



CLARK COUNTY
STAFF REPORT

John
y/w

DEPARTMENT/DIVISION: Public Works / Salmon Creek Wastewater Treatment Plant

DATE: January 15, 2013

REQUEST: Authorize the Public Works Director to sign a Professional Services Contract with Siemens Energy, Inc. for major maintenance on existing Turblex blowers in the amount of \$36,342 plus applicable taxes, and authorize the Public Works Director to sign contract extensions and supplemental agreements up to 10 percent of the original contract amount. (RFP #627)

CHECK ONE: _____ Consent _____ Chief Administrative Officer _____ Hearing

PUBLIC WORKS GOALS:

- Provide safe and efficient transportation systems within Clark County
- Continue responsible stewardship of public funds
- Promote family-wage job creation and economic development to support a thriving community
- Maintain a desirable quality of life
- Improve environmental stewardship and protection of natural resources
- Increase partnerships and foster an engaged, informed community
- Make Public Works a great place to work

BACKGROUND: The Salmon Creek Wastewater Treatment plant needs to have major maintenance on three (3) Turblex blowers that supply oxygen to the microorganisms in the aeration basins. This maintenance is over and above the routine maintenance done by the treatment plant staff. The oldest of these blowers now has 60,000+ hours on it and was installed in 1998.

COMMUNITY OUTREACH: The need for community outreach is not anticipated for this project.

BUDGET AND POLICY IMPLICATIONS: This will be budgeted in the 2013/2014 biennial budget in 4583 Repair and Replacement in the first supplemental of 2013.

FISCAL IMPACTS: Yes (See Attached Fiscal Impacts Form) No

ACTION REQUESTED: Authorize the Public Works Director to sign a Professional Services Contract with Siemens Energy, Inc. for major maintenance on existing Turblex blowers in the amount of \$36,342 plus applicable taxes, and authorize the Public Works Director to sign contract extensions and supplemental agreements up to 10 percent of the original contract amount. (RFP #627)

DISTRIBUTION: Please forward a copy of the approved staff report to Public Works Administration. Contact Anita Johnson when the professional services contracts have been approved and are ready to be picked up.

Greg Shafer
Operations Manager

Peter Capell

Peter Capell, P.E.
Public Works Director/County Engineer
KH/GS/aj

APPROVED *Tom Mielke / D. D. Mue*
CLARK COUNTY, WASHINGTON
BOARD OF COMMISSIONERS

January 15, 2013

SR 009-13

PW13-005

FISCAL IMPACT ATTACHMENT

Part I: Narrative Explanation

I.A - Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information.

The Salmon Creek Wastewater Treatment plant needs to have major maintenance on three (3) Turblex blowers that supply oxygen to the microorganisms in the aeration basins. This maintenance is over and above the routine maintenance done by the treatment plant staff. The oldest of these blowers now has 60,000+ hours on it and was installed in 1998. The cost will be \$36,342 plus sales tax.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	4583	Total	4583	Total	4583	Total
Sanitary Sewer Repair & Replacement Fund (4583)	\$36,342.00	\$36,342.00				
Total:	\$36,342.00	\$36,342.00	\$0.00	\$0.00	\$0.00	\$0.00

II.A - Describe the type of revenue (grant, fees, etc.)

We will use existing fund balance for these expenditures in 2013/2014.

Part III: Estimated Expenditures

III.A - Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		4583	Total	4583	Total	4583	Total
Sanitary Sewer Repair & Replacement Fund (4583)		\$36,342.00	\$36,342.00				
Total:		\$36,342.00	\$36,342.00	\$0.00	\$0.00	\$0.00	\$0.00

III.B = Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	4583	Total	4583	Total	4583	Total
Salary/Benefits						
Contractual	\$36,342.00	\$36,342.00				
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total:	\$36,342.00	\$36,342.00	\$0.00	\$0.00	\$0.00	\$0.00

JP

Professional Services Contract
Contract Purchase Agreement No.

THIS AGREEMENT, entered this _____ day of _____ 2013, by and between CLARK COUNTY, after this called "County," a political subdivision of the State of Washington, and Siemens Energy Inc., after this called "Contractor."

WITNESSETH

WHEREAS, the contractor has been chosen through a competitive bid process by the County (RFP # 627) and has the expertise to provide factory authorized field service for the three (3) Turblex blowers located at the Salmon Creek Wastewater Treatment Plant.

WHEREAS, Clark County does not have available staff to provide such services for the benefit of the services of Clark County, NOW, THEREFORE,

THE COUNTY AND THE CONTRACTOR MUTUALLY AGREE AS FOLLOWS:

1. Services. The Contractor shall perform services as follows:

A. Generally: To provide professional services for Clark County and to perform those services more particularly set out in the attached proposal attached hereto and incorporated herein by this reference as Exhibit "A."

2. Time. The contract shall be deemed effective beginning January 1, 2013.

Clark County reserves the right to extend the contract resulting from this bid for a period of two (2) one (1) year periods, with the same terms and conditions, by service of a written notice of its' intention to do so thirty (30) days prior to the contract termination

date. Extended period shall be reviewed at the time of the extension to allow for inflation.

3. Compensation. County shall pay the Contractor for performing said services upon receipt of a written invoice according to the following schedule:

A. Fees paid Contractor shall be those fee schedules set forth in "Exhibit A". The dollar amount in RFP #627 is \$36,342, plus applicable tax.

4. Termination. The County may terminate this contract immediately upon any breach by Contractor in the duties of Contractor as set forth in contract. The waiver by the County of one or more breach shall not be held or construed as a waiver of any subsequent breach or breaches. Further, County may terminate this contract upon immediate notice to Contractor in the event that the funding for the project ceases or is reduced in amount. The Contractor will be reimbursed for services expended up to the date of termination.

5. Independent Contractor. The Contractor shall always be an independent contractor and not an employee of the County, and shall not be entitled to compensation or benefits of any kind except as specifically provided herein.

6. Indemnification Clause. The Contractor does release, indemnify and promise to defend and save harmless the County, its elected officials, officers, employees and agents from and against any and all liability, loss, damages, expense, action, and claims, including costs and reasonable attorney's fees incurred by the County, its elected officials, officers, employees and agents in defense thereof, asserting or arising directly or indirectly on account of or out of the negligent acts or omissions committed during the performance of service pursuant

to this Agreement. In making such assurances, the Contractor specifically agrees to indemnify and hold harmless the County from any and all bodily injury claims brought by employees of the Contractor and expressly waives its immunity under the Industrial Insurance Act as to those claims which are brought against the County. Provided, however, this paragraph does not purport to indemnify the County against the liability for damages arising out of bodily injuries to person or damages caused by or resulting from the sole negligence of the County, its elected officials, officers, employees and agents. Contractor shall, however, not be liable for any incidental, liquidated or consequential damages including but not limited to loss of profit, loss of use or loss of business and in no event shall Contractor be liable for any amount in excess of the contract price of the equipment.

