

VIRGIN ISLANDS WATER AND POWER AUTHORITY
POST OFFICE BOX 1450
SAINT THOMAS
U.S. VIRGIN ISLANDS 00804-1450

**CONTRACT BETWEEN THE VIRGIN ISLANDS WATER AND POWER AUTHORITY
AND HARNEL INTERNATIONAL, LLC**

Contract No. SC-01-27

The proceeding Contract is a properly negotiated agreement between all parties involved. Any marks, changes, whiteouts, or deletions without the expressed written permission from all parties involved shall make this contract null and void.

This Contract (hereinafter the "Contract") entered into this 24th day of July, 2026 by and between **HARNEL INTERNATIONAL, LLC**, located at P.O. Box 306115, St. Thomas, VI 00803 (hereinafter referred to as "Contractor") and the **V.I. WATER AND POWER AUTHORITY**, located at 9720 Estate Thomas, P.O. Box 1450, St. Thomas, USVI 00804 (hereinafter referred to as the "Authority") for the construction of the Phase 1 Customer Service Operations Area located within Four Winds Plaza (former Bravo supermarket space) on St. Thomas, United States Virgin Islands. The Authority and Contractor shall hereinafter be jointly referred to as the "Parties".

WITNESSETH

In consideration of the mutual promises, covenants, and conditions contained herein, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **SCOPE OF WORK:** The Contractor shall perform all work necessary for the construction of the Phase 1 Customer Service Operations Area located within Four Winds Plaza (former Bravo supermarket space) which consist of approximately 2,900



square feet of customer service operational space on St. Thomas, United States Virgin Islands, in accordance with the Authority's General Contract Terms, attached hereto as Appendix "A" and the Contractor's Scope of Work, attached hereto as Exhibit "I".

2. **CONSIDERATION:** In consideration of the Contractor's performance of the Work, the Authority shall pay the Contractor an amount not to exceed **Three Hundred Twenty-Nine Thousand Seven Hundred Sixty Dollars and 00/100 (\$329,760.00), as enumerated in Exhibit I.** The Contract is a requirements contract under which Contractor agrees, subject to the terms of this Contract, to provide the Work as and when required by the Authority. The Authority shall purchase and pay only for Work requested, completed, and approved in accordance with the terms of this Contract. The Authority shall have no obligation to remit the full approved contract value unless and until such value has been earned by the Contractor.

The Contractor shall invoice the Authority for Work performed in accordance with the Payment Schedule set forth in Section 4 of this Contract. The Contractor shall be solely responsible for the payment of all taxes, duties, customs, excise, and other fees arising from this agreement. Unless otherwise authorized by law, the Authority shall not be responsible for any such taxes, customs, duties, excise, or other fees.

3. **TERMS/PROGRESS REPORTS:** This Contract shall take effect on the "Effective Date" specified in the written Notice to Proceed issued by the Authority. The Work shall begin on the commencement date identified in the Notice to Proceed and shall be completed by no later than forty-five (45) days of the Notice to Proceed commencement date, unless a written amendment authorized by the Authority extends such date.

4. **TERMS OF PAYMENT:** All invoices shall be submitted electronically to the Project Manager, with a copy to Accounts Payable at accountspayable@viwapa.vi and [Grants Management at grantsmanagement@viwapa.vi](mailto:Grants_Management_at_grantsmanagement@viwapa.vi). The Contractor shall submit invoices for Work completed that month. All invoices will be based upon a thirty (30) day payment term of approval. Payments shall be made on a progress billing basis, following review and approval by the Authority's Project Manager, and in accordance with the payment schedule set forth below:

CONTRACTOR'S PAYMENT SCHEDULE

GENERAL

A. Mobilization

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Payment No.	Milestone / Trigger	% of Contract	Amount	Cumulative
1	Initial Mobilization - Notice to Proceed, site setup, permits, procurement, and commencement of demolition and structural work	30%	\$98,928.00	\$98,928.00
2	Midpoint Milestone - Completion of all demolition, CMU wall system, rough-in of all openings, and commencement of interior partitions and flooring	30%	\$98,928.00	\$197,856.00
3	Substantial Completion Milestone - All doors, glazing, flooring, and wall finishes installed; systems operational; punch list issued	30%	\$98,928.00	\$296,784.00
4	Final Completion - All punch list items resolved, closeout documentation submitted, Certificate of Substantial Completion issued	10%	\$32,976.00	\$329,760.00
TOTAL CONTRACT AMOUNT		100%	\$329,760.00	

TOTAL CONSIDERATION \$329,760.00

***Note: A ten percent (10%) retainage shall be withheld from each progress payment and shall be released to the Contractor upon final acceptance of the Work.**

5. **GROSS RECEIPT TAXES:** Pursuant to Title 33, Sections 43(a) and 44 of the Virgin Islands Code, as amended, the Authority is required, when making payments

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under this Contract, to deduct and withhold gross receipts tax totaling five percent (5%) from payment for Work performed in the Virgin Islands. The Authority shall remit such tax to the Virgin Islands Bureau of Internal Revenue within the prescribed statutory period.

