

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



**CONTRACT BETWEEN THE VIRGIN ISLANDS WATER AND POWER AUTHORITY
AND FALKEN, USVI, LLC**

SC-14-26

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

This Contract is entered into this 30th day of September 2025, by and between the **Virgin Islands Water and Power Authority (hereinafter “the Authority”)**, at mailing address Post Office Box 1450, St. Thomas, U.S. Virgin Islands 00804, and **Falken USVI, LLC (hereinafter “Contractor”)**, at mailing address 6115 Estate Smith Bay, Suite 330, St. Thomas, U.S. Virgin Islands 00802-1324, to provide security guard services on the islands of St. Croix, United States Virgin Islands. The Authority and the Contractor shall jointly be 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 Scope of Work set forth herein shall hereinafter be referred to as the “Work.” The Contractor agrees to provide and operate armed and unarmed security guard services to the satisfaction of the Authority. The Work shall conform to the Authority’s Professional General Contract Terms attached hereto and identified as Appendix “A”; the work outlined in the Authority’s Invitation to Bid numbered IB-01-26, attached hereto and identified as Appendix “B”; the Authority’s IB-01-26 Addendum I, attached hereto and identified

as Appendix “C”; the Authority’s IB-01-26 Addendum III, attached hereto and identified as Appendix “D”; and Contractor’s response to Invitation to Bid numbered IB-01-26, dated August 1, 2025, attached hereto and identified as Exhibit “I”.

Work locations within the St. Thomas/St. John District include:

- Randolph Harley Power Plant;
- St. Thomas Business Office;
- St. Thomas Water Distribution;
- St. Thomas Line Department; and
- St. John Business Office.

a. Authority’s Discretion to Adjust Posts and Locations. The Authority may, in its sole discretion, increase or decrease the number of guard posts, hours, shifts, and/or locations, whether on a temporary or permanent basis, to meet operational needs within the St. Thomas/St. John District. The Contractor shall promptly adjust staffing and coverage in accordance with such direction. Routine adjustments will be communicated with at least forty-eight (48) hours written notice; urgent or emergent adjustments may be implemented with as little as four (4) hours written or electronic notice.

b. Compensation for Adjustments. Compensation shall increase or decrease pro rata in accordance with the unit billing rates set forth in Exhibit “I”, subject to the Contract’s Not-to-Exceed amount in Clause 3. No mobilization, demobilization, minimum-hour, or other surcharge shall apply unless expressly authorized in writing by the Project Manager.

c. Post Orders. The Authority may amend post orders from time to time to reflect operational needs. The Contractor shall ensure immediate implementation, supervisor briefings, and guard acknowledgment of revised post orders and shall document the same in the Monthly Performance Report required by Clause 2, below.

d. Monthly Performance Reports. On or before the tenth (10th) calendar day of each month, the Contractor shall submit a written Monthly Performance Report for the prior month to the Authority's Project Manager. Each report shall, at a minimum, include:

- i. Staffing & Coverage Matrix (by site, post, and shift), including vacancies, overtime, call-offs, substitutions, and compliance with post orders;
- ii. KPI Summary (e.g., fill rate, supervisor inspections, response times, incident rates, and any fees applicable under Clause 9 for unmanned posts or neglect of duty);
- iii. Incident & Observations Log (all incidents, near misses, hazards, security or safety risks, equipment issues, and recommendations);
- iv. Training Status (onboarding, firearms/Use-of-Force certifications for armed guards, refresher training completed, and upcoming training schedule);
- v. 30/60/90-Day Review Updates. Contractor shall conduct formal performance reviews at approximately 30, 60, and 90 days following the Effective Date, and quarterly thereafter, to assess coverage, staffing, training, post orders, incident trends, supervisor inspections, and corrective actions. Action items and due dates shall

be recorded at each review with measurements of progress against action items, closed items, and new risks/opportunities;

vi. Post Order Changes issued by the Authority and documentation of guard/supervisor acknowledgments; and

vii. Staffing Adjustments made pursuant to the within Clause 1 (additions/reductions of posts, hours, or locations) and the corresponding pro rata billing impact under Exhibit "I".

e. **Invoice Tie-Out.** Monthly invoices submitted under Clause 4 shall reconcile to the Monthly Performance Report for the same period, including a summary schedule aligning hours billed to staffed posts and any Authority-directed adjustments.

