

January 30, 2017

Report To: Mayor and Council

From: Travis Rob, Manager of Operations & Facilities

RE: Lakeside Process Controls 3 year support agreement renewal for process control at the water and waste water treatment plants.

The Town has utilized Lakeside Process Controls Delta V program for process control at their water and waste water treatment plants for over 10 years. This program is familiar to the operators, has tremendous capabilities and has always provided reliable service. The process control system is the brains of the plant and ensure that the water being distributed meets all stipulated regulations and is safe for the consumer.

The support agreement with Lakeside includes not only software updates but also computer upgrades and programming support over the three year term. Please see attached report from Mr. Doug Herr, Environmental and Facilities Superintendent outlining the agreement and costs. As the Delta V program is proprietary, there is no other companies that can provide support to this system which is why this support was not tendered per the procurement policy.

It is the recommendation of the Operations and Facilities Executive Committee to accept the proposal for a three year extension to the Lakeside support agreement at an annual cost of \$105,443 split equally between the water and waste water treatment plants, and further a by-law be prepared authorizing the mayor and clerk to execute the agreement.

Respectfully Submitted.



Travis Rob, EIT

Manager of Operations & Facilities

RECOMMENDED
FEB 08 2017
EXECUTIVE COMM

Council Approval of this report will agree with the recommendation of the Operations and Facilities Executive Committee to accept the proposal for a three year extension to the Lakeside support agreement at an annual cost of \$105,443 split equally between the water and waste water treatment plants, and further a by-law be prepared authorizing the mayor and clerk to execute the agreement.

January 16, 2017

Report To: Travis Rob, Manager of Operations & Facilities

From: Douglas Herr, Environmental & Facilities Superintendent

**SUBJECT: Lakeside Process Controls Ltd. – 3-Year Support Agreement
Effective February 1, 2017 to January 31, 2020
Water Treatment and Wastewater Treatment Plants**

Lakeside Process Controls Ltd. a business partner of Emerson Process Management formerly known as Controltech have installed new Delta V computer process control systems and provided support services for the Water Treatment Plant and the Wastewater Treatment Plant. Both systems have been in place for: the Water Treatment Plant in 2005 and the Wastewater Treatment Plant in 2007 with no major problems since its implementation.

With the present Support Agreement period ending January 31, 2017, Lakeside Process Controls Ltd. has submitted a Support Agreement proposal for the Delta V computer process control systems for both plants, for a three (3) year term commencing February 01, 2017 through to January 31, 2020. The price for the three (3) year Support Agreement is \$118,091.00, which breaks down as follows:

Support Services:	\$105,443.00 (both systems – 3 yrs. or \$35,147.67 – 1 yr.)
Workstations:	\$6,324.00 (Water Treatment Plant)
	\$6,324.00 (Wastewater Treatment Plant)

The proposed Support Services portion of the agreement has an increase in cost of approximately 11.1 over the current agreement. (Current: \$94,942.00; Proposal: \$105,443.00).

I questioned Adam Troeller, Lakeside Process Control about the substantial increase in service fees. His response was that their prices are based on US dollars. With the current exchange rate being quite high reflects in the price of the service fees.

The services provide support and performance enhancements for both technical contact and functional inquires, problem resolution and software upgrades. It also provides support for system revisions and upgrades as well as maintenance, configuration and training of Town staff; includes one hundred (100) hours of banked service time per year. Also, there is a carry-over of 74 hours from the previous agreement which can be used within this agreement.

The workstations are optional but are recommended for replacement of the existing workstations at each plant. These are necessary to ensure that the computer hardware is kept current and minimizes the event of computer hardware failure.

With Lakeside Process Control Ltd. knowledge and experience of the Delta V computer process control systems and current support of the Delta V system at the Town's plants it is advantageous for the Town to continue with their services and enter into a three (3) year Support Agreement with them.

Please advise if I can proceed with the award of the agreement.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "d. L. H.", with a horizontal line extending from the end.

Doug Herr
Environmental & Facilities Supt.

