulation not concerning Rates which materially affects this contract, the Contractor shall immediately notify the Contracting Officer.

No increase shall be requested in the contract rate unless the Contractor has placed into effect a general rate increase to all of his customers under similar conditions of service. If the Contractor has placed into effect a general rate decrease, a corresponding decrease in the contract rate shall be made.

Rate increases or decreases shall take effect no sooner than 30 calendar days after providing the Contracting Officer written notice of an application for rate changes.

For all service furnished under this contract to the service location(s), the Government shall pay the Contractor pursuant to the Contractor's effective Rates, tariffs, rules, regulations and practices subject to the appropriate regulatory bodies.

For purposes of charges, any demands due to faulty operation of, or to excessive or fluctuating pressure on the Contractor's system shall not be included as part of the Government's demand.

The Contractor shall give the Contracting Officer written notice of the filing of an application for rate changes concurrently with the filing of an application. The notice shall fully describe the proposed rate change. In the event that the regulatory body promulgates any regulation not concerning Rates which materially affects this contract, the Contractor shall immediately notify the Contracting Officer.

No increase shall be requested in the contract rate unless the Contractor has placed into effect a general rate increase to all of his customers under similar conditions of service. If the Contractor has placed into effect a general rate decrease, a corresponding decrease in the contract rate shall be made.

Payments hereunder shall be due within 30 days of invoice, after the services are received (not in advance), noting that, as with all federal payments, the timing of payment may be impacted by the availability of appropriations. The existing Wastewater meters that discharge into The City of Key West Wastewater Collection System will be used to establish the Wastewater charge.

At no additional cost to the Government, the Contractor must perform annual meter testing and calibration on all Wastewater meters serving Navy facilities inside the Key West City Limits. At no additional cost to the Government, the Contractor must repair or replace Wastewater meters found to be out of calibration by more than 3% +/- . Not later than 01 October of each year, provide the Government with written documentation of the annual meter testing and calibration results.

C.5.1 NAVY RESERVE CAPACITY

The parties agree to a current Capacity Reservation Rate of 23% until the end of FY2027 or until the current capital improvement project(s) established at 23% funding is complete. The Navy has the right of use of the Wastewater system capacity allocated for normal flows and allowed excess capacity, but not to exceed the capacity reserved for Navy's use as set forth; the Navy shall not exceed this reserved capacity. At such time the 23% funded project(s) is complete, the rate applied to new projects and similar projects not currently budgeted for within the capital improvement plan will be adjusted to an 18% Capacity Reservation Rate. This established rate is to be reviewed by the Government and the Contractor every year for renegotiation or until such time as either the Government and/or the Contractor agrees on a need to perform a Capacity Reservation Rate adjustment for actual flows recorded by flow meters at each installation. Any Capacity Reservation Rate adjustments from herein, will be performed by modification.

If the parties enter into separate agreements where the Government becomes the Grantor of easements or similar real property interests, and the Contractor becomes the Grantee, the parties agree to process the consideration payable under any such agreements as credits under this contract.

C.5.1.1 ALLOWANCE FOR EXCESS NAVY CAPACITY

The City shall grant the Navy use of system capacity in excess of the Navy 's Reserve Capacity as established in Section C.5.1 above, so long as the Navy's excess flow combined with flows from other sources do not exceed the design capacity of the treatment system. The Navy shall be allocated a pro rata share of all system costs determined in the same manner as costs are determined for other City customers for those costs for capacity in excess of that allocated for Navy use.

If capacity requirements by the Navy, over and above the capacity allocated for normal use and excess capacity continue beyond a period of 12 months, the Navy and the City agree to enter into negotiations of terms and conditions of the Navy's payment for the capacity on a permanent use basis. Such negotiations and permanent capacity use are considered beyond the terms of this Agreement.

The Navy shall be liable for any City damages arising as a result of use of capacity granted by the City in excess of the allowed reserve capacity or for damages caused by the Navy's use of the capacity in excess of that allowed.

C.5.2 SALE OR TRANSFER OF UNUSED CAPACITY

The Navy shall have the right to sell or transfer unused capacity to any party mutually agreed upon by the City and the Navy, provided, however, that the City be given the first right of refusal of purchase of said capacity.

C.5.3 COMPLIANCE WITH CITY SEWER USE ORDINANCE

The Navy agrees to comply with the City of Key West's Sewer Use Ordinance, as codified in Chapter 74, Article II (Sanitary Sewer System) of the Code of Ordinances, City of Key West, Florida as may be amended from time to time as is in accordance with generally accepted practice in Wastewater system operations.

C.5.4 COST 100% ALLOCABLE TO THE NAVY

It is expressly understood and agreed that certain costs associated with facilities or activities that benefit the Navy exclusively, such as connecting Sigsbee Park to the system, installation of flow meters, and performing waste strength evaluations, are 100% allocable to the Navy. It is understood that such costs may initially be borne by the City and shall subsequently be reimbursed 100% by the Navy in accordance with applicable provisions in Sections C.5 and C.6 below.

