

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: November 18, 2008 Consent [X] Regular []
Public Hearing []

Submitted By: Water Utilities Department
Submitted For: Water Utilities Department

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: **A)** Supplement No. 1 to Work Authorization (WA) No. 1 with Southeast Drilling Services, Inc. for repair on the Southern Region Operations Center (SROC) Deep Injection Well in the amount of \$1,115,779.57; **B)** Supplement No. 2 to Work Authorization (WA) No. 1 in the total deductive amount of \$620,779.57 deleting materials for the purpose of sales tax recovery and designating Southeast Drilling Services, Inc., as the County's agent for the inspection and receipt of the materials; **C)** Purchase Order with vendor of the materials in the amount of \$585,617.52.

Summary: On June 3, 2008 the Board approved Work Authorization No. 1 (R2008-0979) to the Floridan and Deep Injection Well (DIW) Continuing Construction Contract to Southeast Drilling Services, Inc to perform a repair on the Southern Region Operations Center (SROC) deep injection well (DIW) in the amount of \$630,000 which included DIW video and testing, a pressure grout repair and removal of the steel tubing if the repair could not be performed. The DIW video revealed that the steel tubing can not be repaired. Supplement No. 1 is for replacement of the steel tubing with fiberglass tubing and a credit for the unused pressure grout repair in the net amount of \$1,080,617.52. By approving Supplement No. 2 and purchasing the associated materials directly from the vendor listed in the purchase order, sales tax savings of \$35,162.05 can be achieved. Southeast Drilling Services, Inc. has agreed to serve as the County's agent for the inspection and receipt of the equipment and materials at no additional cost. The Small Business Enterprise (SBE) participation goal established by the SBE Ordinance is 15.0% overall. This contract with Southeast Drilling Services, Inc. provides for SBE participation of 57.16% overall. Work Authorization No. 1 provides for SBE participation of 58.00% overall. (WUD Project No. 08-020) District 5 (JM)

Background and justification: On June 3, 2008 the Board awarded the Floridan and Deep Injection Well (DIW) Continuing Construction Contract to Southeast Drilling Services, Inc. in the amount of \$3,498,800 (R2008-0978) which included provisions for sales tax recovery. A leak inside the SROC deep injection well tubing was detected in September 2007. Video testing under Work Authorization No. 1 revealed that the existing steel tubing is corroded and must be replaced. Replacement of the steel tubing with fiberglass tubing was included in the Floridan and Deep Injection Well (DIW) Continuing Construction Contract with Southeast Drilling Services, Inc. Work Authorization No. 1 included a pressure grout repair in the amount of \$185,000 which is deleted in Supplement No. 1. Sales tax savings of \$35,162.05 can be achieved by approving Supplement No. 2 and purchasing the associated materials and equipment directly from the vendor.

Attachments:

- 1. Location Map
- 2. Two (2) Original Supplement Order No. 1
- 3. Two (2) Original Supplement Order No. 2
- 4. One (1) Original Purchase Order

Recommended By:  10/24/08
Department Director Date

Approved By:  11/5/08
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	<u>\$1,080,617.52</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>\$1,080,617.52</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Budget Account No.: Fund 4011 Dept 721 Unit W006 Object 6541

Is Item Included in Current Budget? Yes X No

Reporting Category N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:

\$1,080,617.52 is a one time capital expenditure from user fees and balance brought forward. Sales tax savings of \$35,162.05 are achieved by directly purchasing the materials and equipment for this project.

C. Department Fiscal Review: In Grants Fed dn

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

stwillhite, 10-30-08
OFMB (10/29) CN 10/30/08

Dr. J. ...
Contract Development and Control 10/30/08

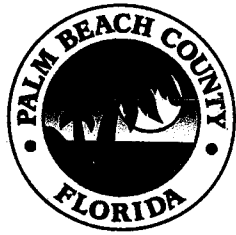
B. Legal Sufficiency:

[Signature]
Assistant County Attorney

This item complies with current County policies.