7. Wage and hour compliance. Contractor shall comply with all applicable provisions of the Fair Labor Standards Act and any other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall always save County free, clear and harmless from all actions, claims, demands and expenses arising out of said act and the rules and regulations that are or may be promulgated in connection therewith.

8. Social Security and Other Taxes. The Contractor assumes full responsibility for the payment of all payroll taxes, use, sales, income or other form of taxes, fees, licenses, excises, or payments required by any city, federal or state legislation that is not or may during the term of this agreement be enacted as to all persons employed by the Contractor in performance of the work pursuant to this agreement and shall assume exclusive liability therefore, and meet all requirement's thereunder pursuant to any rules

and regulations that are now and may be promulgated in connection therewith.

9. Contract Documents: Contract documents consist of this agreement and Exhibit "A", which consists of RFP #627, Where provisions of the contract and provisions of the (proposal, bid, quote) are inconsistent, the provisions contained in the (proposal, bid, quote) shall be controlling.

10. Equal Employment Opportunity: The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, age, disability, marital status or national origin.

11. Changes: County may, from time to time, require changes in the scope of the services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between County and the Contractor, shall be incorporated in the written amendments to the agreement.

12. Public records act: Notwithstanding the provisions of this Agreement, to the extent any record, including any electronic, audio, paper or other media, is required to be kept or indexed as a public record in accordance with the Washington Public Records Act, RCW Chapter 42.56, as may hereafter be amended, Contractor agrees to maintain all records constituting public records and to produce or assist Clark County in producing such records, within the time frames and parameters set forth in state law. Contractor further agrees that upon receipt of any written public record request, Contractor shall, within two business days, notify Clark County by providing a copy of the request to the Clark County Public Records Officer/Department of Public Works.

13. Governing Law. This agreement shall be governed by the laws of the State of

Washington. Venue for any litigation shall be Clark County, Washington.

14. Confidentiality. With respect to all information relating to County that is confidential and clearly so designated, Contractor agrees to keep such information confidential. Likewise, in so far as possible under the Washington Public Records Act, County agrees to equally protect and keep confidential any proprietary information provided by Contractor to County.

15. Conflict of Interest. The Contractor covenants that it has had no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services hereunder. This Contract further covenants that in the performance of this agreement, no person having such interest shall be employed.

If yes, please provide the name and social security number for each retiree to Clark County Purchasing.

Yes

No

15. Consent and Understanding. This agreement contains a complete and integrated understanding of the agreement between the parties and supersedes any understandings, agreement, or negotiations, whether oral or written, not set forth herein or in written amendments hereto duly executed by both parties.


16. Severability. If any provision of this agreement is held invalid, the remainder would then continue to conform to the terms and requirements of applicable law.

17. Hazardous Materials. County shall be responsible for ensuring that no asbestos or other similar environmental or health and safety hazard is present during the performance of the services by Contractor.

18. Warranty. Warranty for any of the services provided shall be for a period of one (1) year from the date of the completion of Contractor's services and is limited to the warranty provisions as noted in Contractor's Warranty Certificate.

IN WITNESS THEREOF, County and the Contractor have executed this agreement on the date first above written.

APPROVED AS TO FORM ONLY
ANTHONY F. GOLIK
Prosecuting Attorney


Deputy Civil Prosecutor

Peter Capell, PE
Public Works Director/County Engineer

Vendor/Contractor:

Siemens Energy Inc.

Request for Proposal #627
Turblex Blower Maintenance

Attachment A COVER SHEET

General Information:

Legal Name of Applicant/Company/Agency Siemens Energy Inc.
Street Address 4654 W. Farm Rd. 130 City Springfield State MO Zip 65802
Contact Person Klista Davis Title Customer Service Support
Phone 417-864-5599 Fax 417-866-0235
Program Location (if different than above) _____ Email address klista.davis@siemens.com
Tax Identification Number 13-398-7280

ADDENDUM: NONE

Proposer shall insert number of each Addendum received. If no addendum received, please mark "NONE".

No. _____ Dated: _____ No. _____ Dated: _____ No. _____ Dated: _____

NOTE: Failure to acknowledge receipt of Addendum may render the proposal non-responsive.

→ Does the proposal comply with the requirements contained within the RFP?
A "No" response may disqualify the proposal from further consideration.

Yes * No *But only as noted in provided proposal.

→ Did outside individuals or agencies assist with preparation of this proposal?

Yes No (if yes, describe)**

I certify that to the best of my knowledge the information contained in this proposal is accurate and complete and that I have the legal authority to commit this agency to a contractual agreement. I realize the final funding for any service is based upon funding levels, and the approval of the Clark County Board of Commissioners.


Signature

Eliccio Corilla - Finance Manager
Print name and Title

7/12/2012
Date



Diversity enlarges the potential for ideas and innovation

Diversity is an invaluable source of talent, creativity and experience.

It comprises all the differences in culture, religion, nationality, race, ethnicity, gender, age and social origin – in short, everything that makes the individual singular and unique within society.

Diversity improves competitiveness by enlarging the potential for ideas and innovation. Diverse teams addressing problems from varied perspectives will be more productive and achieve better solutions. We will benefit from the potential of Diversity not only in a global context, but also at all levels within countries, locations and teams.

Diversity is a business imperative and part of our social responsibility as well. It must become an integral part of our corporate culture worldwide and thereby position Siemens as a global employer of choice.

There is no uniform approach to promoting Diversity. Countries and regions must develop their own strategies based on local history, culture and actual needs.

These principles are intended to highlight Diversity as part of our corporate strategy and to call for action.

Guiding Principles for Promoting and Managing Diversity



The Principles

- We operate in countries with a variety of social structures, some are quite homogeneous, others very diverse.

Regardless of this variety we promote **Diversity** in all our locations worldwide. The cultural differences of employees with diverse backgrounds and nationalities will enrich our organization, including our central corporate headquarters and the headquarters of our groups and subsidiaries. Qualification and performance for the respective tasks are the only prerequisites for successful employment.

- In countries or metropolitan areas with different races, cultural, religious and ethnic groups, we recruit individuals who represent all dimensions of **Diversity**. We motivate them to perform to their fullest potential by ensuring equal opportunities for personal development and professional growth.



For groups within society who have not had equal access to education and training, we will actively support initiatives and partnerships to unlock and develop their talent and potential.

- We maintain and improve employability by training and continuing education. This applies to all employees irrespective of backgrounds.
- We identify high potentials from all backgrounds within our organization and we also attract from external sources, thus maintaining a broad selection for all management functions.
- We strive to integrate women at all levels, including top management.
- Our working environment will be open and inclusive. We foster awareness of and sensitivity for **Diversity**. The organization will be responsive to the diverse expectations of employees, including work-life balance.
- We will not tolerate discrimination or harassment of any kind. If there is discrimination of individuals or groups in society, it must not be perpetuated in our facilities.
- We promote the employment of people with disabilities and support them to perform their work and to develop their potential. We integrate them into everyday working processes and teams.
- It is also essential for us that these principles be applied accordingly in our relations with customers, suppliers, contractors, shareholders and other stakeholders.