C.6 GENERAL PROVISIONS FOR UTILITY SERVICE

6.1. PAYMENT

(a) The City shall be paid by the Navy for service furnished hereunder at the Rates specified, in Section 8 provided, that the Navy shall be liable for the minimum monthly charge specified in Section 8 of this Contract, beginning with the billing period in which service is commenced and continuing

until this contract is terminated, except that the minimum monthly charge shall be equitably prorated for the billing period in which commencement and termination of this contract shall become effective.

(b) Payments hereunder shall be contingent upon the availability of appropriations and shall not be made in advance of the service rendered. The provisions of this paragraph are also applicable to the Connection Charge, as provided for in Section 7.

(c) All bills for service shall be paid without penalty, and the Navy shall be entitled to any discounts customarily applicable to payment of bills by all customers of the City.

(d) Invoices for service (bills) rendered hereunder shall contain statements of the meter readings at the beginning of the billing period, meter constants, and consumption during the billing period.

(e) The City hereby declares that Rates are not in excess of the lowest Rates now available to any existing or prospective customer under like conditions of service, or of the same classification, and agrees that during the life of this contract the Navy shall continue to be billed at the lowest available rate for similar conditions of service.

(f) All bills shall be paid promptly. Prompt Payment Act (31 U.S.C. (S) 3901-3907) shall apply.

C.7 CONNECTION CHARGE

C.7.1 NAVY'S SHARE OF SYSTEM REPAIR AND REPLACEMENT COST

(a) For Repair and Replacement projects (R&R) the City shall bill the Navy on the basis of actual invoices from City's Contractor's for each specific R&R project from initial design through construction completion and contract close-out. For each such invoice the City shall bill the Navy on the basis of Navy's total monthly flows into the system less the Navy's monthly flows contributed by Sigsbee Park divided by the system monthly Wastewater flows as shown in Exhibit 4.

(b) By mutual agreement and separate modification to this contract, specific R&R projects may be designated by the Navy utilizing separate funding. At such time that the Navy makes payment for these projects the City shall provide billing information showing the Navy payment for a specific project as a credit and the Navy's monthly invoice share shall be deducted from the credit until the credit is depleted. This payment procedure shall identify the project and the associated modification authorizing the expenditure. At the close-out of the specific project, if a credit still exists, that credit shall be applied to another project designated in writing by the Navy.

C.7.2 OWNERSHIP, OPERATION AND MAINTENANCE OF NEW FACILITIES

Notwithstanding the payment by the Navy of the Connection Charge, the facilities to be supplied by the City under this contract shall remain the property of the City and, at all times during the life of this service contract or any renewals thereof, shall be operated and maintained by the City at its expense.

C.7.3 FUTURE CAPITAL FACILITIES

(a) From time to time the City will incur costs for Capital Facilities. Cost for Capital Facilities projects that are directly associated with the Waste Water Treatment Plant (WWTP) or means of disposing the WWTP effluent, shall be allocated to the Navy on the basis of the Navy's reserve capacity divided by the total plant capacity, subject to agreement by the Navy that said facilities are reasonably necessary to provide regular and uninterrupted service to the Navy. The payments be made in accordance with Section 6.1.

(b) Capital Facilities projects which expand service areas/customer base not directly benefiting the Navy shall not be allocated to the Navy. However, Capital Facilities projects associated with the existing Collection system shall be allocated on the same basis as R & R projects as provided for in Section C.7.1. However, special projects may be proposed by the City for incorporation into this contract. Any such change shall be by mutual agreement.

C.8 PROCEDURES FOR ADMINISTRATION OF NAVY SHARE OF ANNUAL COSTS.

C.8.1. RATES -- GENERAL

For all service furnished under this contract to the service location, the Navy shall pay the City a rate as established by the procedure in Sections C.8.3 and C.8.4 and as depicted in the exhibit 4, attached hereto, as amended from time to time, in accordance with the review procedure described herein, and made a part of this contract.

C.8.2. ANNUAL COST BASIS

The annual cost that shall be allocated to the Navy and used for Rates and charges calculation shall be composed of the Wastewater utility system enterprise account line items for operations, maintenance, repair, replacement, administration, and general expenses, as shown in Attachment 4, or as adjusted annually. The Annual Cost Basis year shall be the City's fiscal year, October 1 through September 30, of each year. The rate year shall be October 1 through September 30 of each year.

C.8.3 FORMULA FOR ANNUAL COST ALLOCATION - SANITARY WASTEWATER FLOW

The formula for allocation of Key West Wastewater System annual operating costs to the Navy shall be based on the Navy's pro rata flow as measured at the Navy's Points of Connection, as a percentage of total Key West Wastewater System flow, measured at Pump Station A. Prior to installation of Wastewater meters as provided in this agreement, the basis for allocating annual costs to the Navy shall be estimated Sanitary Flows

calculated in the same manner as those shown in exhibit 4, as described in the Key West Wastewater Master Plan, completed in 2012. When meters are installed and calibrated, an adjustment will be made in the percent of annual costs allocable to the Navy on the basis of measured flow. For purposes of pre-metered flows, it is estimated that the Navy's percent of total flow contribution based upon Sanitary Flow percent based on exhibit 4.

