

FOR BOARD ACTION

Agenda Item # 8. a.

Meeting Date:

3/30/04

SUBJECT:

Novaspect Inc. System Performance Agreement

PREPARED BY:

Wally Schlink, Manager of Power Production

ITEM DESCRIPTION:

For the past two years, the RPU Board has approved a purchase order agreement with Novaspect Inc. for the maintenance and support of the SLP Boiler Control System. This System Performance Agreement was projected as a three year agreement with an annual approval and we are entering the third year.

The System Performance Agreement provides several key elements to keep the system at a peak operating condition. It includes an extended warranty and express module replacement program that will allow us to avoid the cost of keeping inventory spares on the shelf also avoiding obsolescence of the parts. It provides a scheduled replacement of all operator workstations to maintain the latest technology. It provides foundation and application engineering support to maintain and upgrade the system as needed, and we receive a substantially discounted rate for the services by scheduling them ahead of time.

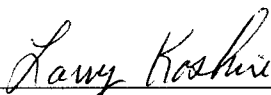
Staff is satisfied that this is the superior and most economical method for meeting our needs for maintenance and support of the boiler control system.

The agreement has a schedule of services and charges based on an annual service period. The schedule of charges is submitted, along with the service periods on Appendix I which is attached.

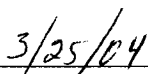
This item is an approved budgeted item in the 2004 operating budget.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a purchase order agreement with Novaspect, Inc. for the schedule of services and charges under the terms of the System Performance Agreement. The cost of the purchase order is \$105,502.



General Manager



Date

Novaspect Inc.
System Performance Agreement
Prepared For:

Rochester Public Utilities
Silver Lake Plant
Rochester Minnesota
Novaspect Contract #: 3949
March 25, 2004



we pledge. we deliver

Date	Rev. No.	Description	Issued By	Checked By
2-11-04	0	Renewal Proposal	JCT	LAL
03-25-04	1	Updates to Appendix II	JCT	LAL



Novaspect, Inc.
7565 Corporate Way
Eden Prairie, MN 55344

APPENDIX I – SCHEDULE OF SERVICES AND CHARGES

The following Services are to be provided by Novaspect in accordance with this Agreement and are subject to the charges as set out below:

DeltaV System IDs: 0001-0001-6369 , 1700 DST

Schedule of Services and Pricing Summary: Delta V Systems – Boiler Controls System

2004 Renewal

Service Description	Fixed Annual	Service Period	
Express Module Replacement – Note 1	1,091.00	01-FEB-2005	01-MAY-2005
PC Replacement Program – Note 2	\$4,642.00	01-MAY-2004	01-MAY-2005
Foundation Support (Normal Hours Response) ²	\$15,305.00	01-MAY-2004	01-MAY-2005
Application Engineering Support 60 On-site days total – (see Appendix II for details)	\$84,464.00	01-MAY-2004	01-MAY-2005
Total Agreement (Annual Charge)	\$105,502.00		
Available on a Monthly Payment	\$8,845.00		

1. Prorated amount to bring expiration to match the Delta V Foundation Support renewal.
\$4,364.00/12 mos. =\$363.67 * 3 Mos (Feb 05-Apr 05)= \$1,091.00
2. One (1) pc has been added since last year.
3. Primary Contacts for each party are as follows:

Novaspect, Inc.

1776 Commerce Drive
Elk Grove Village, IL 60007
Attn: David Manecke
Phone: (847) 709-8934
FAX: (847) 956-8588

Rochester Public Utilities

4000 East River Road, NE
Rochester, MN 55906
Attn: Walter Schlink
Phone: (507) 280-1650
FAX: (507) 280-1651

APPENDIX II – DESCRIPTION OF SERVICES

DeltaV Express Module Replacement

Under this Service, the Customer has access to Fisher-Rosemount's stock of spares held at Fisher-Rosemount's premises. Should an assembly require replacement, Express Module Replacement provides replacement assemblies shipped within one business day.

Customer Responsibilities

Each Exchange Replacement provided under this Service is supplied on the understanding that the faulty unit is returned to Fisher-Rosemount within 7 days of dispatch of the Exchange Replacement and that the faulty item is, in Fisher-Rosemount's opinion, acceptable for repair. Units which have been mechanically damaged, immersed in liquid, corroded or damaged by fire or lightning will be automatically deemed unacceptable and rejected from the Plan. If on receipt by Fisher-Rosemount the item is found to be unacceptable, it will be returned at the Customer's expense and an invoice for the Exchange Replacement will be issued at 100% of the prevailing list price. Each item returned must be accompanied by sufficient documentation to identify the item as the property of the Customer (including return address for redelivery of the item in case found to be unrepairable). Documentation should include the following: System ID Number, DeltaV Part Number, Serial Number, item description, symptom of problem, Service Agreement PO number (supplied by Novaspect), Customer contact name, phone and FAX number. Fisher-Rosemount cannot be held responsible for the loss of any item that is insufficiently identified. Novaspect will supply preprinted shipping labels and provide you with a Returned Goods Authorization number for returned shipments. Items not returned to Fisher-Rosemount within the allotted 7-day period will be subject to invoicing at 100% of the prevailing list price.