C. Other Department Review:

Purchasing Department Director



**Palm Beach County
Water Utilities
Department
Service Area (SA) and
Major Facilities**

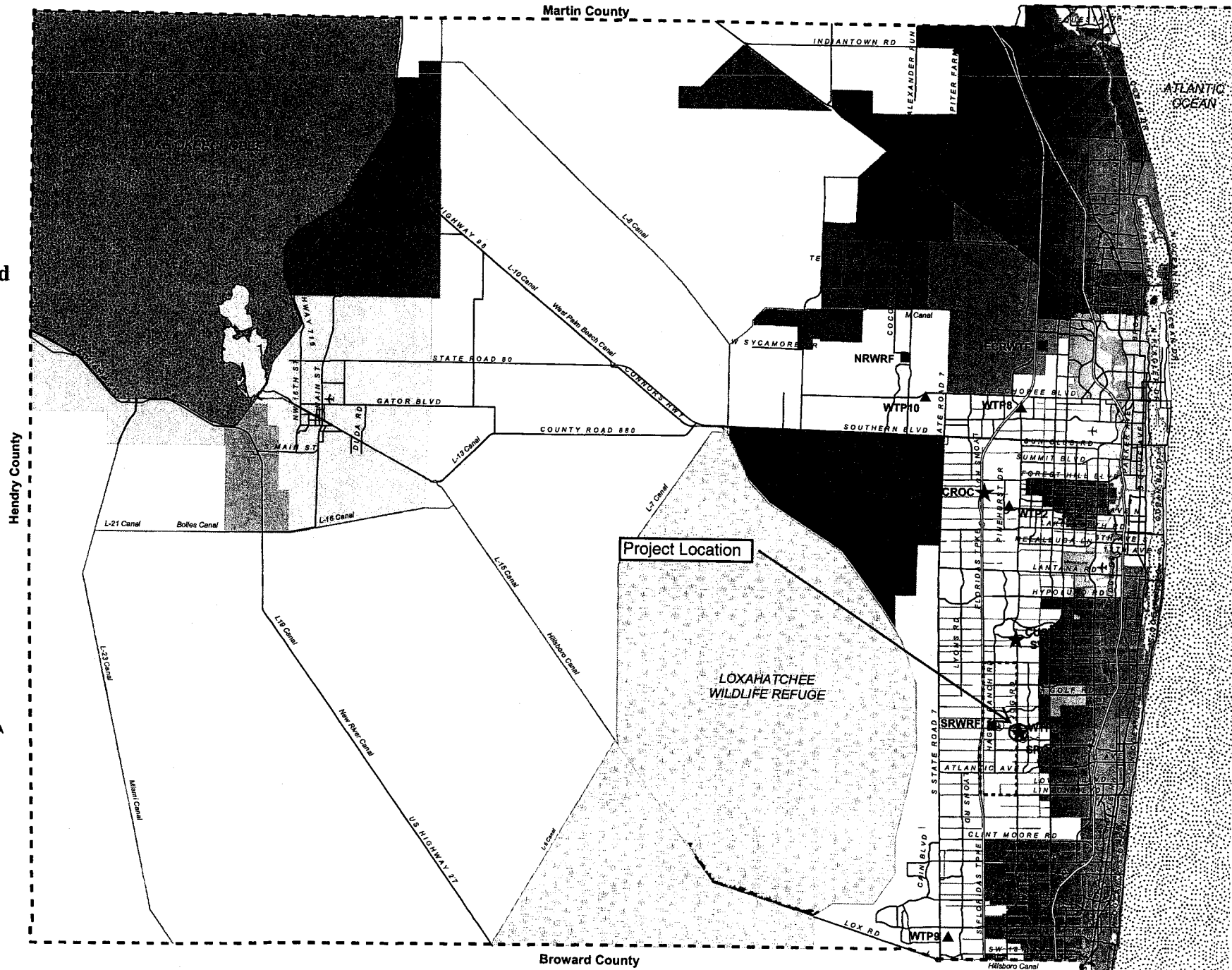
Attachment 1

Legend

- P.B.C.W.U.D. SA
- - - MANDATORY RECLAIMED SA
- - - Palm Beach County Limits
- ★ Administration
- Water Reclamation Facility
- ▲ Water Treatment Facility
- ⊙ Wetlands



NOT TO SCALE



WORK SUPPLEMENT

**Floridan and Deep Injection Well Continuing Construction Contract
Work Authorization No. 1 SROC Deep Injection Well Repair**

WORK SUPPLEMENT NO.: 1

WUD PROJECT NO. :WUD 08-020

**(Contractor): Southeast Drilling Services, Inc.
119 Lucina Drive
Hypoluxo, FL 33462**

**DOCUMENT NO. R2009-
CONTRACT DATE: June 3, 2008
NOTICE TO PROCEED:
BUDGET LINE ITEM: 4011-721-W006-6541**

You are directed to make the following changes to Work Authorization No. 1:

1. Delete Phase 2 Pressure Grout Repair (Bid Item No. 7). (\$185,000.00)
2. Add - Bid item No. 10 - Southern Region Operations Center (SROC) deep injection well (Phase 4) Work includes remobilization, killing of the artesian head, installing new 16" Red Box 1000 fiberglass reinforced pipe (FRP), installing TIW packer, new 316 stainless steel wellhead, perform full mechanical integrity test on deep injection well with tube and packer, emplacing Barcor 100 in the fluid filled annulus. Work includes all equipment, power, materials, labor, fuel, tools and incidentals necessary to complete the work as indicated in the contract specification and as shown on the plans. \$680,000.00
3. Add - Bid Item no. 9 - Furnish new Red Box 1000 16" fiberglass tubing FOB jobsite including sales tax (Section 01150 Measurement and Payment states payment shall be at the market price established at the time of the authorization which is less than indicted in the amount filled in by the County in the bid schedule – bid item No. 9) in the amount of \$620,779.57.

