



Lakeside Process Controls Ltd.
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Winnipeg Manitoba
R2R 2B9, Canada



Emerson Process Management Lifecycle Care Service Agreement

Issued by



For

**Town of Fort Frances
Fort Frances, ON**



Agreement Reference:	CSS306
Issue Date:	17 December 2019
Agreement Period:	Commencing on 1 February 2020

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1. Executive Summary

Lakeside Process Controls Ltd. is pleased to offer the following annual support service agreement for the Town of Fort Frances. This support agreement includes a proactive, site specific support contract. We propose option on multi-year support agreement which will reduce Town of Fort Frances support costs.

Transferring the responsibility for keeping the system healthy to Lakeside will help Town of Fort Frances to:

- Reduce the Total Cost of Ownership
- Increase uptime and reduce outages
- Establish known, long term support costs that will allow for easier budgeting
- Ensure that the system is operating at its optimum level
- Maintain the system as up to date and avoid any component obsolescence
- Take advantage of the Lakeside Process Controls specialists

Town of Fort Frances will have access to trained DeltaV system specialists familiar with your system. The service agreement includes access to telephone support from our offices for your DeltaV systems.

The components proposed below are based on the current and short-term requirements of the systems. This will allow Town of Fort Frances to have a known annual cost to meet all operation and maintenance needs for your process automation system.

With an Agreement in place, Lakeside can plan our resources better and staff appropriately. This helps us to reduce our costs by, reducing service rates, reducing overtime, reducing time lost to reassigning resources, and time spent expediting work. These savings can be shared with you under multi-year, long-term Lifecycle Agreement.

Please note that this agreement requires that the Guardian Support agreement be in place and Guardian be active.

Based on our understanding of your system, we propose the following customized service agreement. Lakeside would be happy to discuss more options on multi-year support agreement and services. Lakeside's services are flexible and can be tailored to your needs.

2. System Details

Lakeside Process Controls Ltd. is pleased to offer the following annual support service agreement for the Emerson Process Management Process Automation Solution at your facility for the locations and systems shown below:

Type	Description	System ID	Size/Qty
DeltaV	Water Treatment Plant	0001-0002-2767	400 DST
DeltaV	Waste Water Treatment Plant	0001-0002-6292	300 DST

Water Treatment Plant DeltaV Workstations

Workstations	Description	Type	OEM Warranty Expiry Date	Years in Service / Age
PROPLUS	Professional Plus (Database server)	Precision T5810	17-Sep-23	1
OPER-1	Operator Station	Precision T5810	30-Jul-23	1

Waste Water Treatment Plant DeltaV Workstations

Workstations	Description	Type	OEM Warranty Expiry Date	Years in Service / Age
PROPLUS	Professional Plus (Database server)	Precision T5810	30-Jul-23	1
APP-1	Historian and Report	Precision T5810	17-Sep-23	1
OPER-1	Operator Station	Precision T5810	12-Feb-20	4

3. Support Agreement Development and Philosophy

Emerson's Lifecycle Care Mission is to enable our process automation system customers to achieve exceptional business results by managing the risks associated with their system. These risks include personal injury, Loss of system availability, Loss of process reliability, Theft or misuse of confidential information, Equipment damage, Process upsets, and Regulatory requirements violations.

To effectively manage these risks we have identified 5 key elements that need to be addressed by our Lifecycle care agreement:



To address the above elements we have service modules that target each element either on its own or in combination with other modules.

In addition to having targeted service modules at Emerson, we recognize that lifecycle support needs vary from one customer to another in both services activity content and time commitment. We understand that our customers make investments over the system lifecycle to help achieve business objectives, reduce operating and maintenance costs and keep assets running at peak performance.