C.8.4 FORMULA FOR ANNUAL COST ALLOCATION - WASTEWATER STRENGTH PARAMETERS

If the strength of Wastewater contributed by the Navy, as measured in samples taken at the Navy Points of Connection, exceeds 200 mg/1 of BOD and /or 200 mg/1 of S.S., the Navy shall be charged for the additional cost of treating such Wastewater. Charges shall be calculated on the costs of treatment per pound of BOD and SS in excess of the allowable limits, as shown in the following example calculation:

(a) Total costs (\$) for treating BOD + total pounds of BOD treated for the system = unit cost for treating BOD.

(b) Total costs (\$) for treating SS + total pounds of SS treated for the system = unit cost for treating SS.

Total pounds of Navy BOD contribution, less pounds of Navy BOD for the contributed flow at 200 mg/1 = excess pounds of BOD contributed by the Navy.

(d) Total pounds of Navy SS contribution, less pounds of Navy SS for the contributed flow at 200 mg/1 = excess pounds of SS contributed by the Navy.

(e) Pounds of excess BOD x unit costs of treating BOD = surcharge for BOD.

(f) Pounds of excess SS x unit cost of treating SS = surcharge for ss.

C.8.5 PROCEDURES FOR ADMINISTRATION OF ANNUAL COST ALLOCATION

(a) Calculation of Monthly Rates: The City shall calculate monthly Rates for the Navy by multiplying the Navy's measured pro rata flows as determined in Article 7.3 times the estimated monthly Cost Basis as determined in Article 7.2. In the calculation of the Navy's monthly rate, an adjustment shall be made in the Repair and Replacement expense line item of the Annual Cost Basis. The adjustment shall be a percentage reduction of the Repair and Replacement expense allocated to the Navy by an amount equal to the pro rata share of total system flow contributed by Sigsbee Park.

(b) Billings: Bills shall be calculated and submitted to the Contracting Officer by the tenth (10th) of each month and payment of bills by the Navy shall be subject to the Prompt Payment Act, as provided for elsewhere in this Agreement. Bill shall be calculated from currently applicable Rates and charges and measured flows, as provided for in Section C.8.5 (a), charges for costs incurred by the City where Navy flows exceed the amount for which capacity is reserved as provided for in Section C.5.1, and any other charges allocable to the Navy under this Agreement.

C.8.6 READINESS TO SERVE - MINIMUM MONTHLY BILL

Except as provided for in Section C.4, the Navy shall pay a minimum monthly charge to the City each month for the term of this service contract. This charge shall be calculated as eighty percent (80%) of the average of the actual monthly flows for the most recent full 12 months of Wastewater service multiplied by the applicable rate for the current month, as shown in the current rate schedule in exhibit 4. Provided however, that no minimum monthly bill shall be less than \$25,000 during this initial ten (10) year term.

C.8.7 REVIEWS

The city agrees that reviews of the Annual Cost Basis of providing Wastewater services to the navy shall be made annually on or about March 1. The estimated rate which will be allocated to the navy during the succeeding city budget year will be developed by the city following such annual review. The annual review will include the Cost Basis and estimated charges for the current year as defined and allocated herein, the audited costs for the preceding year, and the anticipated changes in costs in the succeeding year as reflected in the city's annual budget for the Wastewater System Enterprise Fund. The budget for the succeeding year will serve as the Annual Cost Basis and will be the preliminary basis for allocating annual costs for establishing Rates and charges to the navy for the succeeding year. The city will provide the Navy a summary of items included in its annual review together with the Wastewater Enterprise System budget for the succeeding year and the proposed schedule of rates and charges. The schedule of Rates and charges shall be appended to and become a part of this Agreement, after due adoption by the City Commission, provided, however, that the navy has a right to dispute the Annual Cost Basis for such Rates and charges. Whatever schedule of Rates and charges is produced by the city review and is not disputed by the navy becomes a part of this Agreement and shall be adjusted accordingly.

C.8.8 MAINTENANCE OF RECORDS

The City agrees to maintain accounting records for costs associated with operation, maintenance, Repair and Replacement, and administration of the City's Wastewater Enterprise Fund. Such records shall be maintained in accordance with generally accepted accounting principles (GAAP) for municipal utility enterprise operations

C 8.9 ADJUSTMENTS

Adjustments shall be made annually to reflect differences in amounts paid for Wastewater service based on budgeted costs and amounts that would have been paid based on actual costs determined by the audit as provided in Section C.8.10. The City shall perform calculations to determine the Navy's costs of service using actual flows and audited costs for the same cost line items from the budget used for calculating Rates and charges in the preceding rate year. The difference between these costs calculations and the Navy's bills calculated from budgeted costs and paid for by the Navy in the preceding year shall be the adjustment amount. The adjustment amount for the preceding rate year shall be calculated no later than 30 June of the current rate year. Any underpayment or overpayment by the Navy in the preceding rate year (adjustment amount) shall be added or credited, in equal amounts, to the current rate year's remaining monthly bills. The rate year is defined as 1 October through 30 September.

