

**CHANGE ORDER NO. 4**  
**To**  
**AGREEMENT For Purchase of Membrane Filtration System**  
**Between**  
**ZENON ENVIRONMENTAL COPORATION**  
**and**  
**CITY OF RAPID CITY, SOUTH DAKOTA**

This Contract Change Order is made by and between Zenon Environmental Corporation and the City of Rapid City, South Dakota, this 18th day of November, 2013, for the Rapid City Water Treatment Plant Upgrades – Jackson Springs Membrane Prepurchase; Project No. W07-1689.

Whereas, it is the mutual desire of the parties hereto to amend the AGREEMENT for EQUIPMENT PROCUREMENT entered into on the 16<sup>th</sup> day of November 2009, hereinafter called the Existing Agreement.

Therefore, it is hereby agreed that the Existing Agreement be amended as follows:

Zenon Environmental Corporation shall provide equipment and services for the Jackson Springs Water Treatment Plant Membrane Filtration System per the attached October 31, 2013 letter from Zenon Environmental Corporation at no cost to the City of Rapid City. The work to be completed under this change order is to be completed by January 31, 2014.

This change order will be deemed a part of, and be subject to, all terms and conditions of the Existing Agreement. Except as modified above, the Existing Agreement will remain in full force and effect.

ZENON ENVIRONMENTAL CORPORATION

**ACCEPTED:**

By Rob Puskas  
Title Project Manager  
Date Nov 5, 2013

**ATTEST:**

By [Signature]  
Title Project Management Leader  
Date Nov 6, 2013

CITY OF RAPID CITY

**ACCEPTED:**

By \_\_\_\_\_

Title Mayor \_\_\_\_\_

Date \_\_\_\_\_

**ATTEST:**

By \_\_\_\_\_

Title Finance Officer \_\_\_\_\_

Date \_\_\_\_\_

**END OF CHANGE ORDER NO. 4**



# GE Water & Process Technologies

Zenon Environmental Corporation  
3239 Dundas Street West  
Oakville, Ontario L6M 4B2  
Canada

T (905) 465-3030 x 3247  
C (289) 242 6098  
Robin.Puskas@ge.com

Dan Coon  
City of Rapid City  
300 Sixth Street  
Rapid City, SD 57701

October 31, 2013

Reference: (1) Agreement For Purchase of Membrane Filtration System for the Rapid City Water Treatment Plant Upgrades – Jackson Springs Membrane Pre-Purchase IW07-1689  
(2) Burns and McDonnell e-mail dated September 20, 2013 – JSWPT IPT Report

Subject: Jackson Springs WTP – Membrane Firm Capacity

Mr. Coon,

GE Water & Process Technologies (GE) entered into an the Reference (1) Agreement with City of Rapid City, South Dakota, subsequently assigned to Moltz Construction Inc. for GE to provide equipment, engineering and technical advisory services for commissioning of the Jackson Springs Water Treatment Plant (JSWPT) equipment. GE delivered the equipment per the GE Proposal 216132. Moltz completed installation of the equipment such that the Initial Performance Test (IPT) could be initiated. GE considered the IPT was successfully completed on August 9, 2013 and submitted its final results in a report dated August 16, 2013. Burns and McDonnell via Reference (2) challenged the results indicating an inconsistency with interpretation of design capacity in accordance with the contract. GE recognizes that there are differences in our understandings of the intent of the clarification Item Number 25 of Addendum 2. GE considers that Addendum No. 2 clarified the system's ability to meet 8MGD with one (1) train out of service was for cleaning intervals only, when temperatures were above 3 degree c, if below 3 degree c then all trains must be in service to meet capacity.

Notwithstanding the above, we do not see a benefit to the parties engaging in a protracted debate over contractual interpretations. GE clearly shares the desire for successful project completion and in keeping with a broader perspective of benefit to both the project and our business relationships, GE proposes the following as a fair and reasonable approach to satisfy contractual capacity concerns:

## GE Scope of Supply

1. Membrane (increase installed membrane by 25%)
  - a. Supply 150 new – ZW1000 550 sq. ft. modules
  - b. Associated membrane installation hardware
2. Engineering/Site assistance to include:
  - a. Redistributing Train 5 membrane modules (120 modules) into Trains 1, 2, 3 and 4
    - i. Placing 15 existing modules into each cassette

- b. Populating Train 5 cassettes with new ZW1000 modules (75 modules per cassette)
- c. Commissioning (10 man days on site – one visit)
  - i. Assistance with flushing Train 5
  - ii. Conducting bubble testing and repair membrane as needed
  - iii. Integrating revised membrane programming (8MGD Firm Capacity)
- d. System Updates – drawings and documentation

Scope of Supply (By Others)

- 1. Receiving and off-loading of GE supplied equipment
- 2. Assistance with crane operation
- 3. Supply chemicals and utilities during start-up and operation

The above offer is made in good faith, in the hopes that this matter can be resolved in a mutually acceptable manner completely in alignment with the spirit and intent of the Contract.

Sincerely,



Robin Puskas  
Project Manager  
GE Water & Process Technologies

Cc: Anthony Beeson - Burns & McDonnell  
Frank Borst - Moltz Construction