2. **TERM:** This Contract shall take effect upon its full and final execution by the Parties and issuance of a Notice to Proceed (hereinafter "Effective Date"). The Contract shall terminate one (1) year from the Effective Date listed in the Notice to Proceed, with an option to extend for two (2) additional one (1) year periods under the same terms and conditions by serving notice in writing to renew no later than four (4) months prior to the expiration of the initial term, or any renewal term, as the case may be.

3. **CONSIDERATION:** In consideration of the Contractor's performance of the Work, the Authority shall pay to Contractor an annual amount NOT TO EXCEED **One Million Two Hundred Fifty Thousand Dollars and 00/100 (\$1,250,000.00).**

Consideration for the Work shall be based on the billing rates contained in the Contractor's response to the Authority's Invitation for Bid IB-01-26, attached hereto and identified as Exhibit "I". Consideration for the Work shall also be subject to IB-01-26 of the Authority's Invitation to Bid, attached hereto and identified as Appendix "B".

Gross receipt taxes, corporate taxes, income taxes shall be the sole responsibility of the Contractor. The Authority shall not be responsible in any way for any taxes, customs, duties, excise or other fees.

4. TERMS OF PAYMENT: The Contractor shall submit itemized and duly certified monthly invoices to the Authority. Corresponding payments of approved work will be made thirty (30) days after review and approval of invoices and issuance of a Certificate of Acceptance from the Authority's Project Manager, provided that invoices are submitted in a timely manner. Adjustments to guard posts, hours, shifts, and locations directed by the Authority under Clause 1 (Authority's Discretion to Adjust Posts and Locations) shall be implemented without a change order and billed at the unit rates in Exhibit "I", subject to the Contract's Not-to-Exceed amount.

5. GROSS RECEIPT TAXES: It is agreed between the Parties that for the purposes of complying with Title 33, Section 44 of the Virgin Islands Code, the Authority shall withhold and forward to the Bureau of Internal Revenue the sum of **Sixty-Two Thousand Five Hundred Dollars and 00/100 (\$62,500.00)** or such amount as required by any changes to the law at 33 VIC Section 43(a). The Contractor agrees that calculation of gross receipts taxes shall be the sole responsibility of the Contractor. The Authority shall not be responsible in any manner for miscalculation of the gross receipts due under this contract or for any additional assessments by the Bureau of Internal Revenue resulting from work performed under 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 must comply with all Virgin Islands' laws with respect to licensing which must be obtained in connection with its business operation(s). The Contractor shall further ensure that all subcontractor(s) hired in connection with this Scope of Work comply with all Virgin Islands business license requirements. All necessary and applicable license(s) for the Contractor and its subcontractor(s) shall be obtained by the Contractor and copies presented to the Project Manager concurrent with its execution of the Contract. Failure by Contractor to present business license(s) for itself and its subcontractor(s) at the time of execution of the Contract by the Contractor may, at the sole option of the Authority, be grounds to rescind the Contract award and consider the Contract void.

In accordance with 27 VIC section 303b, the Contractor shall notify the Employment Security Agency, V.I. Department of Labor of its intent to add an existing position, or a now vacant or soon to become vacant of a new previously unfilled position. Notices of vacancies shall include the title of the position, the proposed salary, any required qualifications, and the general duties of the position, and the name, address, or telephone number of the person to be contacted by applicant for the position.

7. 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 jointly submitted document attached hereto as Exhibit "I".

8. EMPLOYMENT OF U.S. VIRGIN ISLANDS RESIDENTS:

The Contractor shall comply with 24 VIC §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. Nonresident workers shall be employed only to supplement the labor force of available and qualified workers. No resident workers shall suffer any reduction in 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 requirements of 31 VIC §§ 271 and 272 and Title 24, Chapter 6 (Protection of Resident Workers) 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 VIC §272 and 27 VIC §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 in 31 V.I.C. §272 (c) and (d). Additionally, the Contractor's failure to comply with the requirements herein may result in termination of this agreement in accordance with the Authority's Professional

General Contract Terms. Further, the Authority shall consider Contractor's non-compliance with the provisions of this section in the award of future contracts.