Total \$1,115,779.57

NOT VALID UNTIL SIGNED BY BOTH OWNER AND ENGINEER. SIGNATURE OF THE CONTRACTOR INDICATES HIS CONTRACT HEREWITH INCLUDING ANY ADJUSTMENT IN THE CONTRACT SUM OR CONTRACT TIME, AND NO ADDITIONAL COST OR TIME INDICATED HEREIN WILL BE RELATED TO THIS CHANGE

The Original Contract Sum was (CSA #1 to WUD 08-051).....	<u>\$630,000.00</u>
Net Change by previous Work Supplements	<u>\$0.00</u>
The Contract Sum prior to this Work Supplement was	<u>\$630,000.00</u>
The Contract Sum will be increased by this.....	<u>\$1,115,779.57</u>
The New Contract Sum indicating this Work Supplement will be...	<u>\$1,745,779.57</u>
The Contract Time will be increased by (180) Days	<u>180 days</u>
The Date of Substantial Compl. including this Work Supplement:	<u>April 17, 2009</u>
The Date of Final Completion including this Work Supplement:	<u>May 17, 2009</u>

Execution of this Work Supplement acknowledges final settlement of, and releases, all claims for costs and time associated, directly or indirectly, with the above stated modification(s), including all claims for cumulative delays or disruptions resulting from, caused by, or incident to such modification(s), and including any claim that the above stated modification(s) constitutes, in whole or part, a cardinal change to the contract.

Palm Beach County
ENGINEER
P.O. Box 16097
Address
W. Palm Beach, FL 33416

CONTRACTOR-Southeast Drilling
119 Lucina Drive
Address
Hypoluxo, FL 33462

Palm Beach County
OWNER
P.O. Box 16097
Address
West Palm Beach, FL 33416

BY *Diana Rivera*

BY *[Signature]*

BY _____
Chair

DATE 10/16/08

DATE 10/14/08

DATE _____

[Signature]

EXHIBIT 'A'

**SUPPLEMENT NO. 1
WORK AUTHORIZATION NO. 1
PALM BEACH COUNTY
WATER UTILITIES DEPARTMENT
ENGINEERING/PROFESSIONAL SERVICES**

**SCOPE OF WORK
FOR**

Site 3 (WTP 3) – Deep Injection Well IW-1, Furnish and Install Tube & Packer

INTRODUCTION

Palm Beach County (County) entered into a Contract for Construction Services dated June 3, 2008 (Resolution/Document 2008-0978), by and between Palm Beach County and Southeast Drilling Services, Inc., for the Construction Services of this Authorization.

This Contract for Construction Services encompasses providing services related to repair of DIW IW-1 at Site 3 (WTP 3).

SCOPE OF SERVICES

The Scope of Services includes:

1. Delete Phase 2 Pressure Grout Repair (Bid Item No. 7). (\$185,000.00)
2. Add - Bid item No. 10 - Southern Region Operations Center (SROC) deep injection well (Phase 4) Work includes remobilization, killing of the artesian head, installing new 16" Red Box 1000 fiberglass reinforced pipe (FRP), installing TIW packer, new 316 stainless steel wellhead, perform full mechanical integrity test on deep injection well with tube and packer, emplacing Barcor 100 in the fluid filled annulus. Work includes all equipment, power, materials, labor, fuel, tools and incidentals necessary to complete the work as indicated in the contract specification and as shown on the plans. \$680,000.00
3. Add - Bid Item no. 9 - Furnish new Red Box 1000 16" fiberglass tubing FOB jobsite including sales tax (Section 01150 Measurement and Payment states payment shall be at the market price established at the time of the authorization which is less than indicted in the amount filled in by the County in the bid schedule – bid item No. 9) in the amount of \$620,779.57.

Total \$1,115,779.57

COMPENSATION

Compensation shall be based on the Contract for Construction Services dated June 3, 2008 (Resolution/Document 2008-0978) as approved by the Board of County Commissioners.

SBE- M/WBE PARTICIPATION

As described in Section 7.5 of the Contract, SBE participation is included in Attachment B and Attachment C under this Authorization. The attached Schedule 1 defines the SBE – M/WBE applied to this Contract.

ATTACHMENT – A	Public Construction Bond
ATTACHMENT – B	Supplement no. 1 Schedule of Bid Items
ATTACHMENT – C	SBE Schedule 1
ATTACHMENT – D	SBE Schedule 2
ATTACHMENT – E	Location Map

EXHIBIT - B

FLORIDAN AND DEEP INJECTION WELL CONTINUING CONSTRUCTION CONTRACT

SUMMARY AND STATUS OF REQUESTS FOR AUTHORIZATIONS

Auth. No.	Description	Status	Project Total Amount	Date Approved	WUD No. Assigned	Contractor Project No.
1	Site 3 (WTP #3) DIW Repair	Approved	\$ 630,000.00	6/3/2008	08-062	
2	SRPF - DIW MIT & MW Repair	Approved	\$ 297,000.00	6/3/2008	08-020	
3						
4						
5						
6						
7						
8						
9						
10						
	SUPPLEMENTS					
1	Supplement No. 1 to WA No. 1 - Site 3 Tube & Packer	Pending	\$ 1,115,779.57		08-062	
2						
TOTAL			\$ 2,042,779.57			

ATTACHMENT C

SCHEDULE #1

PARTICIPATION FOR M/WBE CONTRACTORS

PROJECT NAME: SROC (Site 3) DIW Tube & Packer Replacment PROJECT NUMBER: WUD 08-020

NAME OF PRIME BIDDER: Southeast Drilling Services, Inc.

