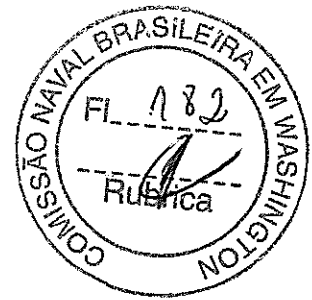




Brazilian Naval Commission in Washington
5130 MacArthur Blvd., NW, Washington, D.C. 20016-3316



Contract Between
Brazilian Naval Commission in Washington
and Calvert Mechanical Solutions

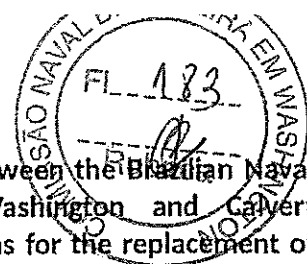
for

**Replacement of the Air Conditioning and Heating System of the Brazilian Naval
Commission in Washington.**

Contract nº 70200/21-07/00

Reference: – Bidding Process no 03/2021 (Online Reverse Bid).

Handwritten initials/signature



Contract signed between the Brazilian Naval Commission in Washington and Calvert Mechanical Solutions for the replacement of the Air Conditioning and Heating System (HVAC System) of the Brazilian Naval Commission in Washington.

The Brazilian Navy, through the Brazilian Naval Commission in Washington, headquartered at 5130 MacArthur Blvd., NW, Washington, DC, 20016, represented by the President of this Naval Commission, Captain JOSÉ AUGUSTO CORREIA NETO, holder of identification card No 629980-6; and Calvert Mechanical Solutions, represented by Bryan Collins, HVAC sales Specialist, with office at 8801 Mylander Ln, Towson, MD 21286, enter into this agreement, arising from Online Reverse Bid No. 03/2021, subject to the following clauses and conditions.

FIRST CLAUSE - OBJECT:

1.1 The object of this contract is the contracting of a specialized company to replace the air conditioning and heating system (HVAC System) of this Naval Commission.

1.2 Replacing the air conditioning and heating system involves:

a) Boiler Replacement::

- I. Removal of the existing boiler and discard it off site;
- II. Supply and install a new 95+% high efficiency boiler unit;
- III. Installation shall include replacement of all piping, drains, couplings, mounting hardware, curbs, insulation and associated structural supports as needed to perform the work
- IV. Reconnect piping, electrical and controls;
- V. Supply and install exhaust piping for the new boiler;
- VI. Provide and install all piping, insulation and wiring as needed; e
- VII. Provide initial process and one-year warranty on installation.

b) Air Conditioning Units:

- I. Recover and dispose of cooler gas in accordance with EPA requirements;
- II. Remove existing condensing units, coils and other components and dispose of them off site;
- III. Supply and install a new condensing unit and cooling coil with a minimum EER of 10.8 based on consortium requirements for energy efficiency (CEE);
- IV. The unit must meet the standards of the Institute of Air Conditioning, Heating and Cooling (AHRI) (210/240, 320 or 340/360);
- V. All cooling must comply with local and federal codes;
- VI. Disconnect the ducts, controls, drains and pipes from the two air handling units (air handlers) on each floor and replace the two units with new ones, reconnecting all components.
- VII. Provide and install all associated piping, insulation and wiring as needed;

Handwritten initials or signature.

VIII. Installation shall include replacement of all piping, drains, couplings, mounting hardware, insulation, power and control wiring and associated structural supports; e
IX. Provide initial process and one-year warranty.

c) The HVAC system must have a web interface for control and monitoring.



SECOND CLAUSE - VALIDITY

This Contract will enter into force and will apply with the signature of both parties, from November 23rd, 2021 and expiring on November 23rd, 2022.

THIRD CLAUSE - PRICE

3.1 The value of the service, including the material to be used, is USD 349,000.00.

3.2 The amount above includes all direct and indirect ordinary expenses arising from the execution of the object, including licenses and any charges necessary to fully comply with the object of the contract.