9. FEES: Guards scheduled to work, must report to duty on time. If the guard post is abandoned at any time, a fee of **Six Hundred Fifty Dollars and Zero Cents (\$650.00)** will be assessed for each hour or any increment thereof that the post remains unmanned. If it is determined that a guard's ability to perform is hampered due to intoxication, a fee of **Six Hundred Fifty Dollars and Zero Cents (\$650.00)** will be assessed and the guard must be removed from the post immediately and replaced with another guard within a half hour. Any guard removed from a guard post due to an inability to perform his/her duties will not be allowed back at any guard post for the Authority during the duration of this Contract. Neglect of duty would also incur a cost of **Six Hundred Fifty Dollars and Zero Cents (\$650.00)** for each offense. Any amounts assessed under this provision may be deducted from payments due to the Contractor.

Notwithstanding any other provision in this Section, the Authority agrees to waive the assessment of any penalties described herein for the first sixty (60) calendar days following the Effective Date of this Agreement. During this initial period, the Contractor shall remain obligated to comply with all performance requirements, including timely reporting and proper conduct of guards. However, any violations occurring within this period shall not result in monetary penalties under this Section. After the expiration of the sixty (60) day waiver period, all provisions of this Section shall apply in full force and effect.

10. PROFESSIONAL STANDARDS: The Contractor shall observe and maintain the professional standards and good practices applicable to its profession and to contractors doing business in the U.S. Virgin Islands.

11. 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.

12. INDEMNIFICATION: If the Authority is entitled to indemnification under this Contract and if the Contractor fails, after notice and reasonable opportunity, to assume the defense of such 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. 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.

14. SAFETY PRECAUTIONS: The Contractor shall be responsible for initiating, maintaining, and supervising safety precautions and programs in connection with the Work.

15. AUTHORITY'S RESERVED RIGHTS: The Authority reserves the right to pass judgement on those personnel assigned by the Contractor to protect the Authority's facilities and employees as it pertains to their physical and mental abilities, appearance and ability to perform the duties and functions outlined in the Security Guard General orders attached to the Authority's Invitation to Bid numbered IB-01-26.

16. 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.

17. INSURANCE: The Contractor shall, at his expense, before any Work is commenced, cause to be issued and maintained until sixty (60) days after acceptance of the Work, insurance as described in the Authority's Professional General Contract Terms revised March 14, 2019. A copy of the insurance certificate must be presented to the Authority's Project Manager on or before contract execution, failing which the Contract award may be rescinded. Defense costs in all primary liability policies shall be "outside the limits" i.e. the full policy limits are for the payment of damages.

18. 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, disability, or national origin.

19. CHANGE ORDERS/ADDITIONAL SERVICES: The Project Manager must approve in writing all change orders or requests for additional services. In the absence of such written approval, the Contractor shall be liable for any changes in the work not in conformance with this contract.

20. VENUE: The Parties agree that all causes of action against either Party shall be brought in the court of competent jurisdiction in the United States Virgin Islands. The Parties further agrees 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.

21. DESIGNATED PERSONNEL: The Parties reserve the right to designate personnel to provide information and to coordinate the Work between the Parties.

The Authority designates the following:

Flemon Lewis
Project Manager
V.I. Water and Power Authority
P.O. Box 1450
St. Thomas, U.S. Virgin Islands 00804-1450
(340) 643-0355 (cell) / (340) 774-3552 extension 2316 (ofc.)
Flemon.lewis@viwapa.vi

The Contractor designates the following individual in the following capacity:

Rob Ord, President
Falken USVI, LLC
6115 Estate Smith Bay STE 330
St. Thomas, V.I. 00802-1324
(703) 348-7497 (office) / (340) 725-5465 (direct)
ROrd@falken.us

22. CONTRACTOR'S WARRANTIES: The Contractor warrants and represents the following: the Contractor shall supervise and direct the Work, using its best skill and attention; the Contractor shall at all times enforce strict discipline and good order among its employees, and

shall not employ on the work site any unfit person or anyone not skilled in the task assigned to him; and ensure all armed guards must be properly certified.