EXAMPLE: Adjustment for FY 27

1. By 30 March 2027, City will have completed a separate accounting of the Wastewater Enterprise Fund in conformance with Section C.8.10.
2. By 30 June 2027, City will have calculated the difference between actual cost allocable to the Navy and payments received from Navy in FY 27 for items A, B, C, D, and E of EXHIBIT 4.
3. The difference resulting from the calculation done in paragraph 2 above will then be divided by the remaining month in the rate year (i.e., three months; July, August, and September in this example) and if the Navy had overpaid, the City would apply this amount as a credit on July, August, and September 2027 Navy bills, or if the Navy had underpaid, the amount would be added to those same bills.

C.8.10 AUDITS

In accordance with Modification P00014 from contract N62467-86-C-1852, signed on August 21, 1998, by City Manager Julio Avel, the City agrees to prepare a separate accounting of the City's wastewater Enterprise Fund to assist the Navy in reconciling operating and capital costs to the city-wide audit, for the City's fiscal year to be completed no later than 30 April of the following year. The audit shall identify the annual costs charged to the Navy for the following areas as identified in Exhibit 4. Annual Operating Costs; Annual Maintenance costs; Annual Administration costs; Annual Management costs; Annual General repair costs; and Annual System repair and rehabilitation costs. Furthermore, the separate accounting will include the Navy's annual flows into the system, including Sigsbee Park annual flows; the Navy's Annual flow contributed by Sigsbee Park only; and the City's annual total system-wastewater flows.

C.8.11 NAVY'S ACCESS TO RECORDS

As provided for in Sections C.8.8 and C.8.10 above, the City agrees to maintain accounting records for the Wastewater utility enterprise operation and to have the said records audited annually. The City will make available to the Navy a copy of the City's annual audit report and budget document for the preceding fiscal year and the most recently adopted budget for review together with any applicable rate studies and engineering reports. Such records shall be available at the request of the Navy no later than 30 June. That will allow the Navy to review the proposed changes in Rates and charges in accordance with the review procedure established in Section C.8.1 above, such that Rates and charges shall be adopted and become applicable at the beginning of the rate year, as provided in Sections C.8.2, C.8.3 and C.8.4.

C.8.12 CHANGE OF RATES

At the request of either party to this contract, with reasonable cause, the Rates set forth herein may be renegotiated and the new Rates shall become effective as mutually agreed, provided that any Rates so negotiated shall not be in excess of Rates to any other customer of the City having similar classification and under similar conditions of service.

C.9 CHANGES

The Government and the Contractor may, at any time, by mutual agreement reduced to writing, make any change in this Contract, within the general scope of this Contract. No order, statement, or conduct of the parties shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment thereunder, unless reduced to writing and mutually agreed to by the parties to this Contract as evidenced by their signatures thereon.

If any change under this clause causes an increase or decrease in the Contractor's Cost of, or the time required for, the performance of any part of the service or work under this Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly in the single document evidencing such change. If the Contractor or Government cannot agree on the costs or time required and intend to assert a claim for an equitable adjustment under this clause, such claim must be set forth in the single writing evidencing a change which has been agreed to by both parties. Neither party shall have a claim against the other for any equitable adjustment which shall not be set forth as aforesaid in writing.

All disagreements concerning such changes, costs or time shall constitute a dispute between the parties and shall be subject to the Disputes Clause.

The Government has the right to make changes within the general scope of the utility Service Specifications at any time and according to its own discretion by reasonably notifying the Contractor in writing prior to effective date of such change.

C.10 UTILITY ASSET RECAPITALIZATION

The Contractor will submit and adhere to a 5- Year Utility Assets Recapitalization Plan during the Term of the Contract. The Capital Plan will at a minimum address renewal and replacement expenses ("Renewal and Replacement") in both the short and long-term.

The Capital Plan will be based on meeting the least cost life cycle investments required by the Government and will include recommendations based on Utility Systems Condition requirements.

C.10.1 RENEWALS AND REPLACEMENT

Renewals and Replacements (R&R) means the design, implementation, replacement, and/or improvement of components of the Utility Assets, including any ongoing normal and ordinary repair and renewal projects necessary to maintain the assets in good working order and to preserve their long-term reliability, durability, functionality, and efficiency.

During the term of this Contract, the Contractor shall diligently maintain the Utility Assets and provide for all labor, materials, supplies, equipment, spare parts, consumables, and services necessary to complete the R&R and provide Utility Services. For all R&R provided, the Contractor shall

exercise all reasonable due diligence in investigating and implementing alternative approaches that provide the lowest life cycle cost in accordance with Good Engineering and Construction Practice, at no additional charge to the Government.