FOURTH CLAUSE - BUDGET ALLOCATION

4.1 The expenses arising from this contracting are programmed in a specific budget allocation, provided for in the budget of the Union, for the year 2021, in the classification below:

Management/Unit: 00001/70200;

PTRES: 174672;

Internal Action: G483MN1; e

Nature of Expense: 339039.

FIFTH CLAUSE - PAYMENT

5.1 The fixed price of this contract is US\$ 349,000.00 (price in full).

5.2 During the term of this Contract, the amount fixed above may not vary.

5.3 The price will be fixed as follows:

a) 1/3 on the date of signing the contract;

b) 1/3 on the starting the project (April 01, 2022, estimated); and

c) 1/3 completion of the project (June 01, 2022, estimated) with in 30 days (July 01,2022, estimated).

5.4 Invoices issued by the Contractor must strictly comply with this Contract.

5.5 Invoices must be issued by the Contractor, on letterhead.

5.6 All invoices must contain the Contractor's bank information for payment.

5.7 Invoices must be send to the Contracting party to the email address: cnbw.services@marinha.mil.br.

5.8 The payment agreed in this Contract refers to a period of 30 days after the presentation of the respective invoice.

Handwritten initials/signature

5.9 Payments are subject to discounts resulting from administrative penalties, duly calculated in a specific process.

SIXTH CLAUSE - READJUSTMENT

This contract cannot be readjusted during its term.

SEVENTH CLAUSE - WARRANTY

A guarantee of service provision of at least 01 year will be required.

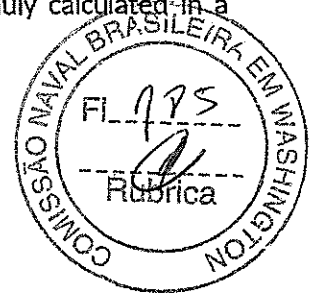
EIGHTH CLAUSE – OBLIGATIONS OF THE CONTRACTING PARTY AND CONTRACTING PARTY AND CONTRACTOR

8.1 CONTRACTING PARTY'S OBLIGATIONS

- a) monitor contractual compliance, through the contract inspector COMMANDER DANIEL MARQUES RUBIN;
- b) notify the Contractor, in writing, of the irregularities verified in the provision of the service;
- c) provide the credentials of the contractor's employees so that they can perform their activities;
- d) make payment to the Contractor in the manner established in this contract, without delay.
- e) reject, in whole or in part, the contracted object, when in disagreement with the specifications contained in this Contract.

8.2 CONTRACTOR'S OBLIGATIONS

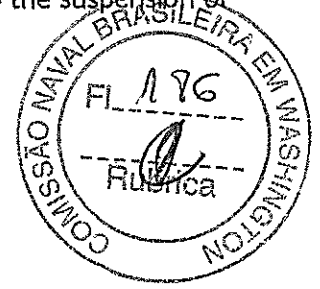
- a) comply with the provision of service under the terms of the presented execution schedule, without delays, interruptions or failures;
- b) present to BNC the names of its employees, with their respective identifications, so that proper credentials is given out for entry to the Naval Commission;
- c) notify BNC, in writing, within 48 hours in advance, of any necessary replacements of employees;
- d) maintain, throughout the execution of the contract, in accordance with the assumed obligations, all the qualification conditions required in Bidding Process No. 03/2021 (Online Reverse Bid);
- e) perform the provision of service, assuming full responsibility for any damage or failure;
- f) assume any and all charges, related to salaries, overtime, additional social charges and others related to its employees;
- g) assume responsibility for tax and commercial expenses arising from the award of this Bidding Process No. 03/2021 (Online Reverse Bid);
- h) assume responsibility for any work accident, involving its employees or subcontractors, that may occur during the provision of service;
- i) obtain any licenses for the provision of service;



Handwritten initials or signature.

j) notify the contracting party of any supervening impediments that may lead to the suspension or interruption of the contracted service provision; and

k) certify the guarantee of service provision by its own instrument.