Implementation

- The top management of the groups and regional units worldwide will publicly identify with and champion **Diversity**.

Country and local management will implement the **Diversity** principles with due cognizance to the special circumstances in their countries. If laws and regulations require specific measures, these will be applied.

- Promoting and managing **Diversity** will be integrated in management and leadership systems, and in management training. Managers will be identified and developed who successfully achieve and manage **Diversity**.
- The regional units will monitor and benchmark **Diversity** according to the specific requirements within their countries. If substantial improvement is needed, it is recommended that a project be dedicated to this aim.

Specific **Diversity** targets should be set and agreed upon. These may be incentivized, where appropriate.

- Regional corporations, operating companies and groups will communicate and cooperate to promote **Diversity** of employees in their respective countries.
- Promoting and managing **Diversity** is not a once off initiative. It is a process of continuous improvement, which must be responsive to feedback from employees and other stakeholders.

Siemens AG,
Corporate Personnel

SIEMENS BLOWER MAINTENANCE REFERENCES

FACILITY NAME	FACILITY LOCATION	APPROX. DOLLAR VALUE	CONTACT NAME	CONTACT PHONE
GLOVERSVILLE-JOHNSTOWN WWTP	JOHNSTOWN, NY	\$6,683.00	GEORGE BEVINGTON	518-762-3101
MICHELSON WWTP	IRVINE, CA	\$30,656.00	MARK GINGRAS	949-453-5826
CENTRAL WWTP	NASHVILLE, TN	\$34,215.00	BUDDY JONES	615-862-4896
PALO ALTO WWTP	PALO ALTO, CA	\$17,753.00	DAISY STARK	650-329-2287
CAHABA RIVER WWTP	BIRMINGHAM, AL	\$6,333.00	GEORGE LYNN	205-987-0648

* Contracts are ongoing

SIEMENS

4654 W. Farm Road 130
Springfield, Missouri 65802
Telephone (417) 864-5599
Fax (417) 866-0235

Project Approach & Understanding Response

See attached Factory Authorized Statement.

This Plant was designed with one spare blower. During service, no more than one unit will be taken offline at a time.

SIEMENS

4654 W. Farm Road 130
Springfield, Missouri 65802
Telephone (417) 864-5599
Fax (417) 866-0235
www.siemens.com/energy

FACTORY AUTHORIZED SERVICE

Siemens Energy, Inc. is an equipment manufacturer of single-stage centrifugal compressors (blowers) in partnership with STE A/S, Helsingor, Denmark (the manufacturer of the bare compressor). The compressors provide large volumes of aeration as used in the treatment of wastewater in municipal and industrial plants and provide a critical service to their process.

Siemens is the only factory-authorized service center and distributor of OEM components in North America for these machines (including those sold previously by Turblex, Inc., Springfield, Missouri and by Cord-Turbo, Rexdale, Ontario during the early 1980's).

Our commitment to exemplary operating installations is demonstrated by the Company's investment in the Customer Service/Parts Department. This highly trained group of professionals includes In-house technical and parts departments, as well as Mechanical and Instrumentation field servicemen.

Each of our field service technicians is factory certified. They attend periodic classes at the manufacturing plants in Helsingor, Denmark and Springfield, Missouri in order to have the latest service and repair expertise for our operating installations. Instrumentation field service engineers not only attend Siemens factory training schools, but sub-vendor training, such as Allen Bradley, Bentley-Nevada, Eaton, and other technical schools. The Siemens field service group is supported by a staff of over 50 mechanical, electrical, and instrumentation engineers from our engineering centers in Springfield, Missouri and Helsingor, Denmark.

Technical questions related to field service are often discussed between Siemens field servicemen and factory engineers, to provide the best solution to a particular situation. This inter-play of factory engineering and field service is vital to providing proper and correct service and preventative maintenance for compressors and accessories provided by Siemens.

Siemens' field service work is guaranteed for one year and backed by a multi-million dollar insurance policy and the financial strength of the Siemens Energy, Inc., STE A/S.

For technical support and/or spare parts for your Siemens equipment, contact us at toll-free: 800-299-1035.

SIEMENS

PROPOSAL

4654 W. Farm Road 130
Springfield, Missouri 65802
Telephone (417) 864-5599
Fax (417) 866-0235

Monte Bloemke
Salmon Creek WWTP
Tel: 360-397-6118 X: 7001
Email: monte.bloemke@clark.wa.gov

Proposal Number: F76-3121
Date: July 12, 2012
Model: KA2S-GL180 & KA5SV-GL210
S/N's: 7644, 3614, 4347
Ref: Salmon Creek WWTP / Vancouver, WA

Advantages of Factory Authorized Field Service

Factory Certified Service Personnel with Electrical and Mechanical Expertise
Service Personnel Supported by Siemens Engineering Department
STE A/S (original manufacturer in Helsingor, Denmark) Engineering Support
Guaranteed Field Service Work
Factory Parts Warranty
Financial Strength of Siemens
Access to the Most Recent Equipment Improvements/Enhancements

Siemens provides the following as an estimate, only, of the costs for this service. All labor and traveling/ living expenses shall be billed per Siemens' current Service Rate Schedule. A copy is attached for your reference.

Class I Service (air-end, only) on S/N 7644

Labor (When an overhead crane is not available, add an additional day per unit.)

Round Trip Mobilization / Demobilization (Up to 16 hours)	\$3,500.00	
Four days' labor per blower (\$1344/day - Up to 8 hours)	<u>\$5,376.00</u>	\$8,876.00

Airfare (billed at cost, plus 15%)

This fare is subject to availability and requires 14 days advance notice. \$1,380.00

Per Diem (Includes: lodging, car rental, fuel, meals, etc.)

Six days at \$320/day \$1,920.00

Laser Alignment Equipment Fee \$795.00

Typical Replacement Parts Cost (Per Blower) \$687.00

Qty	Description		Price	
1	SHIM SET	T213	\$210.00	
1	SHIM SET	T214	\$165.00	
1	O-RING	D119	\$137.00	
2	O-RING	H194	\$120.00	
2	O-RING	H111	\$12.00	
1	O-RING	T112	\$9.00	
1	O-RING	T246	\$25.00	
1	O-RING	T212	\$9.00	

Estimated cost for this service on one blower \$13,658.00

Adder for Class II Service on S/N 3614 & 4347 \$18,652.00

\$8720/labor + \$1600/per diem + \$1006/parts = \$99326/blower

Adder for two weekends waiting \$4,032.00

(\$1008/awaiting X two days = \$2016/weekend)

Total estimated cost for: three units \$36,342.00

For weekend waiting time, allow \$1008/day, if applicable.

This proposal assumes that at least one local helper will be available to assist the Siemens technician. This pricing also assumes that proper lifting will be available and the sound enclosures will be removed (if applicable) for access to perform Class I Service and Class II Service. This proposal includes typical replacement components for Class I Service and Class II Service. Any significant wear or abnormalities identified requiring extra labor and parts shall be billed per Siemens' standard Service Rate Schedule. Siemens will provide an estimate of time and materials required.