Attachment: Lakeside Proposal



Lakeside Process Controls Ltd.
7 Sylvan Way
Winnipeg, Manitoba R2R 29B
Canada
Phone 1 (204) 633-9197
Fax 1 (204) 632-9608



**Town of Fort Frances
Fort Frances, Ontario**

EMERSON PROCESS MANAGEMENT

Process Automation Annual Support Agreement
Effective February 1st, 2017 to January 31st, 2020

Lakeside Process Controls Ltd.
7 Sylvan Way
Winnipeg, Manitoba
R2R 2B9



TABLE OF CONTENTS

System Life Planning	3
Agreement Summary	4
Training Options	5
Terms and Conditions	7
Appendix A – Software Warranty Support	8
Service Description.....	8
Level of Service.....	8
Service Details	8
Appendix B - Performance & Reliability Maintenance	9
Service Description.....	9
Level of Service.....	9
Alarm Management Service	9
Service Details	9
Service Notes:	9
Appendix C - System Upgrade Service	10
Service Description.....	10
Level of Service.....	10
Service Details	10
Service Notes	10
Appendix D - Support Service Bank	11
Service Description.....	11
Level of Service.....	11
Service Details	11
Service Notes	11
Appendix E – PC Evergreen Support (Optional).....	12
Service Description.....	12
Level of Service.....	12
Service Details	12
Service Notes	12
Appendix F - Support Service Rates and Terms	13
Appendix G – Customer Support Assessment.....	14
Appendix H - Service Terms and Conditions.....	15



System Life Planning

System Life Planning is a continuous process to **ensure the quality and performance** of the Emerson Process Management system or solution is **maintained and improved** over the logical life cycle of the process application and the associated equipment. The Process Automation Solution Annual Agreement is designed specifically to support the implementation of the overall system life plan.

System Life Planning involves leveraging multiple support programs including services, hardware, software, and technology enhancements with overall directional changes.

True and effective System Life Cycle Planning requires a **continuous review process** to capture and document both short and long term system life management requirements for continued business results.

Lakeside Process Controls will schedule review sessions to learn about the business requirements of the Town of Fort Frances and to update the Town of Fort Frances on Emerson's systems technology direction. These requirements will include traditional equipment life cycles solutions (service work findings and recommendations, upgrades, migration, obsolescence, system uptime, etc.) but also solutions for the more dramatic changes associated with today's business drivers. Lakeside will also make recommendations on system performance to **help Town of Fort Frances achieve their business drivers** such as production efficiency, regulatory and environmental compliance, and personnel changes.

These sessions will be scheduled on a regular interval but with a degree of flexibility based on the rapid and/or unexpected changes in the Town of Fort Frances's business environment.



Agreement Summary

Lakeside Process Controls Ltd. is pleased to offer the following annual support service agreement for the Emerson Process Management Process Automation Solution installed at the Water Treatment and Waste Water Treatment Plants in the Town of Fort Frances.

The components proposed below are based on the requirements outlined in the customer support assessment (attached in Appendix G) and will allow for the Town of Fort Frances to have a **fixed annual cost to meet all operation and maintenance needs for your process automation system.**

Included with the annual support agreement are the following services:

- **Software Warranty Support**
(Refer to Appendix A for more information)
- **Performance & Reliability Maintenance**
(Refer to Appendix B for more information)
- **System Upgrade Service**
(Refer to Appendix C for more information)
- **Support Service Bank – 300 Hours**
(Refer to Appendix D for more information)

This agreement provides the program that addresses all operational and maintenance needs of the Emerson Process Management control system. All work is performed by factory trained and certified individuals to ensure proper support of your system. The service description, levels of service and service details specific to each customer are defined in each section of this document including the Service Terms and Conditions (Appendix H) for the delivery of these services.

SureService Support Agreement – Payment \$105,443.00
(February 1st, 2017 to January 31st, 2020)

Optional:

Optional Evergreen Workstations \$12,648.00
(In conjunction with the SureService Agreement above)

Binding Agreement: Town of Fort Frances and supplier, intending to be legally bound, have signed this Agreement Contract.

Town of Fort Frances
Public Works Department

Supplier
Lakeside Process Controls

By: _____

By: Adam Troeller 

Title: _____

Title: Process Automation Services Manager

SureService

A Local Business Partner of Emerson Process Management

Training Options

Lakeside Process Controls Ltd. and Emerson Process Management can offer many different solutions to your plants on going personnel training requirements. Any of these can be included with the Service Agreement or addressed separately.