Notwithstanding any other provision of this Contract, it is expressly agreed between the Parties that the Contractor remains solely responsible for the accurate calculation and reporting of its gross receipts tax liability under 33 V.I.C. § 43(a). The Authority shall not be responsible for any miscalculation, underpayment, overpayment, or subsequent assessment imposed by the Bureau of Internal Revenue relating to Work performed under this Contract.

The amount to be withheld by the Authority is **Sixteen Thousand Four Hundred Eighty-Eight Dollars and 00/100 (\$16,488.00)**, or such other amount as may be required by any amendment to 33 V.I.C. § 43(a) or this contract.

In the event the Contract is amended, and the consideration herein increases, the appropriate amount of gross receipt taxes to reflect the increase in the consideration will be deducted.

6. **BUSINESS LICENSE:** The Contractor and, if applicable, any of its sub-contractors must comply with all U.S. Virgin Islands laws with respect to licensing which must be obtained in connection with its business operation(s). The Contractor and all subcontractors hired in connection with the Work shall obtain and maintain all necessary and applicable business license(s) and present copies to the Authority at the time of contract execution. Failure to present copies of business license(s) shall be grounds for termination for cause or suspension of payment, at the Authority's discretion.

7. **EMPLOYMENT OF U.S. VIRGIN ISLANDS RESIDENTS:** The Contractor

shall comply with 24 V.I.C. § 126, which requires the following preference for resident workers (i.e., any person capable of performing services or labor and who is a citizen of the United States, or an immigrant alien admitted to the United States for permanent residence under the provision of the Immigration and Nationality Act as amended):

Resident workers shall be given preference in employment in the Virgin Islands in any industry or occupation for which such workers are qualified and available. Non-resident workers shall be employed only to supplement the labor force of available and qualified workers. No resident worker shall suffer any reduction in the workweek below 40 hours a week by reason of an employer employing a non-resident worker. No employer shall employ a non-resident worker except in strict accordance with the provisions of this chapter and regulations hereunder. Nothing contained herein shall be construed to interfere with the policy of the Employment Services in canvassing of affiliated state employment services to obtain workers before issuing clearance certification for alien workers.

The Contractor shall comply with the requirements of 31 V.I.C. §§ 271 and 272 and Title 24, Chapter 6 (Protection of Resident Workers) of the Virgin Islands Code and hire Virgin Islands Residents and Resident Workers for work in connection with this Contract. The Contractor shall also ensure that its subcontractor(s) comply with the legal requirement to hire Virgin Islands Residents and Resident Workers in connection with this project and shall require such in their contract(s) with their subcontractor(s). Upon request of the Authority, the Contractor shall provide a report and/or information regarding its compliance, and its subcontractor's compliance, with the requirement to hire Virgin Islands Residents and Resident Workers. Before any vacancies are filled with an individual that is not a resident of the Virgin Islands, the Contractor and its subcontractor(s) shall notify the Employment Security Agency of the Virgin Islands Department of Labor in accordance with the requirements of 31 V.I.C. § 272 and 27 V.I.C.



§ 303b.

The Contractor understands that its failure to adhere to the requirements referenced herein may result in the application of penalties as imposed by the Department of Labor as outlined under 31 V.I.C. § 272(c)(d). Additionally, the Contractor's failure to comply with the requirements herein may result in the termination of this agreement in accordance with the Authority's General Contract Terms attached and incorporated by reference herein as Appendix "A." Further, the Authority shall consider Contractor's non-compliance with the provisions of this section in the award of future contracts.

8. **LIQUIDATED DAMAGES:** The Authority shall assess liquidated damages solely for Contractor's delay in performing the Work. For each day that performance of the Work extends beyond the specified completion date, for any cause other than excusable causes as defined in Clause 13 of the Authority's attached General Contract Terms, the Contractor shall be liable to the Authority and shall be assessed liquidated damages in the amount of **One Thousand Dollars and 00/100 (\$1,000.00)** a day subject to a maximum of liquidated damages not to exceed **ten percent (10%)** of the total consideration stated herein. Liquidated damages shall, at the Authority's discretion, be the sole remedy for delay damages.