The Navy's share of the Capital Improvement Program for R & R (Repair & Replacements), wastewater distribution system projects and R & R, wastewater treatment plant projects which have been awarded by the City of Key West during the current fiscal year are due for review by the Navy prior to allocation.

The Navy's participation in the Capital Improvement Program for R & R projects associated with the wastewater treatment plant. The Navy's portion is at a rate of 23% of the total cost of the project. This percentage is based on the Navy's reserved plant capacity which is 23%. Projects are listed in 5-Year Utility Assets Recapitalization Plan (Exhibit E). This established rate is to be reviewed by the Government and the Contractor every year for renegotiation or until such time as either the Government and/or the Contractor agrees on the need to perform a Capacity Reservation Rate adjustment.

The Navy's participation in capital improvement projects for the wastewater distribution system is at a rate of 5.43% of the total cost of this type of project. This percentage is based on the Navy's contribution to the total system load, less the flows contributed by Sigsbee Park Housing. Projects are identified in 5-Year Utility Assets Recapitalization Plan (Exhibit E). This established rate is to be reviewed by the Government and the Contractor every year for renegotiation or until such time as either the Government and/or the Contractor agree on a need to perform a Rate adjustment.

The Contractor's provision of R&R shall not be cause for equitable adjustment under FAR 52.243-1 Alt 1, Changes - Fixed Price. The Contractor shall also maintain records of all capital R&R performed on the Utility Systems serving the Government and its tenants and make such records available for review and inspection, pursuant to this Contract

C.10.2 SYSTEM MODIFICATIONS

The Government, at its cost, shall have the right to direct the Contractor to make System Modifications at any time and for any reason, and the Contractor, taking into account its design standards, has the obligation to fulfill such requests. System Modification improves the quality, integrity, reliability, durability or operational efficiency of the Utility System; relocates, adds or removes portions of the Utility System; or changes the Utility Systems to comply with changes required by Applicable Law, which may include adding or removing portions of the Utility System. System Modification charges are recovered as Non-Routine Service Charges beginning at the point the System Modification is put in service. The Government shall negotiate the operation, maintenance, renewal, and replacement changes resulting from such modification.

The Government reserves the right to pay the design and constructions cost of a Systems Modification, made at the Government's directions either as a lump sum or include it as part of the Fixed Services Charges. In the event the Contractor fails to initiate or complete such requested Systems Modification; the Government may pursue any remedy available to it including, but not limited to, undertaking the Systems Modification or any remedies in this contract. Should additional on-going operations and maintenance arise from Systems Modifications, the associated costs will be incorporated into the Service Fee for reimbursement.

C.10.3 NEW PERMANENT UTILITY SERVICES

The Government, at its cost, shall have the right to direct the Contractor to make new permanent utility service connections at any time and for any reason, and the Contractor, taking into account its design standards, has the obligation to fulfill such requests. The Contractor shall also provide scheduled periodic and annual reports.

C.10.3.1 PERIODIC REPORTS

The Contractor shall provide the Government the following Reporting Requirements:

1. Safety incidents pertaining to the WWTP (On occurrence)
2. Environmental and safety compliance issues pertaining to the WWTP (On occurrence)
3. System effluent flow for the entire city (Monthly)
4. Five-Year Utility Assets Recapitalization Plan pertaining to the WWTP system (Annually)

C.10.3.2 ANNUAL OPERATIONS MEETING AND REPORT

An Annual Operations Meeting shall occur in June of each calendar year, but no later than ninety (90) days prior to the start of the new City Budget beginning October 1st of each calendar year. The exact date of the Meeting shall be mutually agreeable with the COR, Installation representatives, NAVFAC SE Utilities Contracting and the Contractor. All parties to the meeting may propose topics. The topics shall be confirmed by the COR 10 days prior to the meeting and at a minimum include:

1. Summary of Service Requests (including number of service requests by type and response time) for the WWTP.
2. Summary of Customer Complaints (including number of complaints by type and time to resolution) for the WWTP Collection system.
3. OSHA 300 Log, incidents pertaining to the WWTP.
4. Updates to the WWTP Operations and Maintenance Manuals.
5. Service Standards Metrics, exhibit 3 Service Standards.
6. Changes to the Service Interruption/Emergency Response Plan.