8.2.1 Scope of work (30 Ton Units);

a) Shut down the existing 30 Ton York Split systems;

b) Remove the refrigerant according to EPA regulations;

c) Disconnect and remove the existing AHU's;

d) Provide and install (2) new York 30 Ton Split system. The new AHU is complete with new hydronic coils. The new air handling units to sit on new vibration isolation springs. The new air handling units model number is (ND360C00N6AAA1);

e) Provide and install (2) new York 30 Ton condensing units to be installed in the same location as the existing. New units to sit on new vibration isolation springs. The new condensing units model number is (YD360C00A2BAA2);

f) Make necessary modifications needed to adapt the existing duct system to the new air handling units;

g) Reconnect the existing hydronic loop piping to the new units.

h) Supply and install a new 3-way valve complete with new power head. All new loop piping is to be copper;

i) Reconnect the existing high voltage electric. Will furnish and install new NEMA 3 weatherproof fused disconnects and make modification to the outdoor conduits (feeds) as needed to fit the new units in the existing location.

j) Run new refrigeration lines and new insulation (1/2" wall thickness) from the new indoor units to the new outdoor units. Each system would be complete with a dual circuit application. A total of (4) new lines are to be installed.

k) Pressure test and evacuate the system to 400 microns.

l) Perform start up and adjust the refrigeration charge as needed. Will provide the contractor with a written initial location report.

m) Oversee the air balance of the new split systems.

8.2.2 Scope of work (Boiler):

a) Shall remove (Qty 1) existing Smith gas-fired, "Hot-Water" boiler and dispose of offsite. The existing boiler has a capacity of (661,000 mbh/gas);

b) Shall furnish and install (Qty 1) new Weil-McLain gas-fired, "Hot Water" boiler of equal capacity. The new boiler has a capacity of (750 mbh/gas). The new boiler shall have a modulating burner to adjust the firing rate per the demand of the load. The new burner shall have a combustion efficiency of 93.6%. The new boiler model number is SF750.

c) Shall place the new boiler on existing concrete housekeeping pads.

d) The new boiler/piping will connect into the existing hydronic piping currently in place.

e) Shall reconnect into the existing water supply.

f) Shall install new PVC flue piping to the exterior of the building.

g) Shall connect the new boiler into the existing natural gas piping.

h) Shall connect the new boiler into the existing electrical supply. A new disconnect switch will be installed at the boiler as required by code.

i) Upon completion, the new boiler will be started up, adjust, and checked for proper operation.

j) will clean up all work-related areas and remove trash from the property.

8.2.3 Scope of work (Controls):

a) Disconnect and reconnect the existing BAS controls for AHU-1 and AHU-2.

b) Disconnect and reconnect the existing BAS controls for boiler #1.

c) Perform test reinstalled controls.

8.2.4 Contracted work will be performed during normal business hours Monday through Friday between 7:30 am and 4:30 pm.

NINTH CLAUSE - SUBCONTRACTING

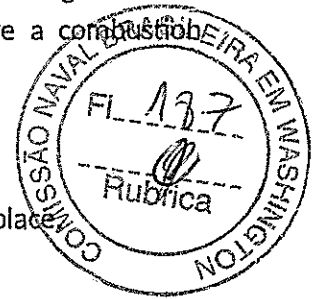
Subcontracting is allowed, without prejudice to the performance of the contracted services, being the full responsibility of the contractor the burden of subcontracting.

TENTH CLAUSE - NOTIFICATIONS

10.1 The Contractor is obliged to notify the contracting party, with 03 working days in advance, in order to give notice of any reason preventing the execution, in part or in whole, of the contract.