Emerson Certified Courses can be found @

<http://www2.emersonprocess.com/en-US/brands/edservices/automationsystems/DeltaV/Pages/DeltaVTraining.aspx>

DeltaV Courses at Lakeside Process Controls, Mississauga
(Contact Lakeside to for scheduled courses)

\$ 4,650 CND

Upcoming Instructor led Virtual Classroom courses sitting right at your desk!

- **DeltaV Implementation I, Course 7009V: \$3,525 USD**
This course is for personnel who design, implement, commission and service DeltaV. This 4-1/2 day course covers a complete DeltaV system implementation. Upon completion of this course the student will be able to define system capabilities, define nodes, configure continuous and sequential control strategies, operate the system and define users and security.
- **DeltaV Systems Batch Implementation, Course 7016V: \$3,525 USD**
This course is for personnel responsible for configuring and commissioning DeltaV Batch software. This 4-1/2 day course covers a complete DeltaV batch application. Students will use DeltaV Batch software to configure recipe entities including Aliasing, Equipment Trains, Dynamic Unit Allocation, Phase Logic, Operations and Unit Procedures. Equipment entities will also be configured including Unit Modules and Process cells.
- **DeltaV Implementation II, Course 7017V: \$3,525 USD**
This sequential course is for users that have completed course 7009. This 4-1/2 day course is for process control engineers responsible for configuring the DeltaV system. Advanced topics will be covered including displays, function blocks, and configuration tips.



On Demand Custom Training

Lakeside can custom tailor a site specific training course based on your needs.

- Custom Operator Training
- DeltaV Maintenance and System Administration

(Contact Lakeside for details and pricing)

Emerson Global Users Exchange

Enhancing your automation skills and learning from others' experience are among the best methods for improving plant efficiency and reducing operating costs in a tight capital investment environment. Led by users, for users, this conference is one of the industry's most comprehensive collections of ***user-driven presentations and workshops*** on innovative technology applications, process optimization strategies and investment justification.

<http://www.emersonexchange.org/index.asp>



Terms and Conditions

Lakeside Process Controls Ltd. terms and conditions for sale will apply. (Attached)

This quotation is valid for consideration for 30 days.

Delivery:	Per Agreement
FOB:	NA
Funds:	Canadian
Taxes:	Extra
Payment:	Net 30 Days



Appendix A – Software Warranty Support

Service Description

This support service is the backbone of the Emerson Process Management system life management program. Software Warranty Support is delivered via the Guardian Support service. This service provides the Town of Fort Frances the support and performance enhancements required including both technical contact and support for functional inquiries and problem resolution in addition to the system wide software releases keeping operating, application and component performance at the latest and highest level and ensure maximum system life functionality.

Level of Service

Guardian Support will provide the Town of Fort Frances the following support services and system performance releases:

- Telephone Help support of technical and functional inquiries by Lakeside Process Controls during normal business hours. (7:30 am to 5:30 pm)
- Remote Diagnostics, via customer provided analog phone line or internet connection, during normal business hours. (7:30 am to 5:30 pm)
- System wide software release updates which include both major releases which deliver functional enhancement, performance improvement, new technology support and minor releases which provide new features and issue resolution.
- Technical telephone support from the Emerson Process Management Response Center.
- Biannual System Analysis Reports.
- Guardian Dashboard support website with user configurable content specific to your systems including:
 - Knowledge Base Articles (KBAs) that are matched to system node names and KBA management tools
 - Operating System Security Update management
 - Lifecycle status information listed by node name and Emerson model number
 - System Profile Information

Service Details

Guardian Support will be provided for both the DeltaV control system and AMS if it has been installed with the DeltaV System. For the DeltaV control system Guardian Support is based on the DeltaV ProfessionalPLUS workstation system wide license size and not the individual software or hardware components. For AMS the support is based on the Device Manager Database tag size.

Service Notes:

Telephone or remote diagnostic support related to process applications will be billed according to Appendix F – Support Service Rates and Terms.



Appendix B - Performance & Reliability Maintenance

Service Description

This support service provides the Town of Fort Frances a scheduled program that includes the traditional preventative maintenance services and the more critical performance review, maintenance and planning services required for effective automation solution life management.

Level of Service

Performance Maintenance will provide the Town of Fort Frances a defined number of regularly scheduled On-Site Service visits to perform both traditional preventative and performance maintenance services.