23. AVOIDANCE OF SEXUAL HARASSMENT: The Contractor agrees and acknowledges that the Authority's employees and customers are entitled to an environment that is free of sexual harassment. The Contractor agrees that its employees, agents, assigns, and representative will refrain from engaging in any conduct that could be deemed as sexual harassment. The Contractor and the Authority agree that sexual harassment shall be defined as:

- Making unwanted sexual advances or demands, requesting sexual favors or making verbal or physical advances.
- Making general or specific expressions or actions with sexual connotations, which may create a hostile or offensive environment for a customer or employee.
- Uttering words or endearment, comments about an employee's or customer's physical attributes or attractiveness, and jokes laced with sexual connotations.

The Contractor agrees and acknowledges that any report of sexual harassment by the Authority's employees or customers committed by the Contractor or its employees, agents, assigns, and representatives will be investigated by the Contractor after the presentation of a report from the Authority. If the Contractor or any of its employees, agents, assigns, and representatives is found to have sexually harassed the Authority's employees or customers, this will be deemed a material breach of this Agreement which may, at the option of the Authority, result in termination of this Contract. The Contractor agrees and acknowledges that it shall be liable for, and indemnify the Authority for any and all costs, fees and damages related to any claim filed by the Authority's employees or customers for sexual harassment. The Contractor shall also defend the Authority against any and all claims brought against it in this matter.

The Authority reserves the right to remove any employee of the Contractor if, under any circumstance, in the judgement of the Authority such removal is necessary to protect the best interest of the Authority.

24. GOVERNING LAW: 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 Authority shall not invoked the defense of sovereign immunity in any litigation arising under the Contract.

25. 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.

26. CONTRACT DOCUMENTS: The Contractor shall perform and complete the Work in accordance with the Contract and the Contract Documents. The “Contract Documents” include:

1. The Authority’s Professional General Contract Terms dated March 14, 2019, attached and identified as Appendix “A”;
2. The Authority’s Invitation to Bid number (IB-01-26), attached and identified as Appendix “B”;
3. The Authority’s Invitation to Bid (IB-01-26) Addendum I, attached and identified as Appendix “C”;

4. The Authority's Invitation to Bid (IB-01-26) Addendum III, attached and identified as Appendix "D"; and
5. The Contractor's response to Invitation to Bid IB-01-26 dated August 1, 2025, attached and identified as Exhibit "I".

In the event of any conflict, the terms of this Contract shall govern over the provisions of any documents referenced herein.

27. PROFESSIONAL GENERAL CONTRACT TERMS: This Contract is subject to the Authority Professional General Contract Terms attached hereto and made a part of this Contract as Appendix "A". The following provisions of the Authority's Professional General Contract Terms are modified as indicated:

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

- Clause 3: Consideration
- Clause 12: Indemnification
- Clause 24: Governing Law
- Clause 26: Contract Documents

29. 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 and Power Authority
P.O. Box 1450
St. Thomas, U.S. Virgin Islands 00804
Karl.knight@viwapa.vi

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

The Contractor: Rob Ord, President
Falken USVI, LLC
6115 Estate Smith Bay STE 330
St. Thomas, V.I. 00802-1324
(703) 348-7497 (office) / (340) 725-5465 (direct)
ROrd@falken.us


30. COUNTERPARTS: This Agreement 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.

31. SEVERABILITY CLAUSE: Should any provision of this Contract be 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.


32. 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

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


K. Nolan Crawford, Contracts Administrator

WITNESS

Falken USVI, LLC
By:  30 Sept. 2025
Rob Ord Date
President



Claudia Charles

WITNESS

By:  10/1/2025
Karl Knight Date
Executive Director

V.I. WATER AND POWER AUTHORITY

APPROVED AS TO LEGAL SUFFICIENCY:


Dionne G. Sinclair 9/30/2025
General Counsel Date

Attachments