7. Updated System Maps/Drawings.
8. Report on all environmental and safety compliance issues and respective resolutions.
9. A comprehensive update on any recent or forthcoming developments impacting the City of Key West Wastewater Treatment Plant and its stakeholders. This includes any federal, state, or local governmental changes; permit modifications; updates to the plant's standard operating procedures and policies; personnel transitions affecting plant operators, senior City management, or Jacobs; adjustments to the utility rate structure; and any significant shifts in the Wastewater profile. Please also include any other changes or updates that may affect either the city or its operating partners.
10. The Five-Year Utility Assets Recapitalization Plan. The base year will be the current fiscal year followed by the next four out years. See Exhibit 2.
11. Current status of Five-Year Asset Recapitalization projects from the current fiscal year (1 Oct 2027 to 30 Sept 2032) and including any past year projects still in design or construction.
12. Status of Wastewater meter testing and calibration reports for the current fiscal year (Oct 1st to Sept 30th).
13. A copy of the proposed City Budget for the next fiscal year. If the proposed City budget is not available for the Annual Operations Meeting in June, a second meeting, no later than 45 days prior to the new fiscal year (Oct 1st) will be scheduled for the purpose of discussing the proposed City budget with the Utility director, the COR, NAVFAC SE PW6, and NAVFAC SE Utilities Contracting.

C.11 FIXTURE UNIT CALCULATION

C.11.1 New Construction. For new construction valued at \$1,000 or more that has the potential to add Drainage Fixture Unit Values to the Sanitary Sewer system, the Government shall notify the Contractor of the new construction and the proposed date of funding.

C.11.1.1 At 35 % design of the new construction, the Government shall provide the Contractor with the following.

- a. The name and purpose of the new construction.
- b. Proposed floor plan.
- c. Proposed plumbing plan.
- d. A consolidated list of fixture types, including the number of each fixture type, the Drainage Fixture Unit Valve and the minimum size of trap as shown in the current edition of the Florida Building Code, Plumbing.
- e. For fixtures not listed specifically in the Florida building, Plumbing, the Government shall provide the Drainage Fixture Units per the Fixture Drain or Trap Size as prescribed in the Florida Building Code, Plumbing.

C.11.2 Sustainment, Restoration and Modernization (S/R/M) of Existing facilities. For S/R/M of existing facilities for projects valued at \$1,000 or more and add Drainage Fixture Units to the Sanitary Sewer system, the Government shall notify the Contractor of the S/R/M and the proposed date of funding.

At 35 % design of the project, the Government shall provide the Contractor with the following.

- a. The current name and purpose of the facility.
- b. The current floor plan with plumbing fixture demolition/alteration
- c. Proposed floor plan of new plumbing fixtures
- d. Proposed plumbing plan showing new fixtures.

C.12 COMPLIANCE WITH ENVIRONMENTAL AND SAFETY LAWS/CODES

The Contractor shall comply with all Federal, state and local environmental and safety laws and shall be responsible for environmental assessments, studies and coordination applicable to Federal, state, and local agencies required to execute their portion of this contract. This shall include, but not be limited to, all assessments, studies, permitting and coordination required to comply with Federal, state and local laws regarding endangered species, historic/archaeological, and hazardous/toxic materials.

C.13 INVOICES FOR SERVICES

C.13.1. Invoices shall be submitted to:

Utility Invoice Processing Center
(*Government Account Number)
Box 159
9226 Third Avenue Box 159
Norfolk, VA 23511-2313

The Utility's account number that corresponds to the Government's account number has been provided in the table at C.10 which include all associated Service Locations/Points; or to be determined upon service connection if applicable.

Please note: The mailing address MUST include the respective Government Account Number(s). Submission of invoices to another location/address will result in a rejection of the invoice.

C.13.2 The Contractor shall be paid by the designated disbursing officer for service furnished hereunder at the Rates specified, provided that the Government shall be liable for the minimum monthly charge, if any, specified in this contract commencing with the billing period in which service is initially furnished and continuing until this contract is terminated, except that the minimum monthly charge shall be equitably prorated for the billing period in which commencement and termination of this contract shall become effective.

C.13.3 Payments hereunder shall be contingent upon the availability of appropriations therefore and shall not be made in advance of the service rendered.

C.13.4 All bills for service shall be paid without penalty or interest unless such penalty or interest is allowed by the Prompt Payment Act (31 U.S.C. (S)(S) 3901-3907). The Government shall be entitled to any discounts customarily applicable to payment of bills by all customers of the Contractor.

C.13.5 Invoices for service rendered hereunder shall contain statements of the meter readings at the beginning of the billing period, meter constants, consumptions during the billing period, and such other pertinent data as reasonably required by the Government and is customarily provided by the Contractor to other customers of the same or similar class. The Contractor.

C.13.6 The Contractor hereby declares that Rates are not in excess of the lowest Rates now available to any existing or prospective customer under like conditions of service, or of the same classification, and agrees that during the life of this contract the Government shall continue to be billed at the lowest available rate for similar conditions of service.

C.13.7 All bills shall be paid promptly. (Prompt Payment Act (31 U.S.C. (S)(S) 3901-3907) shall apply. NOTE: This provision shall supersede any late payment provisions attached to this contract as Schedules, Tariffs, Riders, etc.

C.14 NOTICES BILLING DATA AND PAYMENT FOR SERVICES.

The designation of the person to be notified, or the address of such person, may be changed at any time and from time to time by either party by similar notice.