Preventative maintenance includes inspection, adjustment, cleaning, testing, and repair or replacement activities based upon the specific needs of the system according to the appropriate Emerson Process Management and Lakeside Process Controls quality service checklists. Replacement of worn, unserviceable, consumable parts, such as cabinet filters, printer ribbons and batteries will be performed as necessary using customer supplied materials or materials supplied by Lakeside Process Controls at additional cost.

Performance maintenance includes the performance review of key hardware and software components including workstations, networks, controllers, power supplies, historical data collection and configuration databases. The performance review will result in maintenance tasks including configuration and historical database optimization and system Image backups.

The performance review will also document component changes required to effectively enhance the overall operating performance of the installation. These planned changes include workstation, controller or network module upgrades or exchange programs, 3rd party technology impact implementation, etc. and provide the basis for the overall system life management.

All work performed and any parts replaced will be documented in a Service Call Report for customer verification and future reference.

Alarm Management Service

The Performance and Reliability Service includes one System Alarm Management Report. The report provides an evaluation of your alarm's system performance.

Service Details

One (1) scheduled visit is required and provided under this Support Agreement and will be scheduled during regular working hours with travel time and expenses.

Service Notes:

1. Weekend or holiday scheduling can be arranged and will be billed according to Appendix F - Support Service Rates and Terms.



Appendix C - System Upgrade Service

Service Description

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 includes all remote and site services by support specialist to install any releases provided under the Guardian Support service by Emerson Process Management.

Level of Service

Revision and Upgrade Installation service provides the Town of Fort Frances with the following services:

- Pre-installation consultation with system manager, reviewing the state of the system, the implications of any changes, system-wide effects, the installation procedure, and related documentation updates. The extent of this consultation will vary according to the nature of the revision or upgrade. In situations where changes are minor, the consultation may be accomplished by telephone.
- Pre-installation testing of the current system database may be completed to ensure that the new revision or upgrade kit is complete and correct for the target device and that the revision levels of the operating system software and other required third-party software are compatible. This will be completed as the situation requires based on the nature of the upgrade.
- On-Site installation and verification of software or hardware revisions and upgrades.
- A post upgrade visit follow up will be completed to ensure proper operation.
- Telephone assistance for Customer installation of hotfixes or other safety related mandatory updates, where technically feasible

Service Details

One (1) scheduled visit is provided under this Support Agreement and will be scheduled during regular working hours with travel time and expenses included.

Revision and Upgrade installation will be provided for the DeltaV control system and the AMS software if applicable.

The method of installation selected will reflect the most appropriate for the particular situation for both the Customer and Lakeside.

The scheduling of this service will be initiated by Lakeside Process Controls so as to be mutually convenient for both parties.

Service Notes

1. Weekend or holiday scheduling can be arranged and will be billed according to Appendix F - Support Service Rates and Terms.



Appendix D - Support Service Bank

Service Description

The Consolidated Support Service Bank provides the Town of Fort Frances specified support services such as maintenance, configuration, and site assistance. Support services will be logged against the Bank by Lakeside Process Controls and not billed on an individual basis.

Level of Service

Support services that will be applied to the Support Service Bank may include:

- On site preventative maintenance of control system to help maintain operational reliability.
- Configuration services such as controller or console configuration modifications and small additions.
- Site Assistance services including all necessary site involvement to assist during control system installation, check out, commissioning and start-up phases.

Service Details

A **300 hour** service support bank will be provided. Support service time will be compiled against this block to a **maximum of 300** 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 Appendix F. Similarly expenses outlined in this Appendix may be converted to equivalent hours and logged against the service bank.

Service Notes

1. Any support services under this service bank must be scheduled in advance with Lakeside.
2. At the end of the agreement period, unused hours, to a maximum of 40, can be applied to the following Support Service Agreement.



Appendix E – PC Evergreen Support (Optional)

Service Description

The PC Evergreen Program provides future replacement of the Town of Fort Frances's DeltaV Workstations and Servers with Emerson tested and approved PC Hardware. This service protects your investment and ensures your technology stays current in a fast changing environment.

Level of Service

This agreement will provide four (4) Workstation Class Machines compatible with Emerson's Software updates supplied under Emerson's Guardian Support.