9. **ENVIRONMENTAL RESPONSIBILITY:** The Contractor shall, in the performance of the Work referenced herein, comply with all applicable rules, regulations, and guidelines issued by the U.S. Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), the V.I. Department of Planning and Natural Resources (DPNR), and all other federal and territorial regulatory agencies.

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The Contractor shall indemnify the Authority for all fines that may be assessed against it as a result of the Contractor's failure to adhere to the laws, regulations and directives of the federal and territorial regulatory agencies; and it shall furthermore pay all costs, expenses, and attorney's fees of the Authority in connection with any action taken by the regulator in this matter.

10. **SAFETY PRECAUTIONS:** The Contractor shall be responsible for implementing and maintaining safety precautions and programs and supervising its personnel to ensure that any Work performed under this agreement is done in a safe manner. The Contractor shall, furthermore, provide all its personnel with sufficient and appropriate safety devices.

The Contractor shall ensure that the services provided, and the products, equipment, and materials furnished and/or utilized are in strict compliance with any and/or all applicable codes and standards regulating its activities, including but not limited to the following:

EPA	Environmental Protection Agency
OSHA	Occupational Safety and Health Administration
NEC	National Electrical Code
NEMA	National Electric Manufacturers Association
RCRA	Resource Conservation and Recovery Act
TSCA	Toxic Substance and Control Act
DOT	Department of Transportation
ASTM	American Society of Testing Materials
AGMA	American Generator Manufacturers Association
NESC	National Electric Safety Code
AWWA	American Water Works Association
NSF	National Sanitation Foundation

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Federal Highway Administration

The Contractor shall also comply with any and all applicable U.S. Virgin Islands' building, plumbing, mechanical, electrical, fire, health, and public safety codes.

11. **BOND REQUIREMENTS:** In lieu of the performance bond, the Contractor will allow the Authority to retain 35% of the total contract Consideration until final acceptance of the Work by the Contracting Officer.

12. **INDEMNIFICATION:** The Authority is entitled to indemnification in accordance with Section 23 of the Authority's General Contract Terms, dated March 14, 2019, which is attached hereto and fully incorporated by reference herein as Appendix "A." If the Contractor fails, after notice and reasonable opportunity, to assume the defense of any claim, the Authority may at the expense of the Contractor contest, settle, or consent to the entry of any judgment with respect to, or pay in full, such claim and Contractor shall upon demand promptly reimburse the Authority for all defense and settlement costs.

13. **INSURANCE:** The Contractor shall, at its expense, before any Work is commenced, cause to be issued and maintained throughout the duration of the Term, insurance as described in the Authority's General Contract Terms dated March 14, 2019. A copy of the insurance certificate must be presented to the Authority's Contracting Officer at Contract execution.

14. **DESIGNATED PERSONNEL:** The Authority reserves the right to designate personnel to provide information and to coordinate the Work with the Contractor. The Authority shall designate the following individual in the following capacity:



Anthony Thomas
Chief Administrative Officer
Project Manager
Virgin Islands Water and Power Authority
P.O. Box 1450
St. Thomas, U.S. Virgin Islands 00804-1450
Anthony.thomas@viwapa.vi
(340) 774-3552 ext. 2220

The Contractor designates the following individual in the following capacity:

Habibah Bell
Project Manager
Harnel International, LLC
P.O. Box 306115
St. Thomas, VI 00803
hbelle@harnelinternational.com
(340) 244-5649

15. **CHANGE ORDERS/ADDITIONAL SERVICES:** The Contracting Officer must approve, in writing, all change orders or requests for additional services. In the absence of such written approval, the Authority shall not be liable for the payment of any services performed outside the scope of the Contract.

16. **RELIANCE:** The Contractor's representations of its ability to perform the Work with skilled and competent personnel are a substantial and material condition of this Contract. The Contractor agrees, or is otherwise aware, that the Authority shall rely on all the representations in its correspondence as incorporated in the submitted documents attached hereto as Exhibit "I".

17. **OWNERSHIP AND USE OF DOCUMENTS:** All documents and data, written or otherwise generated by Contractor under the Contract, including original drawings, estimates, reports, specifications, calculations, field notes, data, etc., and work product, are to become the property of and shall be delivered to the Authority. Contractor



shall retain one reproducible copy of these documents generated by the Contractor. Notwithstanding anything to the contrary, Contractor is and will remain the exclusive owner of all of Contractor's proprietary software and intellectual property owned by or licensed to Contractor prior to the Effective Date or created or developed outside the scope of this Contract, including all additions, enhancements, and derivatives thereto.