C.14.1 Any notice rate change information required by this Agreement will be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, (c) by United States Mail, postage prepaid, or (d) by email. Reference Servicing Location, Contract and/or Modification Number in all correspondence to:

NAVFAC SOUTHEAST
Attn: Supervisory Contracting Officer
CON CORE UTILITIES
BLDG 903, PO Box 30
Jacksonville, Florida 32212-0030

Email: NAVFAC_SE_UTLnotices@us.navy.mil

C.14.2. Billing and payment inquiries shall be submitted to:

NAVFAC SOUTHEAST
Attn: PW61 Billing Supervisor
PW61 BILLING
BLDG 903, PO Box 30
Jacksonville, Florida 32212-0030

Email: NAVFAC_SE_UTLBillingDept@us.navy.mil

C.15 SERVICE LOCATIONS

Service Location/Point	Account Number	Government Account Number
NAS Key West	401-0000-11503	SE_07_SE_00001

Requirements

Key West Wastewater Treatment System Utility Services for a period of 10 years/120 months.

Section D - Packaging and Marking

Section E - Inspection and Acceptance

Overall Contract Inspection/Acceptance Locations

0001	<p>Inspection and Acceptance Location</p> <p>Both Destination Instructions: TBD..</p> <p>DoDAAC: N44222 CountryCode: USA</p> <p>NAVFAC SOUTHEAST PWD KEY WEST PO BOX 9018 BLDG A 629, KEY WEST FL 33040-9018 KEY WEST, FL 33040-9018 UNITED STATES</p> <p>Roland Flowers, Utility Services Branch Director Email: roland.s.flowers.civ@us.navy.mil Telephone: (305) 797-6445</p>
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Section F - Deliveries or Performance

Line Item	Delivery Schedule	Quantity	Address and POC
0001	Partial Delivery Schedule Delivery Cycle From 01 May 2026 to 30 Apr 2036 120 Months	120 Months	Place of Performance DoDAAC: N44222 CountryCode: USA NAVFAC SOUTHEAST PWD KEY WEST PO BOX 9018 BLDG A 629, KEY WEST FL 33040-9018 KEY WEST, FL 33040-9018 UNITED STATES Roland Flowers, Utility Services Branch Director Email: roland.s.flowers.civ@us.navy.mil Telephone: (305) 797-6445
0002	Delivery On Or Before Delivery Date 01 May 2026	1 Project	Place of Performance DoDAAC: N44222 CountryCode: USA NAVFAC SOUTHEAST PWD KEY WEST BLDG A 629, KEY WEST FL 33040-9018 KEY WEST, FL 33040-9018 UNITED STATES Roland Flowers, Utility Services Branch Director Email: roland.s.flowers.civ@us.navy.mil Telephone: (305) 797-6445

Section G - Contract Administration Data

INVOICING

ACCOUNT ACCESS AUTHORIZATION

For Utility service account(s) inquiries to the Utility Provider by the Purchaser, authorized Government Personnel (i.e. Billing Specialist, Contracting Officer Representative (COR), Contracting Specialist or Officer) verification should be confirmed by providing the Purchaser's Employer Identification Number (EIN) or Tax ID. All associated utility services accounts under this contract/order shall have the EIN/Tax ID applied as its account access authorization identifier, which will be provided directly to the Utility Provider at the time of award. For reference and to assist in ensuring the correct EIN/Tax ID is utilized, a partial EIN/Tax ID is provided as follows: EIN 59- ***6953. The Contracting Officer will provide the Utility Provider the full EIN/Tax ID via separate email within 3 days after award.

Section H - Special Contract Requirements

Section I - Contract Clauses

FAR Clauses Incorporated by Reference

Number	Title	Effective Date	Alternate/ Deviation	Variation Effective Date
52.202-1	Definitions.	Jun 2020		
52.203-3	Gratuities.	Apr 1984		
52.203-5	Covenant Against Contingent Fees.	May 2014		
52.203-7	Anti-Kickback Procedures.	Jun 2020		
52.204-13	System for Award Management-Maintenance. (Deviation)	Feb 2026		
52.204-18	Commercial and Government Entity Code Maintenance.	Aug 2020		
52.204-19	Incorporation by Reference of Representations and Certifications.	Dec 2014		
52.222-1	Notice to the Government of Labor Disputes. (Deviation)	Feb 2026		
52.232-17	Interest.	May 2014		
52.232-18	Availability of Funds.	Apr 1984		
52.232-23	Assignment of Claims.	May 2014		
52.233-1	Disputes. (Deviation)	Feb 2026		
52.236-2	Differing Site Conditions. (Deviation)	Feb 2026		
52.237-2	Protection of Government Buildings, Equipment, and Vegetation.	Apr 1984		
52.241-2	Order of Precedence-Utilities.	Feb 1995		
52.241-4	Change in Class of Service.	Feb 1995		
52.241-5	Contractor's Facilities.	Feb 1995		
52.241-11	Multiple Service Locations.	Feb 1995		
52.242-14	Suspension of Work.	Apr 1984		
52.243-1	Changes-Fixed Price. (Deviation)	Feb 2026		
52.249-4	Termination for Convenience of the Government (Services) (Short Form).	Apr 1984		
52.249-8	Default (Fixed-Price Supply and Service).	Apr 1984		