CONTACT PERSON: Bart Ziegler

TELEPHONE NUMBER: (813) 968-7277

WORK AUTHORIZATION NO: 1

DEPARTMENT: Water Utilities Department

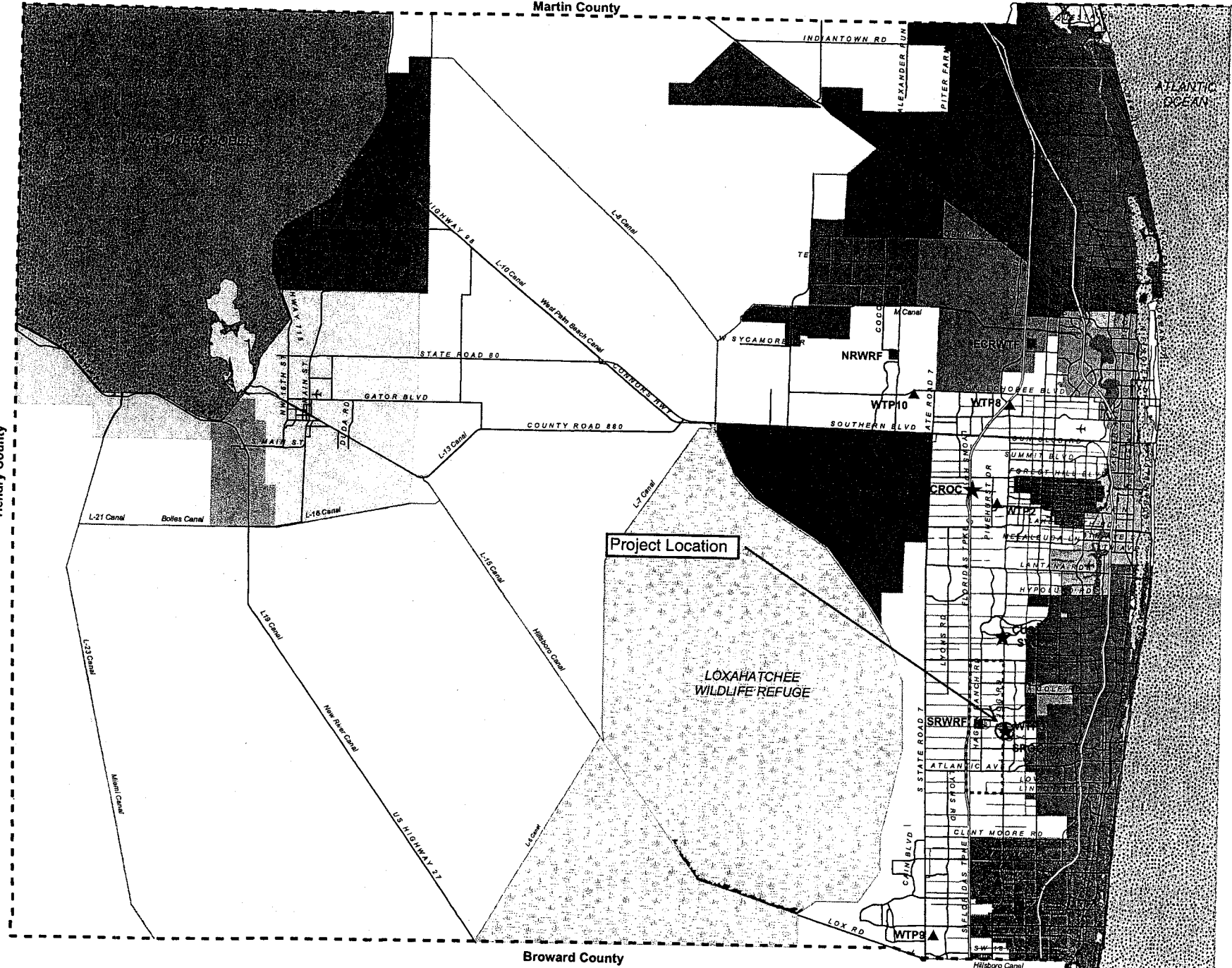
Name of Minority Contractor	Type and Description of Work	Contract Amount MWBE			
		Black	Hispanic	Other	Women
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00

PRIME CONTRACTOR TO COMPLETE:	TOTAL PERCENT	<u>\$0.00</u> <u>0.00%</u>	<u>\$0.00</u> <u>0.00%</u>	<u>\$0.00</u> <u>0.00%</u>	<u>\$0.00</u> <u>0.00%</u>
-------------------------------	----------------------	-------------------------------	-------------------------------	-------------------------------	-------------------------------