4. Agreement Summary

The following table outlines the proposed support:

Item	Description
1.	<p>Lakeside Process Controls System Support</p> <p>Control System Specialists in Winnipeg, Thunder Bay, Sarnia, or Mississauga.</p> <ul style="list-style-type: none"> Access to remote support is provided by Lakeside Process Controls during normal business hours, 8:00 AM to 5:00 PM, Monday to Friday, except for statutory holidays. <ul style="list-style-type: none"> Note: All calls will use Service bank hours. 24 X 7 Emergency access to on-call Lakeside Process Controls services team.
2.	<p>Emerson Guardian Support for DeltaV</p> <ul style="list-style-type: none"> Software updates Emerson Telephone support 24/7 Remote system diagnostics Web based administration tools and automated e-mail notifications System Analysis Report Knowledge Base Articles (KBA) Technical support call management System Analysis report Conventional Software Support (CSS)
3.	<p>Preventative Maintenance Service</p> <ul style="list-style-type: none"> DeltaV System Preventative Maintenance and Patching Review of System Health, including Backups Lakeside will perform an annual preventative maintenance and patching on the DeltaV control system computer hardware during a plant maintenance outage. One (1) scheduled visit each year is provided under this Support Agreement and will be scheduled during regular working hours with travel time and expenses and during a plant maintenance outage. Weekend or holiday scheduling can be arranged and will be billed according to Support Service Rates and Terms. The scheduling of this service will be initiated by Lakeside Process Controls so as to be mutually convenient for both parties.

Item	Description
4.	<p>System Upgrade Service</p> <ul style="list-style-type: none">• This support service provides the Town of Fort Frances with certified support specialists to perform all system revisions and/or upgrades.• Revision and Upgrade installation will be provided for the DeltaV control system and the AMS software if applicable.• One (1) scheduled visit is provided under this Support Agreement and will be scheduled during regular working hours with travel time and expenses and during a plant maintenance outage.• Weekend or holiday scheduling can be arranged and will be billed according to Support Service Rates and Terms.• The scheduling of this service will be initiated by Lakeside Process Controls so as to be mutually convenient for both parties.
5.	<p>Computer Evergreen</p> <ul style="list-style-type: none">• The Computer Evergreen provides future replacement of the Town of Fort Frances's DeltaV Workstations with Emerson tested and approved PC Hardware. This service protects your investment and ensures your technology stays current in a fast-changing environment.• This includes the cost for hardware replacements only; any services if needed will require the use of Bank Hours or a separate purchase order.• Lakeside will proactively manage the system to ensure all computer hardware is replaced prior to the end of its recommended lifespan.• Lakeside will plan and schedule computer repairs and maintenance on the control system computer hardware so that computer hardware will be replaced if failed (and out of Dell warranty) or if it has been in service for 5 years. Non-Emerson software will be loaded at additional cost of time and materials.

Item	Description
6.	<p>Lakeside Service Bank</p> <ul style="list-style-type: none">• A total bank of 50 hours each year is included in the agreement for scheduled services.• These support bank hours are flexible and are intended for use with making configuration changes, peer code reviews, hardware changes, etc.• Hours will be deducted from the deposit as time is used throughout the year.• Any support services under this service bank must be scheduled in advance with Lakeside.• Support service time will be compiled against the bank and include both standard "day time" and scheduled "after hours". An additional rate factor will be applied to all services scheduled "after hours" as outlined in the "Scheduled Support Service Rates and Terms". Similarly, expenses may be converted to equivalent hours and logged against the service bank.• Service Bank may also be used for other Lakeside Process Controls products or services.

5. Lifecycle Care Support Agreement Commercial Summary

This Agreement may be purchased every year or as part of a multi-year Agreement. We are able to offer discounting (shown below) with Multi-year agreements.

With a multi-year agreement in place, Lakeside can plan our resources better and staff appropriately. This helps us to reduce our costs by reducing service rates, reducing overtime, reducing time lost to reassigning resources, and time spent expediting work. These savings can be shared with you under multi-year, long-term Lifecycle Agreement.