Service Details

Next business day replacement for DeltaV failed modules. Faulty items shall be returned freight prepaid, using the same packing and information supplied with the replacement module, to:

Emerson Process Management
8301 Cameron Road
Austin, TX 78754

Workstation Computer Refresh Program

Service Description

This Service provides updated workstation computers over a three-year period. This also covers replacement of faulty computers or parts over that three-year period that the service is in place.

Customer Responsibilities

To request service for failed workstations the customer is required to contact the designated Novaspect contact. The Novaspect service engineer will determine if the workstation will require either repair or replacement. This decision will balance the needs of process requirements and time to repair. The refresh program will automatically be implemented every three years. Any additional on-site services will be covered under the application engineering services.

Service Details

Each workstation will be upgraded to the latest available workstation after both of the following conditions have been met. The computer has been in use for three years, and the workstation computer refresh service has been in force for three years.

This services covers the operator workstations and one Proplus workstation as listed in the Schedule of Equipment.

DeltaV Foundation Support

Foundation Support provides DeltaV users with the essential support needed to achieve peak system utilization and reduce the risk of lost production with around the clock access to crucial information, timely advice and problem diagnosis by product experts plus the latest software releases and access to on-line information services.

This Service provides:

- Consultation for DeltaV system software and hardware topics, i.e. technical product support. Consultation requests are directed to the Fisher-Rosemount Response Center. Fisher-Rosemount will work closely with the Customer's system manager to provide an effective problem-resolution process, including remote system diagnosis where authorized by the Customer and an automatic escalation process for inquiries or problems requiring advanced expertise.
- CD media and documentation for software releases to Programs as and when issued by Fisher-Rosemount. Software releases may include new and improved features.
- Access to system technical articles via fax information service and Internet WEB site, (<http://frsystems.com/support>). This site provides technical articles with downloadable files and an E: Mail facility for requesting technical assistance or specific software updates.

Customer Responsibilities

To request service the Customer should contact the **Fisher-Rosemount Response Center at (800) 833-8314**. Upon contacting Fisher-Rosemount, you must provide the **DeltaV System Identification Number** (See System Identification Numbers listed in Appendix I) and the fullest possible explanation of the problem for which assistance is required.

When Remote Diagnosis is necessary, the Customer will make available and switch-on a Fisher-Rosemount supplied modem, run the *pcANYWHERE* software and provide a suitable telephone connection.

The Customer shall have a trained engineer available to provide the fullest details available on the problem(s) to be investigated and shall provide any local technical assistance required during the remote log-on and diagnosis session.

SYSTEM REVISION INSTALLATION SERVICE

Service Description

Revision Installation Service provides the services of a Company Service Engineer to install revisions to Equipment or Programs which the Customer may have purchased or to install any releases to Programs which the Customer may have received under Company's System Revision Service.

Level of Service

- Revision Installation Service includes the following services:
- Pre-installation consultation with the Customer's system manager to review 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. In situations where changes are minor, the consultation may be accomplished by telephone.

- Pre-installation verification that the 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.
- Depending on the particular situation, either:
 - On-site installation and verification of Equipment or Program revisions or upgrades, or
 - remote installation and verification of Program revisions or upgrades through modem, where technically feasible, or
 - telephone assistance, supplemented by remote modem assistance, for Customer installation of Program revisions and upgrades, where technically feasible.

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

Customer Responsibilities

The Equipment and Program upgrades and releases under the System Revision Service referred to in this Service are not provided under this Service. The Customer will have obtained these separately.

Service Details

The scheduling of this Service will be mutually convenient to both parties.

The number of installation service visits, will be jointly determined by both parties, and will be included as part of the planned engineering visits.

Application Engineering Support

Service Details

Under the terms of this agreement Novaspect will provide twenty four (24) planned application engineering visits per year for a total of 60 days. One visit per month for three days, typically the first week of the month and one visit per month for two days, typically the third week of the month. Novaspect will finalize the scheduling of such visits, at the mutual convenience of both parties.

This Service provides a Specialist on-site to carry out application engineering tasks in order to help maintain and improve the DeltaV system's operational performance and reliability. The on-site services may include any of the following items.