WORK AUTHORIZATION PRICE:	<u>\$630,000.00</u>	TOTAL % PARTICIPATION:	<u>0.00%</u>
Supplement No. 1 to WA No. 1	<u>\$1,115,779.57</u>		
TOTAL SBE:	<u>\$0.00</u>		



**Palm Beach County
Water Utilities
Department
Service Area (SA) and
Major Facilities**



- Legend**
- P.B.C.W.U.D. SA
 - - - MANDATORY RECLAIMED SA
 - - - Palm Beach County Limits
 - ★ Administration
 - Water Reclamation Facility
 - ▲ Water Treatment Facility
 - ⊙ Wetlands



NOT TO SCALE

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 929452611 effective June 3, 2008
issued by the Western Surety Company
in the amount of Six Hundred Thirty Thousand and 00/100 DOLLARS,
on behalf of Southeast Drilling Services, Inc.
as Principal and in favor of Palm Beach County
as Obligee:

Now, Therefore, it is agreed that:

Bond Limit is Increased to \$1,125,000.00 to reflect the changes of Work Supplements #1 & #2

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 3rd day of June, 2008

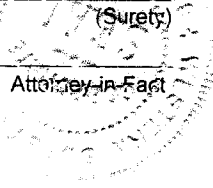
Signed, sealed and dated this 20th day of October, 2008

Southeast Drilling Services, Inc.
Sonya P. Ziegler, Sec.
(Principal)

By: Sonya P. Ziegler

Western Surety Company

By: Michael Rogers
Michael Rogers



(Surety)
Attorney-in-Fact

Accepted By:

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Michael Wayne Rogers, William Cyrus Owen III, Sharon Elaine Taylor, Individually

of Temple Terrace, FL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 11th day of October, 2006.

WESTERN SURETY COMPANY



Paul T. Bruflat

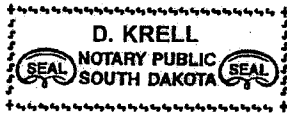
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } SS

On this 11th day of October, 2006, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell

D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 20th day of October, 2008



WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary

WORK SUPPLEMENT

**Floridan and Deep Injection Well Continuing Construction Contract
 Work Authorization No. 1 SROC Deep Injection Well Repair
 WORK SUPPLEMENT NO.: 2**

WUD PROJECT NO. :WUD 08-020

**(Contractor): Southeast Drilling Services, Inc.
 119 Lucina Drive
 Hypoluxo, FL 33462**

**DOCUMENT NO. R2009-
 CONTRACT DATE: June 3, 2008
 NOTICE TO PROCEED:
 BUDGET LINE ITEM: 4011-721-W006-6541**

You are directed to make the following changes to Work Authorization No. 1:

1. Delete cost of fiberglass reinforced pipe (tubing) for the purpose of sales tax recovery (for Phase 4 of CSA No. 1). Southeast Drilling Services, Inc. will serve as the County's agent for the inspection and receipt of materials in the amount of \$620,779.57.

Total <\$620,779.57>

NOT VALID UNTIL SIGNED BY BOTH OWNER AND ENGINEER. SIGNATURE OF THE CONTRACTOR INDICATES HIS CONTRACT HEREWITH INCLUDING ANY ADJUSTMENT IN THE CONTRACT SUM OR CONTRACT TIME, AND NO ADDITIONAL COST OR TIME INDICATED HEREIN WILL BE RELATED TO THIS CHANGE

The Original Contract Sum was (CSA #1 to WUD 08-051).....	\$630,000.00
Net Change by previous Work Supplements	\$1,115,779.57
The Contract Sum prior to this Work Supplement was	\$1,745,779.57
The Contract Sum will be decreased by this.....	<\$620,779.57>
The New Contract Sum indicating this Work Supplement will be...	\$1,125,000.00
The Contract Time will be unchanged by (0) Days	0
The Date of Substantial Compl. including this Work Supplement:	N/A
The Date of Final Completion including this Work Supplement:	N/A

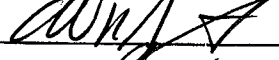
Execution of this Work Supplement acknowledges final settlement of, and releases, all claims for costs and time associated, directly or indirectly, with the above stated modification(s), including all claims for cumulative delays or disruptions resulting from, caused by, or incident to such modification(s), and including any claim that the above stated modification(s) constitutes, in whole or part, a cardinal change to the contract.

Palm Beach County
ENGINEER
 P.O. Box 16097
Address
 W. Palm Beach, FL 33416

CONTRACTOR-Southeast Drilling
 119 Lucina Drive
Address
 Hypoluxo, FL 33462

Palm Beach County
OWNER
 P.O Box 16097
Address
 West Palm Beach, FL 33416

BY _____
 DATE _____

BY 
 DATE 6/10/08

BY _____
 DATE _____, Chair

BJS 6-10-08

EXHIBIT 'A'

**SUPPLEMENT NO. 2
WORK AUTHORIZATION NO. 1
PALM BEACH COUNTY
WATER UTILITIES DEPARTMENT
ENGINEERING/PROFESSIONAL SERVICES**

**SCOPE OF WORK
FOR**

Site 3 (WTP 3) – Deep Injection Well IW-1, Furnish and Install Tube & Packer

INTRODUCTION

Palm Beach County (County) entered into a Contract for Construction Services dated June 3, 2008 (Resolution/Document 2008-0978), by and between Palm Beach County and Southeast Drilling Services, Inc., for the Construction Services of this Authorization.