18. **FORCE MAJEURE:** Notwithstanding anything to the contrary contained herein, the Contractor shall not be liable for delays or failures in performance caused solely by events beyond its reasonable control, including but not limited to acts of God, war, civil unrest, pandemics, or terroristic acts, provided that such events directly and demonstrably prevent the Contractor's performance under this Agreement.

The Contractor shall provide written notice to the Authority within five (5) business days of the occurrence of any event it believes constitutes Force Majeure. This notice must include a detailed description of the event, its anticipated impact on performance, and the expected duration of the delay.

The Contractor shall use commercially reasonable efforts to mitigate the effects of the Force Majeure event and resume performance as soon as practicable. If the Force Majeure event continues for more than thirty (30) consecutive calendar days, the Authority may, at its sole discretion, terminate or suspend the Agreement without penalty.

The Contractor's financial obligations, including payment of retainage or penalties for prior non-performance, shall not be excused by Force Majeure unless explicitly agreed to in writing by the Authority.

19. **PROFESSIONAL STANDARDS:** The Contractor shall observe and maintain the professional standards and good practices applicable to its profession and

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to Contractors doing business in the U.S. Virgin Islands.

20. **LIABILITY OF OTHERS:** Nothing in this Contract shall be construed to impose any liability against the Authority to persons, firms, associations, or corporations engaged by the Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make the Authority liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations, and taxes of Contractor of whatsoever nature, including but not limited to employment insurance and social security taxes for Contractor, its servants, agents, employees, or independent contractors.

21. **COMPLIANCE WITH OTHER LAWS:** The Parties to this agreement shall comply with all applicable laws, rules, regulations and public policies that prohibit unethical conduct regarding the obtaining, retention or conduct of business or an unfair advantage ("Laws"). The Parties shall not directly or indirectly give, offer, promise, authorize, or allow to be given, offered, or promised, anything of value to an official or employee of any government, state-owned enterprise, international organization including subdivisions thereof or entities acting on behalf of a government, state-owned enterprise, international organization or subdivision thereof (any such employee or official referred to collectively as "Official"), while knowing or having reason to know that such thing of value is to be given, offered, or promised to an Official (including political parties or officials thereof or candidates for foreign office) in order to: (i) influence any officials thereof, or (ii) induce such Official to use this influence to affect or influence any act or decision of any government (or any subdivision thereof), or (iii) assist the Parties in obtaining or retaining business, or in directing business to any person or obtain an unfair

advantage for the Parties in any respect.

Should any Party violate any of the Laws, then: (i) the other Party(s) shall have the right to immediately terminate the Agreement for cause; (ii) the other Party(s) shall have a right of action against the offending Party in breach of such laws; and (iii) the offending Party shall indemnify the other Party(s) for any penalty, loss or expenses incurred by the other Party(s) as a result of the offending Party's breach of any of its obligations under this Section.

22. **PRESENTATION OF COMPLIANCE WITH THE LAW:** The Parties hereto represent and warrant that this Contract and its performance do not violate any law, regulation, or policy of the United States Virgin Islands and the United States. Any Party hereto shall be relieved of its obligations to perform under this Contract to the extent such performance would violate any law, regulation, or policy of the United States Virgin Islands or the United States.

23. **INDEPENDENT CONTRACTOR:** The Contractor shall perform this Contract as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status.

24. **ASSIGNMENT:** The Contractor shall not subcontract or assign any part of the services under this Contract without the prior written consent of the Authority.

25. **CONTRACT DOCUMENTS:** The Contractor shall complete Work to be performed in accordance with the Contract documents. The Contract documents include:

1. The Authority's General Contract Terms and Insurance Requirements dated March 14, 2019, attached hereto and incorporated by reference herein as Appendix "A";
2. The Tax Requirements, attached hereto and incorporated by reference as

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Appendix "B"; and

3. The Contractor's Proposal, dated June 15, 2026, attached hereto and incorporated by reference herein as Exhibit "I".

26. **GENERAL CONTRACT TERMS:** This Contract is subject to the Authority's General Contract Terms dated March 14, 2019, attached hereto and made a part of this Contract as Appendix "A".