All pricing is in U.S. Dollars and valid through December 31, 2012; service required after this date will require 1.5% increase per quarter. Prices excludes sales/use tax. Any applicable taxes should be paid direct to the proper authority by the customer. Payment terms are Net 30 days. Freight costs on domestic shipments will be prepaid and added to the invoice; freight costs on international shipments will be for the customer's account, including all duties, taxes, etc.

NOTE: 2-4 days downtime is expected; technician will work on only one blower at a time, excluding significant wear findings.

Attachments: Mandatory Asbestos Reporting, Rate Schedule, Service/Parts Warranty, Factory Authorized Service Statement, Terms and Conditions & Pre-Service Checklist.

THE RATES ABOVE ARE OUR STANDARD WHICH INCLUDE TECHNICAL SUPPORT
FROM SIEMENS AND STE'S ENGINEERING DEPARTMENTS

Field Service Rates

Services for USA (onshore)

All Siemens Pre-designed Compressors and Fans

Working Rates					
Personnel Category	Daily Rate Mon- Fri based on 8 hour work days	Daily Rate Saturday based on 8 hour work day	Daily Rate Sunday or local holiday based on 8 hour work day	Hourly rate in excess of 8 hours worked Mon - Sat	Hourly rate in excess of 8 hours worked Sunday or local holiday
Specialist Engineer or TFA	\$1,872 USD	\$2,808 USD	\$3,744 USD	\$351 USD	\$468 USD
Technical Field Advisor (TFA)	\$1,510 USD	\$2,264 USD	\$3,091 USD	\$283 USD	\$377 USD
Field Service Technician	\$1,344 USD	\$2,016 USD	\$2,688 USD	\$252 USD	\$336 USD

Round Trip Billing (for One Way Travel Times)					
Up to 4 hours*	Up to 8 hours*	Up to 12 hours USA/Canada*	Up to 12 hours International*	Up to 24 hours*	Up to 36 hours*
\$1,750	\$3,500	\$5,000	\$5,750	\$10,900	\$14,500

*Excludes airfare. Airfare is billed at cost plus 15% administration fee.

Daily Lump Sum Per Diem charge for Lodging, Transportation, Meals and Misc = \$320 from arriving at location. Higher cost of living areas will be billed at cost plus 15% administration fee.

The above rates are in US Dollars and include expenses as referenced in the attached Conditions.

Validity: From January 1, 2012 to December 31, 2012
 Conditions: Conditions of the Sale of Field & Engineering Services effective January 1, 2012. Doc. Code: FS Conditions_US_01-10_english_v1

Contacts: For Parts, Repairs and Service Support, please contact your local Siemens Energy, Inc. Sales Person, or local regional sales office.

Siemens After-hours Emergency Call Instructions: 417-864-5599
 Recording will provide cell numbers to call for emergencies.



"ZERO" harm to people and the environment is the ultimate goal in our business.

Answers for energy.

SIEMENS

Conditions for the Sale of Field & Engineering Services

FIELD & ENGINEERING SERVICES

For Service on All Siemens Pre-designed Compressors and Fans in U.S.A. and Internationally, except
Canada

Effective January 1, 2012 Subject to change without notice.

I. Selling Policy

All prices contained herein are subject to the terms and conditions of the Siemens Energy, Inc. Selling Policy for the Sale of Equipment and Services ("Selling Policy") in effect on the date an order is received.

II. Price Policy

All rates and prices are subject to change without notice. Unless otherwise agreed, SIEMENS rates are expressed as daily rates per category of SIEMENS personnel. Unless contracted otherwise, rates and prices for ongoing contracts will be those in effect at the time the work is performed. **No personnel will be dispatched until a Purchase Order, Payment or written authorization acknowledging acceptance of Terms, Pricing and agreement to pay is received.**

III. Services Definitions

Siemens Energy, Inc. ("Siemens") offers three types of field and engineering services as defined below, in accordance with the price list attached.

A. Specialist Services

An engineer, project manager, technical field advisors (TFA) directing Siemens personnel or advising Customer personnel while performing to Siemens procedures and process specifications. A Siemens TFA providing planning, scheduling, material management support or working directly with Customer labor supervisor. Siemens does not provide management, supervision, or regulation of Customer personnel. **A job specific readiness fee will apply to all orders that are not firm priced, for specialist services.** This fee will cover pre-job efforts and will be quoted separately.

An engineer, manager or specialist providing Special Services also performs diagnostic and operational trouble-shooting and commissioning of rotating equipment. This work may be conducted onsite or by

telecommunication. Special Services include diagnostic electrical testing, evaluation and set-up activities on control systems, voltage regulator systems and any on-line diagnostics. Level III NDE and balancing is also included in this type of field engineering service. Engineers located at Siemens home facilities, include District Offices and the Technical Support Center, provide technical studies and information relating to the design and operating parameters of rotating equipment.

B. Technical Field Advisor (TFA)

An engineer providing TFA renders advice and makes recommendations based on Siemens procedures and drawings during standard maintenance of existing and installation of new Siemens supplied rotating equipment to customer's direct employees. By definition, standard maintenance includes disassembly, inspection, and replacement of parts, routine repair and reassembly.

C. Field Service Technician

A Field Service Technician generally performs the work required to be completed at site. By definition, this would include the disassembly, inspection and replacement of parts, routine repair and reassembly of rotating equipment. It would also include the complete removal and reinstallation of the entire unit.

IV. Rates Payable

A standard day for on-shore work is classified as 8 hours working time. A standard day for off-shore work in classified as 12 hours working time. Minimum billing is the daily rate and will also apply to week day standby time. Weekend stand-by will be charged as 75% of the daily rate, straight time per day that the representative does not work but remains within the vicinity of the site. Holiday stand-by time will be charged as if it was worked. If the representative was able to return home then the cost of time and travel for the

representative to go home and return to site will be charged accordingly. The daily rate applies to all time worked or traveled during an 8 hour day or fraction thereof; that is, any consecutive 8 hour period in a weekday (Monday through Friday, holidays excepted) with an allowance for lunch time. The 6th day daily rates apply to all time worked or traveled on Saturday (holidays excepted) with an allowance for lunch. The 7th day daily rates apply to all time worked or traveled on a Sunday or a holiday locally observed by Siemens, with an allowance for lunch. Overtime rates also apply for time worked in excess of 8 hours. This is an hourly charge, based upon actual additional time worked in excess of 8 hour period. Two overtime rates apply; one for time worked in excess of 8 hours for the daily rate (Monday through Friday, holidays excepted) and the 6th day daily rate (holidays excepted), and one for the time worked in excess of 8 hours for the 7th day daily rate.

The daily rates are based on worked days at site. Standby time not attributable to Siemens will be classed as working time. Time spent at the site shall be evidenced with timesheets signed by the Customer's authorized representative.

The daily rates include the supply and use of basic PPE (Personal Protective Equipment) and the use of standard small hand tools, as required by Technicians.

All rates shall be valid for the determined period of validity only.