3-Year Support Agreement Option

ITEM	DESCRIPTION	CAN\$
1	Emerson Guardian Support for DeltaV Lakeside 24x7 Emergency Access Technical Support Calls Preventative Maintenance Service System Upgrade Service Computer Evergreen Service Bank Hours (150 Hours)	\$140,096
	Credit on Unused Bank Hours from previous agreement	(\$21,250)
	3-Year Support Agreement Option	\$118,846
	Normalized Annual Cost	\$39,616

ITEM	DESCRIPTION	CAN\$
1	Emerson Guardian Support for DeltaV Lakeside 24x7 Emergency Access Technical Support Calls Preventative Maintenance Service System Upgrade Service Computer Evergreen Service Bank Hours (250 Hours)	\$205,540
	Credit on Unused Bank Hours from previous agreement	(\$21,250)
	5-Year Support Agreement Option	\$184,290
	Normalized Annual Cost	\$36,858

6. Notes and Assumptions

- Pricing Includes Multi-year Discounts
- Prices are shown as annual costs.
- Multi-year agreement pricing will be adjusted annually based on the actual DST/Tag count, current price book at the agreement anniversary date, changes to the system such as technology changes or expansions, and a review of services provided in the previous year.
 - An annual review of the system by Lakeside and Town of Fort Frances will be scheduled prior to the Agreement Anniversary date.
 - System support costs are based on the number of licensed DSTs and Tags in the system.
 - Changes to the system size during a multiyear term: Pricing will be adjusted at the Next annual anniversary date.
 - Lakeside will work with Town of Fort Frances to schedule system size increases.
 - There are no scale-up charges for systems expansions during the current year agreement period.
 - When the additional support costs for the larger system are calculated, you will receive the same multi-year discount for the DSTs added.
 - Early cancellation of multi-year agreement will be subject to cancellation fees
 - Early cancellation of a multi-year agreement will be subject to an early cancellation fee. This early cancellation fee will be equal to the sum of the multi-year incentives previously provided under this agreement.
 - For example, if the five-year commitment is cancelled after only three years, the cancellation fee will be equal to the sum of multi-year incentives that was provided in each of the previous three years. The cancellation fee will also include the deferred costs of the evergreen hardware already delivered.
 - For a five (5) year agreement, the maximum available Guardian Support discount has been applied.
 - Any technology changes may impact the agreement and will require a pricing review adjustment.
- The US/Canadian exchange rate will be reviewed annually for any non-service items purchased in Canadian funds. An adjustment will be calculated at the agreement anniversary. Variations of more than 0.03 exchange points from the previous year will be applied.
- Services beyond the time specified for the site visit will be charged according to the rate sheet.
- The Lifecycle agreement will not increase the system size or hardware; system expansion will be covered by projects and work orders outside of the lifecycle agreement.
- Rates are per the Lakeside Process Controls Rate Sheet.

- Based on the volume of scheduled services in the agreement, Town of Fort Frances is receiving a discount for all services from the standard hourly Services Rate Sheet.
- Under this agreement, Service bank hours are offered at a discounted rate to be used for unplanned maintenance, emergency support, and any planned programming changes. This will give you a known cost and also help to reduce the cost of changes and emergency support.
- We recommend that major version of DeltaV and AMS Device Manager upgrades are scheduled every 3 years to 5 years. i.e. the next upgrade would be in 2021 or 2022.
 - Any upgrades would be scheduled to coincide with the Preventative Maintenance. This will reduce the overall cost of the upgrade as there are common tasks between the upgrade and the Preventative Maintenance. An estimate of the upgrade services will be given based on the system status (versions, computer age, etc).

7. Contacts and Communications Protocol

Phone Technical Support: For business hours telephone technical support, please contact Lakeside Process Controls at **204-633-9197**.

Scheduled On-site Support: For on-site assistance please call **Alex Mazin** at **204-631-0701** during normal local business hours. If the contact person is unavailable, please contact our main office at **204 633-9197**.

Sales Support: For new product inquiries and pricing, please contact **Justin Stanus** at **204-914-2700**.