This Contract for Construction Services encompasses providing services related to repair of DIW IW-1 at Site 3 (WTP 3) as outlined in Work Authorization No. 1 and Supplement No. 1 to WA No. 1.

SCOPE OF SERVICES

The Scope of Services includes:

1. Delete cost of fiberglass reinforced pipe (tubing) and packer for the purpose of sales tax recovery (for Phase 4 of CSA No. 1). Southeast Drilling Services, Inc. will serve as the County's agent for the inspection and receipt of materials.

Bid Item No. 9 of the Bid Schedule Form shows the cost of the tubing as \$700,000, however Section 01150 Measurement and Payment confirms payment will be made for the actual cost of furnish new Red Box 1000 16" fiberglass tubing FOB.

Total <\$620,779.57>

COMPENSATION

Compensation shall be based on the Contract for Construction Services dated June 3, 2008 (Resolution/Document 2008-0978) as approved by the Board of County Commissioners.

SBE- M/WBE PARTICIPATION

As described in Section 7.5 of the Contract, SBE participation is included in Attachment B and Attachment C under this Authorization. The attached Schedule 1 defines the SBE – M/WBE applied to this Contract.

ATTACHMENT – A	Public Construction Bond
ATTACHMENT – B	Supplement no. 1 Schedule of Bid Items
ATTACHMENT – C	SBE Schedule 1
ATTACHMENT – D	SBE Schedule 2
ATTACHMENT – E	Location Map

EXHIBIT - B

FLORIDAN AND DEEP INJECTION WELL CONTINUING CONSTRUCTION CONTRACT

SUMMARY AND STATUS OF REQUESTS FOR AUTHORIZATIONS

Auth. No.	Description	Status	Project Total Amount	Date Approved	WUD No. Assigned	Contractor Project No.
1	Site 3 (WTP #3) DIW Repair	Approved	\$ 630,000.00	6/3/2008	08-062	
2	SRPF - DIW MIT & MW Repair	Approved	\$297,000.00	6/3/2008	08-020	
3						
4						
5						
6						
7						
8						
9						
10						
	SUPPLEMENTS					
1	Supplement No. 1 to WA No. 1 - Site 3 Tube & Packer	Pending	\$ 1,115,779.57		08-062	
2	Supplement No. 2 to WA No. 1 - Sales Tax Recovery	Pending	(\$620,779.57)		08-062	
TOTAL			\$ 1,422,000.00			

ATTACHMENT C

SCHEDULE #1

PARTICIPATION FOR M/WBE CONTRACTORS

PROJECT NAME: SROC (Site 3) DIW Tube & Packer Replacment

PROJECT NUMBER: WUD 08-020

NAME OF PRIME BIDDER: Southeast Drilling Services, Inc.

CONTACT PERSON: Bart Ziegler

TELEPHONE NUMBER: (813) 968-7277

WORK AUTHORIZATION NO: 1

DEPARTMENT: Water Utilities Department

Name of Minority Contractor	Type and Description of Work	Contract Amount MWBE			
		Black	Hispanic	Other	Women
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$0.00

PRIME CONTRACTOR TO COMPLETE:

**TOTAL
PERCENT**

\$0.00
0.00%

\$0.00
0.00%

\$0.00
0.00%

\$0.00
0.00%

WORK AUTHORIZATION PRICE:

\$630,000.00

Supplement No. 1 to WA No. 1

\$1,115,779.57

Supplement No. 2 to WA No. 1

-\$620,779.57

TOTAL SBE:

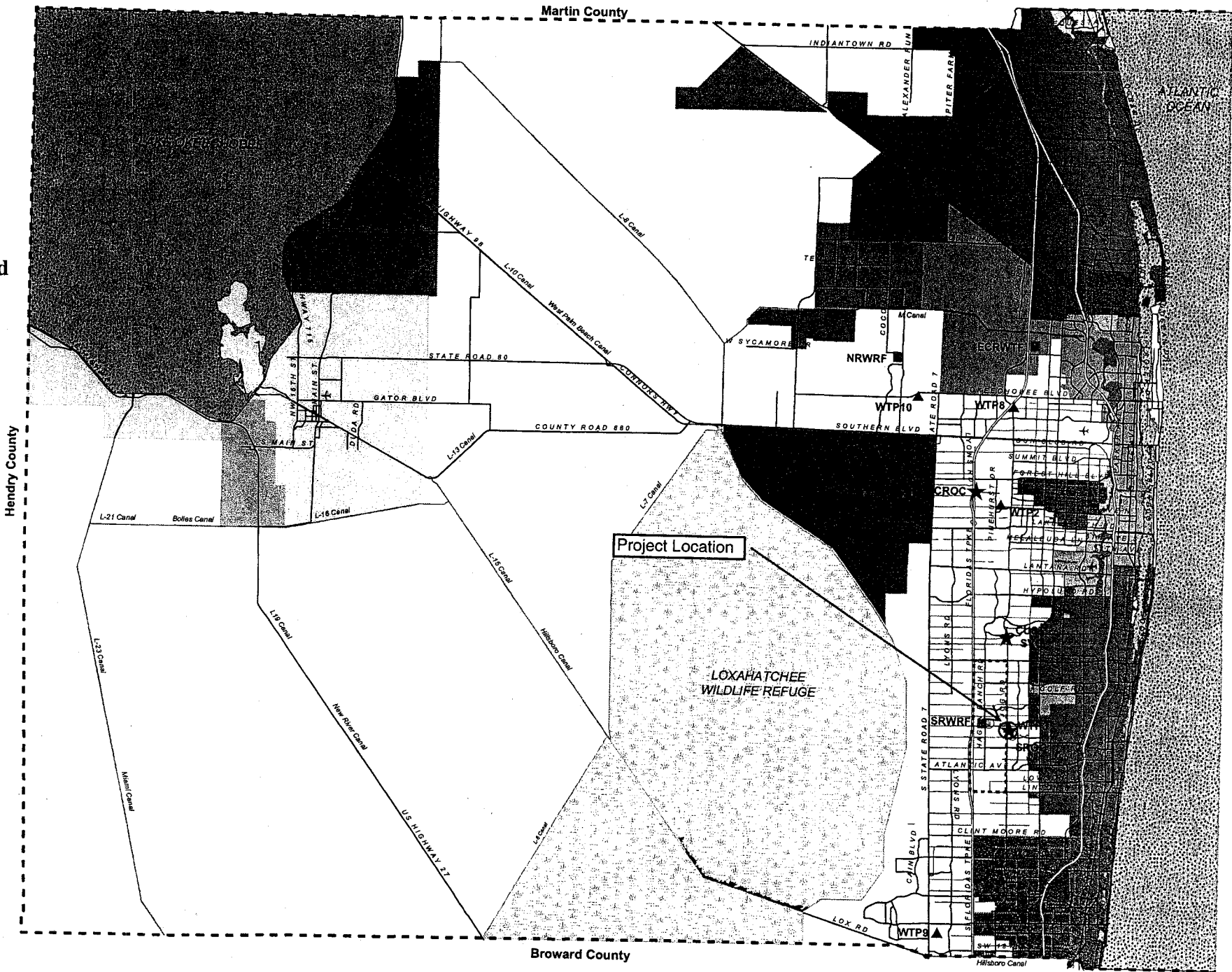
\$0.00

TOTAL % PARTICIPATION:

0.00%



**Palm Beach County
Water Utilities
Department
Service Area (SA) and
Major Facilities**



- Legend**
- P.B.C.W.U.D. SA
 - MANDATORY RECLAIMED SA
 - - - - - Palm Beach County Limits
 - ★ Administration
 - Water Reclamation Facility
 - ▲ Water Treatment Facility
 - ⊕ Wetlands



NOT TO SCALE

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 929452611 effective June 3, 2008
issued by the Western Surety Company
in the amount of Six Hundred Thirty Thousand and 00/100 DOLLARS,
on behalf of Southeast Drilling Services, Inc.
as Principal and in favor of Palm Beach County
as Obligee:

Now, Therefore, it is agreed that:

Bond Limit is Increased to \$1,125,000.00 to reflect the changes of Work Supplements #1 & #2

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 3rd day of June, 2008

Signed, sealed and dated this 20th day of October, 2008

Southeast Drilling Services, Inc.

Sonya P. Ziegler, Sec.
(Principal)

By: Sonya P. Ziegler

Western Surety Company

By: [Signature]
Michael Rogers

(Surety)

Attorney-in-Fact

Accepted By:

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Michael Wayne Rogers, William Cyrus Owen III, Sharon Elaine Taylor, Individually

of Temple Terrace, FL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 11th day of October, 2006.

WESTERN SURETY COMPANY



Paul T. Bruflat

Paul T. Bruflat, Senior Vice President

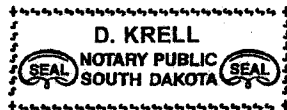
State of South Dakota }
County of Minnehaha }

ss

On this 11th day of October, 2006, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell

D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 20th day of October, 2008



WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary

Purchase Requisition Request Form
 SROC (WTP #3) Tubing and Packer Replacement
 Project Nos. WUD 08-020
 Palm Beach County, Florida

Invoicing address:
 Palm Beach County Water Utilities
 8100 Forest Hill Blvd.
 West Palm Beach, FL 33413
 ATTN: Tom Uram

ATTACHMENT B
 Per Palm Beach County
 PO # PBC 08-020 - 1

Issued To:	Ozone Industries Corporation 15551 Pine Ridge Road Fort Myers, FL 33908 Attn: Mr. Paul McCullers	Delivery Address:	Southern Region Operations Center, 13026 Jog Road, Delray Beach, FL 33446 Call for delivery instruction: (561) 818-1673		
Date	Project No.	Deliverery Date	Ship via	F.O.B.	Terms
	WUD 08-020	As ordered by Southeast Drilling Services, Inc.	VENDOR	Project Site	Net 30

In the event of a conflict between the elements of this Purchase Order, the descending order of enforcement precedence shall be: 1. the Purchase Order, 2. Attachment A and 3. this Attachment B. Invalidation of terms of any portion of this agreement by a terms of higher precedence will be done without invalidating the remaining terms and conditions.