SIEMENS is able to offer a priority service, when the relevant SIEMENS personnel are available, for emergency or breakdown callouts. There is a charge for the service, where SIEMENS personnel are required to be mobilized within 24 hours of the request being received, which is an additional 30% on the applicable day rate, for the first five days of service. This charge is to cover for the

distribution to job schedules and the reallocation of manpower to accommodate the priority call.

If SIEMENS is unable to meet the 24 hour mobilization requirement there will be no additional charge to the applicable published day rate.

V. Payment Terms for Supply of Personnel

Where the duration of the services is less than one month, payment will be 100% of the price of the balance of the services. Where the duration of the services is greater than one month then the balance of the services shall be invoiced on a monthly basis until completion of the services. Payment to be received within 30 days of the date of the invoice.

VI. Traveling and Other Expenses

Siemens policy for traveling and other expenses are assessed as outlined here:

A. Travel and Expense

The daily labor rates exclude the following costs, which shall be for Customer's account and will be charged separately:

(a) Mobilization/Demobilization fees shall be charged at a graded fixed fee dependent on the required travel time from base locations to site. Mobilization fees include preparation time, visa costs, all travel expenses excluding flights where relevant to mobilize and travel time plus accommodation costs to get the field service personnel to and from the onshore work site, or point of embarkation for offshore sites. The transport from the point of embarkation to an offshore location and back will be provided by the Customer free of charge.

(b) Mobilization/Demobilization fees applicable for International travel shall be charged at a graded fixed fee dependent on the required travel from time from base location to site. Mobilization fees include preparation time, visa costs, all travel expenses excluding flights where relevant to mobilize and travel time plus accommodation costs to get the field service personnel to and from the onshore

work site, or point of embarkation to an offshore sites. The transport from the point of embarkation for an off shore location and back will be provided by the Customer free of charge.

- (c) Accommodation where not provided by the Customer will be charged on a lump sum daily basis. By agreement the CUSTOMER'S may be charged at actual cost plus a 15% fee for handling and administration costs.
- (d) Meals and allowances will be charged on a lump sum daily basis. By agreement the CUSTOMER'S may be charged at actual cost plus a 15% fee for handling and administration costs.
- (e) The daily allowance charge for accommodation, meals, transportation and allowances will be assessed for each calendar day an individual is assigned to a project including non-working weekend days for jobs extending over the week-end(s).
- (f) Where the Customer provides accommodation and food it is to be to a standard which is acceptable to Siemens. In the event that this is, in our opinion, unsuitable, we reserve the right to find an alternative which will be charged for as above.
- (g) Should an expedited mobilization be required an additional charge for excessive airfare may be applicable.
- (h) Baggage charges will be charged separate at cost plus fifteen percent (15%).
- (i) SIEMENS will endeavor to minimize chargeable flight costs but reserves the right to charge business class flights where necessary.

All separately invoiced items over and above the daily rates will be charged with a fifteen percent (15%) increase for handling and administration costs.

B. Departure Delay and Cancellation

- (a) Departure delay – Standby in Home base. If the fixed date for the personnel delegation will be delayed due to reason by the Customer, Siemens is

prepared to keep the nominated personnel on stand-by up to 7 calendar days. In this case Siemens reserve the right to charge a delay fee of the full applicable daily rate per calendar day.

- (b) Departure delay – At Point of Embarkation.

Should departure of personnel be delayed at the point of embarkation for any reason beyond Siemens control, the full applicable day rate will be charged per day of delay. Accommodation and meals where provided by Siemens will also be charged according to the published rates.

- (c) Cancellation

Where cancellation by the Customer is notified less than 7 days prior to planned mobilization, a cancellation fee of one single day at 100% of the applicable daily rate will be charged. Should any job be cancelled or postponed by the Customer after the representative has been dispatched then all costs incurred for time and expenses will be charged in accordance with the terms of this rate sheet.

C. Home Leave

- (a) For USA/Canadian service personnel, when a project is expected to exceed 5 continuous weeks of duration, following every three (3) weeks of continuous attendance at an onshore site, including any days spent traveling, the Customer will allow each member of Siemens personnel an extended weekend home leave journey at the Customer's expense. For International personnel, home leave is permitted every two (2) months for 10 days.
- (b) If continuous attendance of Siemens personnel is required, then and on request, Siemens will delegate substitute personnel, mobilization rates would apply.
- (c) Following every fourteen days of continuous attendance offshore, Siemens reserves the right to charge the Customer a further mobilization fee for

each member of Siemens personnel.

- (d) Days spent traveling with respect to home leave shall be charged at the applicable daily rate. Should any member of Siemens personnel cancel a home leave journey, the Customer shall be charged for the airfare (according to Siemens travel regulations) and/or other travel costs that are incurred by Siemens.

D. Tools

- (a) Charges for equipment, tools, measuring instruments and special assembly tools supplied with Siemens field service personnel for use by Siemens or its subcontractors will be quoted by your local Siemens representative. Costs of transportation (including all applicable transportation charges, insurance, custom/duties, etc.) will also be charged at cost plus 15%. The rental time applies from the day of dispatch from base to return receipt.
- (b) Siemens will catalogue the tools required to be returned to base. If for any event the catalogued tools are not returned within 30 days after leaving site, Siemens will charge the Customer the current replacement cost.
- (c) Prices quoted will include normal replenishment and re-calibration. Excessive loss or damaged equipment, tools and instruments beyond the control of Siemens will be billed to the Customer.

E. Shift Work

Shift work is defined as those circumstances where, in a given day, more than one service crew is engaged to perform the service activity. In such instances Siemens reserves the right to charge a shift premium in addition to the published rate sheets.

F. Technical Consultation

- (a) During on-site service work it might be necessary to involve specialists from Siemens headquarters for particularly complicated technical questions such as certain analysis, calculations or similar tasks.

For such technical consultation Siemens will invoice this charge on an hourly basis according to the Specialist Engineer rates as defined in the published rates sheet.

- (b) Where technical consultation is required to be provided at site, charges will be in accordance with the published rate sheets for Specialists and Engineers. Before such work is commenced a separate agreement has to be established, unless it is already agreed upon in the order.

VII. Working Conditions and Special Costs

Costs for factory security officers, medical services, industrial safety and supporting activities at the Customer site will be for the account of the Customer. Where additional security is required to comply with SIEMENS travel regulations (based on SIEMENS Corporate Security Office), this will be charged at cost plus fifteen percent (15%).

In case of accident or illness, the Customer undertakes to provide immediate medical assistance and if necessary, to transfer any injured or sick person to a hospital preferably conforming to North American standards. Should repatriation become necessary as a result of serious illness or death, the Customer shall attend to all formalities and pay all the costs incurred thereby. Should replacement personnel be required, the costs for same shall be borne by the Customer.

The Customer shall make available free of charge to Siemens personnel: office space, telephone, high speed internet connection and telex/fax (communication with home office shall be free of charge) and all such other facilities as are available to Customer's own personnel.

Any social amenities available at the job site or introduced there during the progress of site work, as well as any special benefits granted, shall be made available to Siemens personnel in the same manner and extent as accorded to any other foreign personnel at the job site.