Software Renewals and Technical Documentation: Software and on-line information can be access utilizing the Internet, log on to <http://www.emersonprocess.com/systems/support> Guardian support web site. This site will give you access to download your specific DeltaV license codes, browse and download Knowledge Base Articles (KBA's) or other applicable white papers.

Feedback & Comments: Lakeside is committed to your satisfaction and we value your feedback. We will periodically ask Town of Fort Frances for feedback via surveys, interviews or calls. If Town of Fort Frances has additional feedback – positive or negative – to be recorded, please advise Alex Mazin or Justin Stanus.

8. Service Agreement Acceptance

This Lakeside Process Control Lifecycle Care Support Agreement shall become effective on **February 1, 2020** and shall remain in effect for **3 or 5** year(s) from such date.

The service coverage provided under this agreement is described in the Agreement Summary of this document. See all notes and assumptions.

Town of Fort Frances

Name: _____

Signature: _____

Title: _____

Date: _____

Lakeside Process Controls Ltd.

Name: Adam Troeller

Signature: _____

Title: Branch Manager

Date: _____

Note: Lakeside Terms and Conditions: [HERE](#)

9. Scheduled Support Service Rates and Terms

Lakeside Process Controls Ltd. maintains a staff of experienced systems professionals who are capable of providing the scope of support services required for our customers process automation solutions.

We are pleased to offer a discounted scheduled service rate to Town of Fort Frances for system support services.

<u>Service Description</u>	<u>2019 On-Demand Rate</u>	<u>Bank Hour Rate Discounted</u>	
		<u>3-year Option</u>	<u>5-year Option</u>
Process Automation Engineering and Service Support for DeltaV and AMS Device Manager services	\$215	\$150	\$135

* Plus Travel Time, Living Expenses and applicabe Rate Premiums

Terms and Conditions Governing Rates and Travel

Rates for services are subject to the following qualifications:

1. Planned services to be scheduled with 5 business days' notice.
2. Service bank rates are based on normal business hours. Notice is required for scheduled services. Please note the following clarifications:
 - a. At Site
 - i. Scheduled at site services require 5 business days' notice.
 - ii. Same day service is available for 50% expedite fee.
 - iii. Next day service is available for 30% expedite fee.
 - iv. Under 5-day support service available for 15% expedite fee.
 - b. For in office or remote support the standard rate premiums apply.
3. A four (4) hour minimum charge (including travel time) applies to scheduled services.
4. Rates are for 8 hours/day, Monday through Friday, between 8:00 A.M. and 5:00 P.M., after 8 hours, a premium of 1.5 times the base rate applies.
5. On Saturday, between 8:00 A.M. and 5:00 P.M., a premium of 1.5 the base rate applies to the first 8 hours and increases to 2.0 times the base rate for any additional hours.
6. All hours on Sunday or Statutory holidays are subject to 2.0 times the base rate.
7. Travel time will be charged on the same basis as actual working time except at a rate \$98/Hour.
8. Telephone support or remote troubleshooting services are subject to a minimum billing of ½ hour.
9. All expenses will be billed at cost plus 10%.

10. Airfares, car rentals and other public transportation will be billed at cost based on actual point of origin.
11. Rates are subject to annual increases. The year over year price changes for the rates above shall be limited to a maximum three percent (3%), or the Bank of Canada Consumer Price Index plus one-half of one percent (0.5%), whichever is greater
12. Rates for Specialist services will be quoted separately.
13. The Rate above is for system support services. Project pricing may vary.

10. Terms and Conditions

Lakeside Process Controls Ltd. terms and conditions for sale will apply. [HERE](#)

This quotation is valid for consideration for 30 days.

Delivery:	Per Agreement
Incoterms:	Ex Works Winnipeg
Funds:	Canadian Dollars as stated
Taxes:	Extra
Payment:	Net 30 Days. Agreement is invoiced annually on the anniversary date.
Duration:	Commencing on 1 February 2020

Notes:

1. Purchase Order to be issued noting multiyear commitment, individual annual Purchase Orders are acceptable.