Attachments:

1. Palm Beach County Purchase Order #08-020 - 1
2. Attachment A is included by reference and provides Palm Beach County Terms and Conditions applicable to this Purchase Order.
3. Attachment B, this Purchase Requisition Request Form with attachments, is included by reference and provides a description of materials and equipment as required and provides applicable terms and conditions.

Notes:

1. Contract Schedule: Schedule Shipment as coordinated by Southeast Drilling Services, Inc. Submit a minimum of six (6) copies of shop drawings for approval.
2. Vendor shall sign a duplicate copy of the Purchase Order to acknowledge the receipt of this order, acceptance of of all Terms and Conditions and return to the Water Utilities Department, Attn: Procurement Manager, 8100 Forest Hill Blvd., WPB, FL 33413
3. This Purchase Order confirms acceptance of WUD 08-020
4. Materials for FOB jobsite.
5. All shipments must be labeled "County Furnished material for Project No. WUD 08-020"
6. Materials shall be complete and in strict accordance with Plans and Specifications prepared by PBCWUD for SROC (WTP #3) - Tubing and Packer Replacement Project (WUD 08-020).
7. All deliveries must be scheduled 24 hours in advance. Receiving hours are Monday - Friday (excluding County Hollidays) 7:30 AM - 3:00 PM

Quantity	Description	Unit Cost	Total
See Attachment	See Attachment	See Attachment	\$585,617.52
		S&H	Included
		SubTotal	\$585,617.52
		Sales Tax Rate	Exempt
		Sales Tax	0.00
		Total Due	\$585,617.52


 Authorized Signature/Project Representative
 Bart Ziegler

Purchase Requisition Request Form

SROC (WTP #3) Tubing and Packer Replacement
 Project Nos. WUD 08-020
 Palm Beach County, Florida

Invoicing address:

Palm Beach County Water Utilities
 8100 Forest Hill Blvd.
 West Palm Beach, FL 33413
 ATTN: Tom Uram

ATTACHMENT B

Per Palm Beach County
 PO # PBC 08-020 - 1

Issued To: Ozone Industries Corporation
 15551 Pine Ridge Road
 Fort Myers, FL 33908
 Attn: Mr. Paul McCullers

Delivery Address:

Southern Region Operations Center,
 13026 Jog Road, Delray Beach, FL 33446
Call for delivery instruction: (561) 818-1673

Date	Project No.	Deliverey Date	Ship via	F.O.B.	Terms
	WUD 08-020	As ordered by Southeast Drilling Services, Inc.	VENDOR	Project Site	Net 30

In the event of a conflict between the elements of this Purchase Order, the descending order of enforcement precedence shall be: 1. the Purchase Order, 2. Attachment A and 3. this Attachment B. Invalidation of terms of any portion of this agreement by a terms of higher precedence will be done without invalidating the remaining terms and conditions.

Attachments:

1. Palm Beach County Purchase Order #08-020 - 1
2. Attachment A is included by reference and provides Palm Beach County Terms and Conditions applicable to this Purchase Order.
3. Attachment B, this Purchase Requisition Request Form with attachments, is included by reference and provides a description of materials and equipment as required and provides applicable terms and conditions.

Notes:

1. Contract Schedule: Schedule Shipment as coordinated by Southeast Drilling Services, Inc. Submit a minimum of six (6) copies of shop drawings for approval.
2. Vendor shall sign a duplicate copy of the Purchase Order to acknowledge the receipt of this order, acceptance of of all Terms and Conditions and return to the Water Utilities Department, Attn: Procurement Manager, 8100 Forest Hill Blvd., WPB, FL 33413
3. This Purchase Order confirms acceptance of WUD 08-020
4. Materials for FOB jobsite.
5. All shipments must be labeled "County Furnished material for Project No. WUD 08-020"
6. Materials shall be complete and in strict accordance with Plans and Specifications prepared by PBCWUD for SROC (WTP #3) - Tubing and Packer Replacement Project (WUD 08-020).
7. All deliveries must be scheduled 24 hours in advance. Receiving hours are Monday - Friday (excluding County Hollidays) 7:30 AM - 3:00 PM

Quantity	Description	Unit Cost	Total
See Attachment	See Attachment	See Attachment	\$585,617.52
		S&H	Included
		SubTotal	\$585,617.52
		Sales Tax Rate	Exempt
		Sales Tax	0.00
		Total Due	\$585,617.52


 Authorized Signature/ Project Representative
 Bart Ziegler