In the interests of avoiding language difficulties, the Customer shall, for own account, make available the services of interpreters, where work is being performed.

If an incident occurs whereby the SIEMENS personnel are unable to safely continue working at site and which, in agreement with the CUSTOMER, results in their repatriation to home base the cost for both the repatriation and subsequent return to site of the personnel or their replacements shall be primarily borne by the CUSTOMER.

VIII. Health and Safety

1. At any job site where employees of Siemens or its sub-contractors are performing work, the CUSTOMER at his cost shall establish and implement appropriate Health, Safety and Security protection procedures (HSS) which are at least equivalent to Siemens requirements.
2. The CUSTOMER's HSS procedures, plans, site rules and all relevant project information shall be sent to Siemens for review and approval at the latest six (6) weeks prior to start of any site activity to be performed by Siemens or his sub-contractors.
3. The SIEMENS HSS management shall have the right to visit and inspect the work location prior to commencement of the work and during the performance of the work in order to ensure that a safe working environment is maintained.
4. Prior to entering the working area all employees of SIEMENS and its sub-contractors shall receive appropriate training given by the CUSTOMER of the applicable HSS regulations. Siemens and their sub-contractors will also be required to demonstrate their understanding of this training. All training and information on site shall be given in English.
5. In cases where the CUSTOMER's HSS procedures or the implementation thereof do not fulfill the requirements in item 1 above or is in any way incomplete, then the

Siemens HSS procedures shall apply.

6. The CUSTOMER shall warrant that the job site or any equipment at the job site is free from asbestos and other hazardous substances or other materials dangerous to health or environment. Should the job site or any equipment affected by the work contain such substances or materials, the job site or the relevant equipment must be decontaminated at the account of the CUSTOMER in accordance with Siemens HSS Procedures prior to Siemens starting the work.
7. Where Siemens is of the opinion that the CUSTOMER's HSS or Siemens HSS requirements have been violated, Siemens has the right to immediately suspend the work site by giving a written notice to the CUSTOMER. The suspension will last until such violation has been remedied by the CUSTOMER to the acceptance of Siemens. The CUSTOMER shall compensate Siemens for any costs incurred as a result of such violation and the delivery time shall be extended by a period equivalent to the period of suspension plus a reasonable time for mobilization (if applicable).

IX. Additional Notes

- (a) In the event Siemens uses outside or subsidiary personnel to perform services that would normally be performed by Siemens personnel, Siemens will invoice Purchaser for such personnel at the hourly rates published herein.
- (b) Any non Siemens parts or materials supplied during the work will be charged at cost plus 25%.
- (c) Siemens will supply engineers and technicians based on qualifications with priority given to qualified daily commuting personnel when available.
- (d) For all other conditions, please refer to the attached selling policy.

X. COMPLIANCE CULTURE WITH CUSTOMER AND PARTNERS

Siemens is committed to being one the world's best companies in terms of transparency and compliance. We are driving this through both our leadership culture and the application of clear Business Conduct guidelines.

Our Business Conduct guidelines are applicable to all Siemens employees and as such every employee makes a personal contribution through their observance and adherence. Accordingly we have a zero tolerance policy for any illegal or unethical behavior.

Acting with responsibility and integrity is decisive for building and sustaining the highest relationships with our customers and business partners based on trust. If you detect any misconduct on the part of our employees, please inform us to this effect immediately. Simply contact our Internet Helpdesk "Tell Us" or access the Internet Website www.siemens.com/tell-us at any time around the clock.

Mandatory Asbestos Reporting

This form shall be completed and returned to Siemens for all sites where our employees may be performing activities.

29 CFR 1926.1101, Toxic and Hazardous Substances

OSHA requires that building and/or facility owners notify all employers of employees who will be performing work within or adjacent to areas containing ACM (Asbestos Containing Material) or PACM (Presumed Asbestos Containing Material) of the presence, location and quantity of ACM or PACM, at the work sites in their buildings and facilities.

Site Information:

Site Name: _____

Address: _____

City, State, Zip: _____

Asbestos Information:

Site contains ACM (Asbestos Containing Material) or PACM (Presumed Asbestos Containing Material) in or adjacent to work sites in buildings or facilities where Siemens employees may be performing work.

Yes No

If yes, then detailed information shall be attached in regard to:

1. The location and quantity of materials.
2. How the site achieves compliance with permissible exposure limits.
3. Any equipment, precautions, etc. needed for Siemens employees that may be performing functions in the work areas.

The information provided shall be reviewed and approved by Siemens prior to any work being done by a Siemens employee. Note: Additional information may be required as part of the review process.

Person Completing Form:

Name: _____

Title: _____

Contact Information: _____

SIEMENS ENERGY INC.

O&G DIVISION, TURBOMACHINERY SOLUTIONS GROUP

TERMS AND CONDITIONS

1. ACCEPTANCE

All orders shall be made out to Siemens Energy Inc. and subject to acceptance by Siemens at our plant located in Springfield, Missouri. This proposal may be revoked by Siemens without liability at any time prior to our written acceptance. The quotation is based on Siemens terms and conditions as stated herein. Any modifications must be communicated in writing and accepted by Siemens. Modifications to our terms may affect the quoted price. This agreement is governed by and subject to the laws of the State of Missouri.

2. SHIPMENTS, DELIVERY & "FORCE MAJEURE"

Shipment dates are our best estimate, and not guaranteed. Siemens will make all reasonable efforts to meet specified shipment dates including expediting subvendors, but will have no liability for any failure or delay in performance with respect to delivery or otherwise, if such failure or delay is due to any cause beyond our control including but not limited to: any act of God, war, civil disturbance, riot, labor difficulty, fire, other casualty, accident, new export restrictions or our supplier's failure or inability to perform.

All shipments, whether partial or complete, will be accompanied by a detailed shipping list with the quantities certified correct by a Siemens Inspector. It is the Purchaser's responsibility to inspect each item carefully for damage or shortages. Siemens shall not be obligated to consider any claim for shortages unless notified within ten (10) working days after the Purchaser's receipt of equipment. Seller shall further be obligated to comply with any national or International export control regulations as outlined in the Siemens Export Control Clause for any third party transfers of the works provided or performed.

Siemens pricing is based on FOB point of shipment (factory), which means title passes to the Purchaser when loaded on trucks at the point of manufacture. Any damage or claims for shipment damage are the Purchaser's responsibility. Siemens shall retain a security interest in the equipment as enumerated in Item five (5) below.

3. APPROVAL DRAWINGS & SUBMITTALS

Any preliminary drawings and accompanying information attached to the Siemens quotation are for illustration purposes only to show approximate dimensions and arrangement.

Submital drawings, engineering data and catalog cuts will be forwarded after receipt of the order, in the period indicated on the quotation. This estimate of submittal time may be affected by our backlog at the time of order acceptance and timely receipt of specifications, drawings and details from the Purchaser. Negotiation of terms and conditions will also affect the submittal date.