10.2 The contracting party also undertakes to notify the contractor, observing the response period of 3 business days, in the event of breach of contract, this act being indispensable for the beginning of the establishment of the respective Administrative Process for the Determination of Legal Entity Liability.

10.3 All notifications must be written in English and addressed to the contacts below:



Handwritten signature/initials
Jef

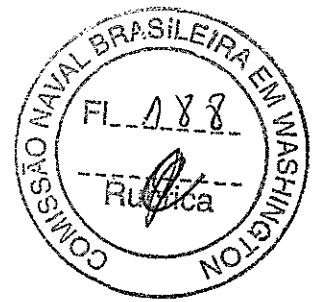
- Contracting Party: Brazilian Naval Commission in Washington

To: Contracts and Public Bids Division

Contract Number: 70200/21-07/00

Telephone: (202) 244-3950 – ext.: 341

Email: giselebeaudoin@marinha.mil.br /josilene@marinha.mil.br



- Contractor: Calvert Mechanical Solutions

- Contractor's Contact name: Bryan Collins

- Contractor's phone number: (410)323-5400, ext.107

- Contractor's email address: bryanc@calvertinc.com/iohns@calvertinc.com

CLAUSE ELEVEN - APPLICABLE LAW.

11.1 In addition to applying the rules of Law No. 8.666/1993, this Contract will be governed by the laws of the District of Columbia-USA.

11.2 The parties must fully comply with all applicable federal and state regulations and local laws and regulations.

11.3 The Parties shall comply with local environmental laws, rules and regulations.

TWELFTH CLAUSE - ADMINISTRATIVE SANCTIONS.

12.1 In the event of the Contractor's failure to comply with its obligations under this Contract, BNC will notify the Contractor, who will have 03 business days to respond.

12.2 BNC has the right to reject any unreasonable justification or challenge.

12.3 If there is partial or total non-performance of the contract, after the previous notification and response from the contractor, BNC understanding that there was no due justification, the respective Administrative Process for Determination of the Contractor's Liability will be instituted.

12.4 In the case of item 12.3, BNC will notify the contractor of the establishment of the respective Administrative Liability Determination Process, with a deadline for submission of justification within 05 business days.

12.5 In the event of rejection of the justification presented, BNC may apply the sanctions below, including compensation for the damage suffered, and any and all repairs that may be necessary:

a) Warning: BNC will issue a formal letter to the Contractor notifying of its contractual obligations.

b) Fine: to be paid within 15 (fifteen) days from receipt of the formal letter, with the following hypothesis: 0.01% (one hundredth percent) per day of unjustified delay in the provision of contracted service, up to the limit 10% (ten percent) of the total price of this contract.

c) Temporary suspension: for a period of up to 2 (two) years, from participating in procurement and bidding processes of the Brazilian Naval Commission in Washington and other entities of the Brazilian government, if the Contractor:

I - do not sign the Contract related to Bidding Process No. 03/2021;

II - present false documentation;

III - unjustifiably delay the provision of the service object of this Agreement;

IV - not honor its price proposal or violating the execution/performance of the Contract; and

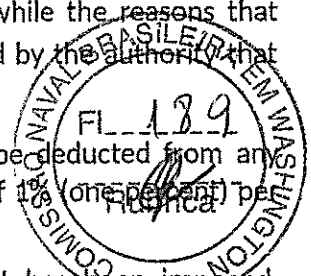
V - behaving dishonorably or committing tax fraud.

d) Permanent suspension: the Contractor will not be authorized to participate in the bidding

process or contract with the Brazilian Naval Commission in Washington while the reasons that motivated the application of such sanction persist or until it is rehabilitated by the authority that applied the penalty.

12.6 The amount of the fine applied in the administrative process may be deducted from any payments due and/or invoiced for payment to the Contractor, plus a fine of 1% (one percent) per month for delay, but may not exceed 10% of the value of this Contract .