27. **CONFLICT OF INTEREST:** The Contractor warrants and represents that it has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its obligations under the Contract. If any such actual or potential conflict of interest arises under this Contract, the Contractor shall immediately inform the Authority in writing of such conflict. If, in the reasonable judgment of the Authority, such conflict poses a material conflict to and with the performance of Contractor's obligations under this Contract, then the Authority may terminate the Contract immediately upon written notice to Contractor; such termination of the Contract shall be effective upon the receipt of such notice by the Contractor.

28. **NON-DISCRIMINATION:** No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of the contracted services on account of race, creed, color, sex, religion, national origin, or disability.

29. **WAIVERS AND AMENDMENTS:** No waiver, modification, or amendment of any term, condition, or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the Parties or by their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification, or

amendment. Any such waiver, modification, or amendment in any instance or instances shall in no event be construed to be a general waiver, modification, or amendment of any of the terms, conditions, or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

30. **NOTICE:** Any notice required to be given by the terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid, or personally delivered, addressed to the Parties as follows:

The Authority: Karl Knight
Executive Director
V.I. Water & Power Authority
P.O. Box 1450
St. Thomas, U.S. Virgin Islands 00804-1450
Karl.knight@viwapa.vi

With Copy To: Office of the General Counsel
V.I. Water and Power Authority
P.O. Box 1450
St. Thomas, US Virgin Islands 00804
legaldepartment@viwapa.vi

The Contractor: Habibah Bell
Project Manager
Harnel International, LLC
P.O. Box 306115
St. Thomas, VI 00803
hbelle@harnelinternational.com
(340) 244-5649

31. **COUNTERPARTS:** This Contract may be executed in two or more counterparts, each of which together shall be deemed an original and the same instrument, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the



party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

32. **GOVERNING LAW AND VENUE:** The laws of the U. S. Virgin Islands shall govern this Contract. The Parties agree that all causes of action against either Party shall be brought in the court of competent jurisdiction in the Virgin Islands. The Parties further agree that process may be served upon them in any manner authorized by the laws of the United States Virgin Islands for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction and such process.

33. **ORDER OF PRECEDENCE:** In the event of any inconsistencies between the written agreements comprising the Contract, the matter will be resolved according to the following descending order of precedence: (1) This Contract; (2) the General Contract Terms attached as Appendix "A"; (3) the Tax Requirements attached as Appendix "B"; and (3) the Contractor's Proposal dated June 15, 2026 attached as Exhibit "I". This Contract and Contract documents constitute the entire agreement between the Parties hereto, and all prior understandings or communication, written or oral, with respect to the subject matter of this Contract are merged herein.

34. **SURVIVAL:** The following sections of this Contract will survive the termination or expiration of this Contract and will remain in effect until fulfilled:

- Clause 2: Consideration
- Clause 12: Indemnification
- Clause 25: Contract Documents
- Clause 32: Governing Law and Venue

35. **SEVERABILITY CLAUSE:** Should any provision of this Contract be

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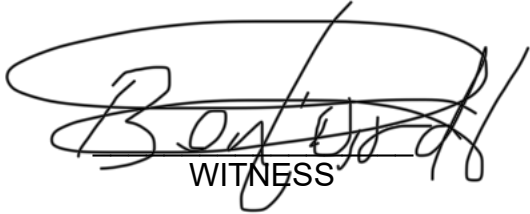
determined to be void, invalid, unenforceable or illegal for whatever reason, such provision(s) shall be null and void; provided, however, that the remaining provisions of this Agreement shall be unaffected thereby and shall continue to be valid and enforceable.

36. **ENTIRE AGREEMENT:** This Contract and the Contract Documents constitute the entire agreement of the Parties hereto, and all prior understandings or communications, written or oral, with respect to the subject matter of this Contract are merged herein.

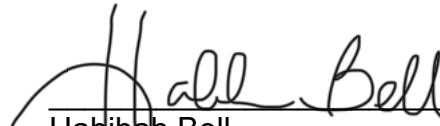
SIGNATURE PAGE TO FOLLOW

A handwritten signature in black ink, appearing to be the initials 'HB' or a similar stylized mark, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Contract on
the day, month and year first above written.


WITNESS

HARNEL INTERNATIONAL, LLC

 7/23/26
Habibah Bell Date
Owner

V.I. WATER & POWER AUTHORITY

Claudia Charles
WITNESS

Karl Knight 7/24/2026
KARL KNIGHT Date
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY:

Chilesa J. Ready 7/22/2026
CHILESA J. READY Date
Deputy General Counsel

Attachments