4. CREDIT APPROVAL & PAYMENT

All orders are subject to the approval of Purchaser's credit. Siemens' terms of payment are 100% of the invoice amount without deduction, net 30 days after invoice date for any partial or complete shipments made. Other terms may affect our pricing. Orders written to Siemens providing for retention of monies until total job completion are not acceptable. Purchaser's payment obligation shall not be in any way dependent or contingent upon payment from any other party. Any balance owed Siemens after thirty (30) days is subject to a 1.5% per month delinquency charge until paid. If Purchaser's financial condition becomes impaired, or if payments are delayed for any reason, Siemens may, at our discretion, suspend work on the equipment, demand pre-payment before any future shipments are made or file a lien on any equipment we provided. We may withhold instruction manuals, certification of equipment or startup services as required to secure payment. Any additional charges for collection, including attorney's fees, shall be paid by the Purchaser.

When the Purchaser is responsible for any delay in shipment, the date of completion of equipment may be treated by Siemens as the date of shipment and the Purchaser involved accordingly. Completed equipment shall be held by Siemens, and Siemens has the right to bill the Purchaser for reasonable storage and insurance expenses.

The Purchaser shall furnish Siemens with a copy of the Purchaser's performance and payment bond (if applicable), to be utilized in the event of non-payment by the Purchaser.

5. SECURITY INTEREST

Until all amounts due us have been paid in full, Siemens shall retain a security in the equipment and have all rights of a secured party under the Uniform Commercial Code, including the right to repossess the equipment without legal process.

6. SOFTWARE LICENSE & CONFIDENTIALITY

Siemens grants to Purchaser a nonexclusive, nontransferable license to utilize the Siemens Software furnished. Such license is limited to Purchaser's internal use at or for the Equipment with which such Software is incorporated. All title and ownership of the Siemens Software, including, without limitation, the copyright to such Software, shall remain exclusively with Siemens. Purchaser may make a reasonable number of backup copies of the Software for evaluation, installation, and maintenance of the Siemens Equipment. Purchaser shall not itself, or with the assistance of others, reverse compile, reverse engineer, or in any other manner attempt to decipher in whole or in part the logic or coherence of any Software licensed hereunder, nor have any right to sell, assign nor otherwise disclose Software to any third party. Third party Software provided by Siemens may be subject to a separate license agreement and/or registration requirements and limitations on copying and use.

Purchaser hereby agrees that any confidential information we provide will be expressly protected at all times. Purchaser's rights to this information shall be limited solely to the use in operation, repair and/or maintenance of the designated project. At no time will any permanent transfer of title be created for any technical drawings or intellectual property, nor shall any of this specifically designated information be disclosed other than for the above stated purposes.

7. CANCELLATION OR DELAY

Should this order be canceled by the Purchaser without Siemens' consent, the Purchaser shall be obligated to pay for work performed and equipment purchased by Siemens, plus a reasonable profit. Any costs related to suspension or delays caused or required by the Purchaser shall be for the Purchaser's account.

8. WARRANTY

For the benefit of the original user only, Siemens warrants that the equipment and software of our manufacture will be free from defects in material and workmanship when installed, operated and maintained under design conditions and in accordance with our written instructions. Siemens will replace or repair FOB, our factories or other locations designated by us, any parts or defective software returned which examination shall show it to have failed under normal use and service by the original user, normal wear and tear excepted.

Warranties will expire eighteen (18) months after shipment or twelve (12) months after start-up (which shall be the Siemens certified date the equipment is available for beneficial use), whichever occurs first. Expendable items such as V-belts, filter media, oil, and grease are excluded from this warranty.

This warranty, including stated remedies, is expressly made by Siemens and accepted by Purchaser in lieu of all other warranties, and Siemens disclaims any implied warranty of merchantability or fitness for any particular purpose.

If the equipment Siemens is to provide is contractually subject to the final approval of a consulting engineer, who disapproves our equipment prior to shipment, the Purchaser's order may be canceled by either party, without liability to the other, provided that Siemens shall have the right to appeal the consulting engineer's decision, if such right is available under the contract or applicable law and regulations. In the event the consulting engineer has not given final approval to our equipment within 12 weeks after original submittals are forwarded, Siemens may cancel the Purchaser's order without liability.

This warranty shall not apply to equipment or parts thereof which have been altered or repaired outside of a Siemens factory, or damaged by improper installation, application, erosion or corrosion of any sort, or subjected to misuse, abuse, neglect or accident. Siemens will make no allowance or reimbursement for repairs, alteration, replacements or work of any kind, done or ordered by others without Siemens' prior, written authorization. This warranty does not include any installation, removal or freight expense that might be associated with warranty repair or replacement. Free and clear access to the equipment shall be provided for Siemens warranty repair work. Repair, replacement or refund of the purchase price by Siemens, at our sole option, shall be the exclusive remedy for breach of this warranty.

Siemens makes no warranty with respect to parts, accessories, or components manufactured by others. The warranty applicable to such items is that offered by their respective manufacturers and will be passed through Siemens to the original user.

Siemens warrants for each item of Technical Services that (i) the advice, recommendations and performance of its personnel will reflect competent knowledge and judgment and (ii) the technical information, reports and analyses transmitted by Siemens will reflect competent knowledge and judgment, beginning with the start of the item of Technical Services and ending one (1) year after completion of Technical Services by Siemens (the "Technical Services Warranty Period").

If during the Technical Services Warranty Period, Siemens is promptly notified in writing that any portion of the Technical Services fails to conform to the Technical Services Warranty, Siemens will promptly re-perform the nonconforming portion of the Technical Services.

9. INDEMNITY

Until the expiration of the applicable Warranty Period, Siemens shall indemnify, hold harmless and defend Purchaser its officers, directors and employees from and against any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, costs and charges) for personnel injury or death or loss of or damage to third party property (except property of customers of Purchaser or property incorporated in or intended to be incorporated in the project), to the extent caused by or arising out of any negligent act or omission or willful misconduct of Siemens, or any of its officers, directors, agents, employees or Suppliers in connection with performance of work under the Agreement.

Siemens also agrees to hold Purchaser harmless from any infringement or alleged infringement of any patents or copyrights for any equipment furnished by Siemens.

Siemens will not be liable for any consequential, liquidated or incidental damages including but not limited to the loss of profit, loss of production or loss of business, and in no event shall Siemens be liable for any amount in excess of the purchase price of the equipment.

10. TAXES

Taxes are not included in our pricing. Any applicable taxes will be added to the price and invoiced separately.

11. NOISE TESTS

Siemens will not certify or guarantee a final installed noise level because of the many variables that affect sound levels, i.e. size of room, room construction materials, other equipment in room, equipment spacing, ventilation, piping, etc. Refer to proposal for any specific details.

12. STARTUP

Unless specifically stated in Siemens' quotation, installation, startup, service supervision and training are not included in our pricing. These responsibilities shall be the exclusive responsibility of the Purchaser. It shall further be the responsibility of the Purchaser to ensure that there is no asbestos or similar environmental or health and safety hazard present during the performance of the order.