12.7 The Contractor may appeal to BNC to reconsider any penalty that has been imposed, within a maximum period of 5 (five) business days, for penalties mentioned in a), b) and c), and 10 (ten) days for item d). The deadline will be counted from the receipt of the Penalty Application Notice by BNC. BNC will have 10 (ten) business days to issue the Contractor's appeal decision.



THIRTEENTH CLAUSE - TERMINATION.

13.1 The Contracting Party may terminate this Contract by means of written notification addressed to the Contractor, if:

- a) the Contractor fails to comply with any contractual obligations and does not take measures to remedy such default after receiving formal notice;
- b) the Contractor becomes insolvent, enters into voluntary or compulsory liquidation, except for merger purposes; and
- c) Contractor transfers or assigns its rights and obligations under the Contract without Contracting Party's written consent.

CLAUSE FOURTEEN - JURISDICTION

14.1 If the parties are unable to settle disputes arising out of or relating to this Contract amicably, such claims will be settled by arbitration in accordance with the International Arbitration Rules of the "American Arbitration Association".

14.2 The place of arbitration will be in Washington, DC, the number of arbitrators will be three, and the decision of the arbitrators will be final and binding on the parties. Each party shall select one arbitrator within thirty (30) days after the commencement of the arbitration and both arbitrators shall select a third. If either party fails to select an arbitrator within this period, the arbitrator selected by the other party will be the sole arbitrator. If the two arbitrators do not agree on the selection of a third arbitrator within 45 (forty-five) days after the commencement of the arbitration, the American Arbitration Association will select the third arbitrator.

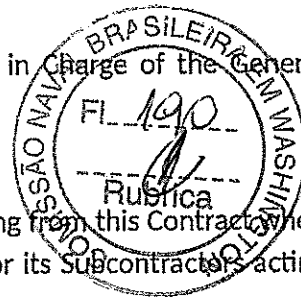
14.3 The arbitration must be conducted in the English language and all documentation must be written in that language. The arbitration award shall be the sole and exclusive remedy between the parties in relation to claims, counterclaims, as well as issues pleaded to the arbitrators. Premium must be paid in US Dollars, net of any tax, deduction or offset. Any costs, fees and expenses incurred in enforcing the judgment will be charged against the party resisting such enforcement.

14.4 All notices relating to the arbitration must be made in the English language and in writing.

JKV

FIFTEENTH CLAUSE - SUPERVISION.

The execution of this Contract will be supervised by the Person in Charge of the General Materials and Services Division.



SIXTEENTH CLAUSE - LIABILITY.

The contractor shall be liable for property damage, or any damages arising from this Contract when it causes it, through the direct, indirect or omission of its employees, or its Subcontractors acting on its behalf.

SEVENTEENTH CLAUSE - AMENDMENT TERMS.

This Contract may only be amended by means of an Amendment. The amendment must be agreed upon, dated and signed by both parties.

EIGHTEEN CLAUSE - OMISSIONS.


Omitted cases will be decided by the Contracting Party in accordance with the rules and principles of Brazilian law.

NINETEENTH CLAUSE - PUBLICATION.


The Contracting Party undertakes to publish all information related to Bidding Process No. 03/2021 on its official website.

CLAUSE TWENTY - COPIES


For the firmness and validity of the agreement, this Term of Agreement was drawn up in two copies of equal content, which after being read and found in order, is signed by all the parties.



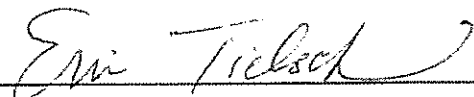
JOSE AUGUSTO CORREIA NETO
Captain
President of the Brazilian Naval Commission

Washington DC, November 23rd 2021.
Advanced Medical Solutions


Contractor Representative

Witness: 

DANIEL MARQUES RUBIN
Commander, Brazilian Navy
Head of Material & General Services Division



Contractor Representative