System Maintenance

- System Backups – including configuration database, graphic displays, and historian
- NT Administration – updating accounts, disk drive defragmentation, installation of service packs
- System Upgrades – installation of DeltaV system upgrades

Application Support

- Application Trouble shooting

System Improvements

- Display Modifications – changes to existing displays
- New Displays – graphic or tabular format
- I/O Range Changes – for Fieldbus transmitters or traditional I/O
- Alarm Limit Changes – new limits or adjustments of existing limits
- Alarm Management – definition of new plant areas, conditional alarms
- Addition Of New Points – either monitor or new for control
- Changes to Control Functionality – modify existing control strategies

Addition Of New Control – new control functionality either discrete, sequential, or continuous control

Control Loop Tuning – tuning with the auto tuner and other advanced methods

Process Optimization – The addition of higher level control for process optimization

Training

Operator Training – supplemental training to enhance the operators use of the system

Instrumentation Training – including configuration and system trouble shooting

System General Maintenance

Review on-site maintenance logs and alarm logs for system problem identification

Verify AC and DC voltages, power distribution, grounding systems and UPS operation

Operator Workstations, Professional, ProfessionalPLUS Workstations and Application Stations

Verify proper operation, clean as necessary

Review diagnostic event log, CPU and memory usage

Check operator input/output devices including keyboard, mouse and monitors

Ensure proper operation of CPU cooling fans

Controllers, Input/Output Modules

Verify status and operation of controller redundancy where applicable

Verify operation of all I/O redundancy where applicable

DeltaV Control Network

- Check diagnostic status of network communications
- Verify control network traffic and loading

Customer Responsibilities

The Customer shall be responsible for making the System available for the Specialist at the scheduled time for the Planned on-site visit.

Service Details

Under the terms of this agreement Novaspect will provide Twelve (12) planned application engineering visits per year. Novaspect will initiate the scheduling of such visits, at the mutual convenience of both parties.

APPENDIX III – SCHEDULE OF EQUIPMENT AND SOFTWARE

DeltaV Equipment

ITEM #	DESCRIPTION	QTY
DeltaV Consoles		
	Professional Plus Engineering Workstations	1
	Professional Workstation	0
	Operator Workstations	3 4
	Application Workstations	1
DeltaV Controllers		
VE3004	MD Primary Controllers	1
VE3004	MD Redundant Controllers	1
VE3004	M5+ Primary Controllers	
VE3004	M5+ Redundant Controllers	6
VE5004	Delta V Power Supply	8
VE600X	DeltaV Communications Hardware	8
DeltaV System Software		
	DeltaV System Software – Revision v5.3.2 – 1700 DST System Database	1

APPENDIX IV – SERVICES RATE SCHEDULE

<u>SERVICE DESCRIPTION</u>	<u>Hourly Rate</u>
Loop Performance Consulting / Control Loop Analysis / Control Loop Optimization	\$150.00
Lead Project Engineer / Project Manager / Specification Development	\$140.00
Demand On-Site Control System Service	\$140.00
Valve Asset Manager / Valve Diagnostic Engineer	\$135.00
Control System Engineering / Configuration Support	\$125.00 \$130.00
Instrumentation Engineering	\$135.00
Valve Service Technician	\$115.00
Drawing Services / Database Entry	\$80.00
Project Support Services	\$52.00

Primetime – Hourly Rate times 1 (Straight time)
 Monday - Friday, 7:00 AM to 6:00 PM (8 hour maximum)

Overtime - Hourly Rate times 1.5 (Time and one-half)
 Monday - Friday hours exceeding 8 hours but less than 12 hours
 Saturday

Premium Overtime - Hourly Rate times 2 (Double time)
 Monday - Friday hours exceeding 12 hours
 Saturday hours exceeding 8 hours
 Sundays and Novaspect scheduled holidays

Shift Premium - Hourly Rate times the following multipliers will be charged for work performed on non-standard shift. Overtime premiums will be charged in addition to the shift premium rate where appropriate.

Hourly Rate times 1.10 for second shift (3:00 PM - 11:00 PM)
 Hourly Rate times 1.15 for third shift (11:00 PM - 7:00 AM)

- * Note 1 - A four (4) hour minimum charge applies to demand services.
- * Note 2 - A four (4) hour minimum charge will be applied for calls canceled or re-scheduled with less than 24 hours prior notification.
- * Note 3 – Rates are subject to discount for large projects and Service Agreements based upon project size or services committed under a Service Agreement.

TRAVEL AND EXPENSE CHARGES

- Customer will be invoiced for travel time at the prevailing rate and all travel and living expenses will be invoiced at cost as incurred by Novaspect.
- Travel time is calculated portal to portal.
- Auto mileage will be invoiced at 36.5 cents per mile, Fisher Service Company pickup truck and van mileage will be invoiced at 37 cents per mile and on-site service truck will be invoiced at 60 cents per mile.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a purchase order agreement with Novaspect Inc. for

System Performance Agreement for
Maintenance & Improvement of the SLP Boiler Control System

The amount of the purchase order agreement to be ONE HUNDRED FIVE THOUSAND FIVE HUNDRED TWO AND 00/100 DOLLARS (\$105,502.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of March, 2004.

President

Secretary