Please note, peripherals are not covered under this agreement.

PC Hardware Replacement:

<u>Node</u>	<u>Type</u>	<u>Model</u>	<u>Workstation Type</u>	<u>Ser. No.</u>	<u>SW Rev.</u>
	SE2537M99/ SE2806	Precision T5810 Minitower	Dual & Quad-Mon Capable; Two 22-inch Widescreen Monitors		
	SE2537M99/ SE2806	Precision T5810 Minitower	Dual & Quad-Mon Capable; Two 22-inch Widescreen Monitors		
	SE2537M99/ SE2806	Precision T5810 Minitower	Dual & Quad-Mon Capable; Two 22-inch Widescreen Monitors		
	SE2537M99/ SE2806	Precision T5810 Minitower	Dual & Quad-Mon Capable; Two 22-inch Widescreen Monitors		

Service Details

The Town of Fort Frances will be eligible for a PC exchange on June 1, 2018, for all of the machines noted above. A new 30 month period with begin after PCs are exchanged.

If the Town of Fort Frances cancels the agreement all benefits of this program are forfeited.

Upon shipment of the replacement PC, Lakeside will contact Town of Fort Frances to schedule the hardware installation at which time an active service bank account, separate purchase order or change order will be required for all related on-site service labor requested.

The PC Evergreen Program includes acquisition of the hardware only. Non-Emerson software will be loaded at additional cost of time and materials.

Service Notes

Lakeside will provide PC replacement as detailed above and the appropriate DeltaV software installation prior to replacement.



Appendix F - Support Service Rates and Terms

Lakeside Process Controls Ltd. recognizes that support services can vary widely from project to project and from customer to customer. Different levels of services will often be required to support the design, configuration, documentation, installation and start-up of a project as well as ongoing management and maintenance of a process automation solution at existing sites. 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.

Service Description

Demand Hourly Rate

	<u>Standard</u>	<u>Agreement</u>
Process Automation Engineering and Service Support	\$195	\$125
Process Instrumentation Service Support	Available on Request	N/A

* Plus Travel Time, Living Expenses and applicable Rate Premiums

Terms and Conditions Governing Rates and Travel

Rates for services are subject to the following qualifications:

1. Rates are subject to discount for Service Agreements based upon the scope of services committed under the Service Agreement.
2. Rates are for 8 hours/day, Monday through Friday, between 7:00 A.M. and 6:00 P.M., after 8 hours, a premium of 1.5 times the base rate applies.
3. On Saturday, between 7:00 A.M. and 6:00 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.
4. All hours on Sunday or Statutory holidays are subject to 2.0 times the base rate.
5. Telephone support or remote troubleshooting services are subject to a minimum billing of ½ hour.
6. Premiums on travel time will be charged on the same basis as actual working time except that a base rate of \$95.00/hour will apply.
7. Daily rates are in addition to transportation, meals and lodging.
8. Meals and lodging will be billed at cost plus 10%.
9. Airfares, car rentals and other public transportation will be billed at cost based on actual point of origin.
10. Travel by company or personal automobile will be billed at \$ 0.95/kilometre.



Appendix G – Customer Support Assessment

Outlined below is a summary of the products and services included in the 3-Year SureService Agreement provided by Lakeside Process Controls to the Town of Fort Frances. They are:

1. Software Warranty Support
2. Business Hours Technical Support
3. Emerson's Guardian Support (latest DeltaV software released by Emerson)
4. Preventative Maintenance
5. One (1) System Alarm Management Report (provides an evaluation of Town of Fort Frances's alarm system performance)
6. System Software Upgrade, Installation, and Setup of Emerson's Guardian Support Software
7. 100-hours per year of Support Service (Configuration, Training, Troubleshooting, etc)
8. Preferential Support Service Rates (\$125.00 per hour versus \$195.00 per hour)

Optional:

1. Workstation Evergreen Support (replacement of existing four workstations)

Other SureService Services and Products Available Upon Request:

1. Emergency 24-Hour Telephone Support
2. Emergency On-site Response
3. DeltaV Hardware Warranty
4. DeltaV Spares Support (Lakeside dedicated inventory to support Town of Fort Frances)

Appendix H - Service Terms and Conditions

These terms and conditions, the attendant quotation or acknowledgement, and all documents incorporated by reference therein, bind the company(s) which issues the quotation or acknowledgement for the provision of services and the sale of goods to be provided by **Lakeside Process Controls Ltd.** (hereinafter referred to as "Lakeside") and the buyer (hereinafter referred to as the "Customer") and constitute the entire agreement between Customer and Lakeside regarding such sale or service.