DFARS Clauses Incorporated by Reference

Number	Title	Effective Date	Alternate/ Deviation	Variation Effective Date
252.203-7002	Requirement to Inform Employees of Whistleblower Rights.	Dec 2022		
252.204-7000	Disclosure of Information.	Oct 2016		
252.204-7003	Control of Government Personnel Work Product.	Apr 1992		
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting.	May 2024		
252.204-7018	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services.	Jan 2023		
252.225-7012	Preference for Certain Domestic Commodities.	Apr 2022		
252.241-7001	Government Access.	Dec 1991		
252.243-7001	Pricing of Contract Modifications.	Dec 1991		

FAR Clauses Incorporated by Full Text

52.241-3 Scope and Duration of Contract.

(Feb 1995)

Scope and Duration of Contract (Feb 1995)

- (a) For the period **10 years**, the Contractor agrees to furnish, and the Government agrees to purchase **wastewater** utility service in accordance with the applicable tariff(s), rules, and regulations as approved by the applicable governing regulatory body and as set forth in the contract.
- (b) It is expressly understood that neither the Contractor nor the Government is under any obligation to continue any service under the terms and conditions of this contract beyond the expiration date.
- (c) The Contractor shall provide the Government with one complete set of rates, terms, and conditions of service which are in effect as of the date of this contract and any subsequently approved rates.
- (d) The Contractor shall be paid at the applicable rate(s) under the tariff and the Government shall be liable for the minimum monthly charge, if any, specified in this contract commencing with the period in which service is initially furnished and continuing for the term of this contract. Any minimum monthly charge specified in this contract shall be equitably prorated for the periods in which commencement and termination of this contract become effective.

(End of clause)

52.241-6 Service Provisions.

(Feb 1995)

Service Provisions (Feb 1995)

(a) Measurement of service.

(1) All service furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the Contractor at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the service furnished, the parties shall agree upon the length of time of meter malfunction and the quantity of service delivered during such period of time. An appropriate adjustment shall be made to the next invoice for the purpose of correcting such errors. However, any meter which registers not more than **3 percent slow or fast** shall be deemed correct.

(2) The Contractor shall read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the cognizant regulatory body or applicable bylaws. All billings based on meter readings of less than **27 days** shall be prorated accordingly.

(b) Meter test.

(1) The Contractor, at its expense, shall periodically inspect and test Contractor-installed meters at intervals not exceeding **two (2) year(s)**. The Government has the right to have representation during the inspection and test.

(2) At the written request of the Contracting Officer, the Contractor shall make additional tests of any or all such meters in the presence of Government representatives. The cost of such additional tests shall be borne by the Government if the percentage of errors is found to be not more than **3 percent slow or fast**.

(3) No meter shall be placed in service or allowed to remain in service which has an error in registration in excess of **3 percent under normal** operating conditions.

(c) *Change in volume or character.* Reasonable notice shall be given by the Contracting Officer to the Contractor regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.

(d) *Continuity of service and consumption.* The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the Contractor, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service shall aggregate more than **24 hour(s)** during any billing period hereunder, an equitable adjustment shall be made in the monthly billing specified in this contract (including the minimum monthly charge).

(End of clause)

52.241-7 Change in Rates or Terms and Conditions of Service for Regulated Services.

(Feb 1995)

Change in Rates or Terms and Conditions of Service for Regulated Services (Feb 1995)

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The Contractor agrees to give the **Contracting Officer** written notice of (1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and (2) any changes pending with the regulatory body as of the date of contract award. Such notice shall fully describe the proposed change. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the Contractor shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the Government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The Contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) shall not be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the Contractor shall immediately provide a copy to the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service shall be made a part of this contract by the issuance of a contract modification unless otherwise specified in the contract. The effective date of the change shall be the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

(End of clause)

52.252-2 Clauses Incorporated by Reference.

(Feb 1998)

Clauses Incorporated By Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

FAR: <https://www.acquisition.gov/browse/index/far>

DFARS: <https://www.acquisition.gov/dfars>

NMCARS: <https://www.acquisition.gov/nmcars>

(End of clause)

Section J - List of Attachments

Attachments:

Number	Attachment Name	Attachment Description	Reference Identifier	Date
01	Exhibit 1 Meter Locations			17 Mar 2026
02	Exhibit 2 - 5 Year Capital Improvement plan (Five-Year Utility Assets Recapitalization Plan)			17 Mar 2026
03	Exhibit 3 Service Standards			17 Mar 2026
04	Exhibit 4 Annual Cost Basis			17 Mar 2026