Definitions

- 1.1 "Service(s)" - shall mean the customer support solution service(s) to be provided by Lakeside as set out in quotation or acknowledgement.
- 1.2 "Equipment" - shall mean the machinery, apparatus, materials and things (not including Programs) as set out in quotation or acknowledgement.
- 1.3 "Programs" - shall mean computer programs in any medium, software, firmware and software/firmware combinations, as set out in quotation or acknowledgement, to be covered by the Service(s) together with associated instruction manuals and documentation.
- 1.4 "System" - shall mean, if applicable, the combination of Equipment and Programs.
- 1.5 "Spares" - shall mean, if applicable, spare parts for the Equipment to be supplied by Lakeside under the quotation or acknowledgement.
- 1.6 "Exchange Replacement" shall mean an item of Spares supplied by Lakeside on the basis that the faulty item to be replaced will be returned by the Customer and title therein will revert to Lakeside.
- 1.7 "Specialist(s)" shall mean Lakeside's trained customer support personnel who will perform the Services.

Start Date and Term

- 2.1 Each of the Services included in quotation or acknowledgement, shall commence on the date

set out in the Agreement and continue for the period so specified for each service.

Scope of Work and Time for Performance

- 3.1 Lakeside shall carry out at the times and on the dates agreed the Service(s) set out in quotation or acknowledgement, provided that all use and storage of the Equipment and Programs by the Customer is conducted in a manner prescribed by Lakeside for that Equipment or Program.
- 3.2 All time periods specified in the quotation or acknowledgement for performance of the Service are best estimates, based on information available. Lakeside shall not be liable for damages or economic loss of any kind resulting from delay in performance.
- 3.3 Lakeside reserves the right to exclude Services for Equipment and/or Programs which have been subjected to misuse, negligence, accidental damage or unauthorized modification, repair, maintenance or relocation.
- 3.4 Lakeside also reserves the right to discontinue Services for Equipment and/or Programs, which have been modified by a third party without Lakeside's prior written approval.

Price, Payment Terms and Title

- 4.1 Specified in the quotation or acknowledgement, the Customer shall pay to Lakeside all fixed charges. Other charges, as may be noted in the quotation or acknowledgement, shall be invoiced following completion of the relevant activity. All payments become due and payable in lawful money of Canada at Lakeside's office within thirty (30) days of the date of the invoice.
- 4.2 Invoice amounts may be calculated assuming an exemption from taxes but without prejudice to Lakeside's right to charge buyer taxes at any time subsequently, should the taxing authorities determine that the Services sold are taxable.

Force Majeure

- 5.1 The Agreement (other than the Customer's obligation to pay all sums due to Lakeside in

accordance with the Agreement) may be suspended, without liability, in the event and to the extent that its performance is prevented or delayed caused by fire, strikes, trade disputes, floods, accidents, embargoes, delays in transportation, shortages of materials and/or labour, action by federal or local government or its agencies and any other cause beyond control of Lakeside.

- 5.2 If performance of the Agreement or any part thereof is suspended by reason of this Clause 5 for more than 180 consecutive calendar days, either party may cancel the then unperformed portion of the Agreement by notice in writing given to the other party, without liability.

Availability of Equipment and Programs

- 7.1 Access to and availability of the Equipment, Programs and, where applicable, any spare parts held by the Customer shall be granted to Lakeside's personnel to enable the Service(s) to be carried out. Copies of documentation, site logs etc. shall be made available on request.

Replacement/Repair of Defective Parts

- 7.1 Except for items under warranty (whether under this Agreement or under the original Agreement and/or license agreement covering the supply of the Equipment and Programs) or unless otherwise stated in the relevant quotation or acknowledgement, the cost of repair or replacement of defective items shall be to the Customer's account. All items, which have been replaced, revert to Lakeside's ownership.
- 7.2 The prices charged for repair or replacement under sub-clause 7.1 shall be as specified in the quotation or acknowledgement or otherwise as shall prevail at the time of repair or replacement.
- 7.3 At Lakeside's option, an Exchange Replacement may not be new but shall be always fully tested, serviceable and to an equivalent standard to the item replaced.

Safety Requirements

- 8.1 The Customer shall take all reasonable precautions to ensure the health and safety of

the Specialist(s) whilst on the Customer's premises. Unless otherwise agreed, a representative of the Customer shall accompany the Specialist(s) at all times during the Services.

- 8.2 Lakeside undertakes to comply with the Customer's site safety regulations, provided such regulations are notified to and agreed with Lakeside in advance. Where agreed, the regulations shall be appended to the quotation or acknowledgement.
- 8.3 The Customer shall make available free of charge any safety clothing, and equipment that may be necessary y. The Specialists will however already be equipped with a safety helmet and safety boots.

Site Medical Facilities

- 9.1 In the event of an accident or emergency, the Customer's site medical facilities shall be freely available to visiting personnel of Lakeside.

Warranty

- 10.1 Lakeside warrants that it shall exercise reasonable skill, care and diligence in the performance of work under the Agreement and carry out the Service(s) in accordance with good engineering and/or professional practice, and that it shall correct any non-conforming work performed, provided that the Customer notifies Lakeside in writing of such non-conforming work within a period of 3 calendar months following completion of the work in question.
- 10.2 Subject to the other provisions of the Agreement, Lakeside warrants a) good title to and unencumbered use of Spares for which the Customer has paid in full and b) that Spares manufactured by Lakeside shall conform with Lakeside's specifications therefore and be free of defects. Lakeside will make good by repair or at Lakeside's option by the supply of a replacement part or parts, any non-conforming condition which, under proper use, care and maintenance, appear in Spares of its own manufacture within 3 calendar months after dispatch and which arise solely from faulty materials or workmanship and not through fair wear and tear.

SURESERVICE™

10.3 Services provided by third parties in accordance with Clause 13.2 hereof or Spares manufactured by third parties shall carry only the warranty extended by that third party.

10.4 Except as above stated, Lakeside makes no representation or warranty of any kind with respect to the Services or Spares, and all other representations, warranties, conditions and liabilities, express or implied, by statute, common law or otherwise, are hereby excluded.

Limitation of Liability

11.1 Lakeside's liability shall not exceed the Agreement price and Lakeside shall not be liable for any special or consequential damages, or economic loss.

Cancellation

12.1 Cancellation of Agreement, in part or in whole, may only be made with prior approval by Lakeside and such cancellation shall be subject to cancellation charges in such amounts as may be determined by Lakeside at the time of such cancellation.

Assignment and Sub-Contracting

13.1 Neither party shall assign or transfer in whole or in part, the Agreement or any of its rights herein without the prior written consent of the other party.

13.2 Where a Service is identified as relating to Equipment and/or Programs manufactured or provided by a third party, Lakeside reserves the right to have the Service performed by that third party acting as a sub-contractor to Lakeside. Such a Service will only cover the Equipment and/or Programs manufactured or provided by that third party.

Point of Contact

14.1 The point of contact with Lakeside for all queries and/or requests relating to the Services, including those Services, which may be performed by a sub-contractor, is shown in quotation or acknowledgement.

Remote Diagnostic Services

15.1 If Service(s) are to include the provision of remote diagnostic services, then Lakeside shall potentially have on-line, real time access to Customer's processes. Notwithstanding any warranties contained herein, Customer accepts responsibility for all consequences of the access granted to conduct such Service(s) and shall defend and indemnify Lakeside from and against all actions, claims, damages and expense arising out of or relating to thereto.

Miscellaneous

16.1 No waiver by either party with respect to any breach or default or of any right or remedy and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing and signed by the party to be bound.

16.2 If any clause, sub-clause or other provision of the Agreement is invalid under any statute or rule of law, such provision, to that extent only, shall be deemed to be omitted without affecting the validity of the remainder of the Agreement.

16.3 The headings to the Clauses and paragraphs of this Agreement are for guidance only and shall not affect the interpretation thereof.

16.4 This Agreement is to be construed according to the laws of Ontario. This document constitutes Lakeside's entire expressed offer to customer to supply the Services described herein, and shall be deemed to be accepted unless Customer advises Lakeside in writing to the contrary

End of Proposal