A trained factory serviceman is available at the rate stated in our quotation, with all travel and living expenses billed at cost plus ten percent. Service charges are based on a standard eight (8) hour work day with time charged from the date of his departure from the home office to the date of return. Overtime and weekend travel will be charged at time and one-half and double-time, respectively.

13. VARIATIONS

Any variation from the Siemens terms and conditions herein must be approved in writing by Siemens, or Siemens will not be bound thereby.

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SIEMENS

SERVICE AND PARTS WARRANTY

WARRANTY

This is a non-transferrable warranty for the sole benefit of the original service and parts Purchaser. Siemens warrants our workmanship and factory parts replacement for a period of one year after said service work is completed. This warranty is limited to include only those services and/or parts installed by Siemens, Inc., or its designee.

This warranty, including the stated remedies, is expressly made by Siemens and accepted by Purchaser in lieu of all other warranties, and Siemens disclaims any implied warranty of merchantability or fitness for any particular purpose. We will not be liable for any consequential, incidental or liquidated damages, and in no event shall be liable for any amount in excess of the purchase price of the service performed.

This warranty shall not apply to equipment or parts thereof which have been altered or repaired outside of a Siemens factory, or damaged by improper installation, application, erosion or corrosion of any sort, or subjected to misuse, abuse, neglect or accident. Siemens will make no allowance or reimbursement for repairs, alterations, replacements or work of any kind, done or ordered by others without Siemens' prior, written authorization. This warranty does not include any installation, removal or freight expenses that might be associated with warranty repair or replacement.

Siemens makes no warranty with respect to parts, accessories, or components manufactured by others. The warranty applicable to such items is that offered by their respective manufacturers and will be passed through Siemens to the original user.

The Purchaser shall supply, at their own expense, all labor, material, replacement parts (other than defective parts still covered by warranty), tools (other than special tools and instruments which must be supplied by Siemens), equipment cranes, rigging tools, outside balancing/machining and facilities required to perform the physical work on the equipment.

4654 W. Farm Road 130
Springfield, Missouri 65802

Telephone: (417) 864-5599
Facsimile: (417) 866-0235

SIEMENS

4654 W. Farm Road 130
Springfield, Missouri 65802
Telephone (417) 864-5599
Fax (417) 866-0235
www.siemens.com/energy

FACTORY AUTHORIZED SERVICE

Siemens Energy, Inc. is an equipment manufacturer of single-stage centrifugal compressors (blowers) in partnership with STE A/S, Helsingor, Denmark (the manufacturer of the bare compressor). The compressors provide large volumes of aeration as used in the treatment of wastewater in municipal and industrial plants and provide a critical service to their process.

Siemens is the only factory-authorized service center and distributor of OEM components in North America for these machines (including those sold previously by Turblex, Inc., Springfield, Missouri and by Cord-Turbo, Rexdale, Ontario during the early 1980's).

Our commitment to exemplary operating installations is demonstrated by the Company's investment in the Customer Service/Parts Department. This highly trained group of professionals includes in-house technical and parts departments, as well as Mechanical and Instrumentation field servicemen.

Each of our field service technicians is factory certified. They attend periodic classes at the manufacturing plants in Helsingor, Denmark and Springfield, Missouri in order to have the latest service and repair expertise for our operating installations. Instrumentation field service engineers not only attend Siemens factory training schools, but sub-vendor training, such as Allen Bradley, Bentley-Nevada, Eaton, and other technical schools. The Siemens field service group is supported by a staff of over 50 mechanical, electrical, and instrumentation engineers from our engineering centers in Springfield, Missouri and Helsingor, Denmark.

Technical questions related to field service are often discussed between Siemens field servicemen and factory engineers, to provide the best solution to a particular situation. This inter-play of factory engineering and field service is vital to providing proper and correct service and preventative maintenance for compressors and accessories provided by Siemens.

Siemens' field service work is guaranteed for one year and backed by a multi-million dollar insurance policy and the financial strength of the Siemens Energy, Inc., STE A/S.

For technical support and/or spare parts for your Siemens equipment, contact us at toll-free: 800-299-1035.

SIEMENS PRE-SERVICE CHECKLIST

This checklist is designed specifically to save you time and money! We have found that if you can check yes to these items, you will minimize unnecessary delays, unexpected waiting time, and additional labor and expenses.

YES NO

- Sufficient lifting equipment is available.
- Siemens special tool kit is complete and available onsite for disassembly/reassembly of the compressor(s). To inventory your tool kit, reference the Siemens O&M manual for a complete listing of these special tools with illustrations.

These tools are required for disassembly/reassembly of your Siemens compressors(s). If you do not have a Siemens special tool kit, please let us know.

- At-least one local helper will be available to assist Siemens personnel with service work.
- Inlet filter system and sound enclosure (if applicable) will be removed prior to arrival of Siemens personnel. (We would be happy to assist with removal of this, but this is one way for you to reduce the number of Siemens labor hours required.)

We look forward to working with you in the near future!

If you have any questions, please contact us at toll-free: 800-299-1035.

Professional Services Contract
Contract Purchase Agreement No.

THIS AGREEMENT, entered this 7th day of FEBRUARY 2013, by
and between CLARK COUNTY, after this called "County," a political subdivision of the
State of Washington, and Siemens Energy Inc., after this called "Contractor."

WITNESSETH

WHEREAS, the contractor has been chosen through a competitive bid process
by the County (RFP # 627) and has the expertise to provide factory authorized field
service for the three (3) Turblex blowers located at the Salmon Creek Wastewater
Treatment Plant.

WHEREAS, Clark County does not have available staff to provide such services for
the benefit of the services of Clark County, NOW, THEREFORE,

THE COUNTY AND THE CONTRACTOR MUTUALLY AGREE AS FOLLOWS:

1. Services. The Contractor shall perform services as follows:

A. Generally: To provide professional services for Clark County and to
perform those services more particularly set out in the attached proposal attached
hereto and incorporated herein by this reference as Exhibit "A."


2. Time. The contract shall be deemed effective beginning January 1, 2013.

Clark County reserves the right to extend the contract resulting from this bid for a period
of two (2) one (1) year periods, with the same terms and conditions, by service of a
written notice of its' intention to do so thirty (30) days prior to the contract termination.


18. Warranty. Warranty for any of the services provided shall be for a period of one (1) year from the date of the completion of Contractor's services and is limited to the warranty provisions as noted in Contractor's Warranty Certificate.

IN WITNESS THEREOF, County and the Contractor have executed this agreement on the date first above written.

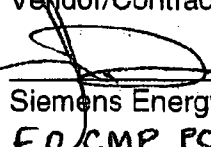
APPROVED AS TO FORM ONLY
ANTHONY F. GOLIK
Prosecuting Attorney



Deputy Civil Prosecutor



Peter Capell, PE
Public Works Director/County Engineer

Vendor/Contractor:


Siemens Energy Inc.
EO CMP PCF US
Site Director

Professional Services Contract
Contract Purchase Agreement No.

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WHEREAS, Clark County does not have available staff to provide such services for the benefit of the services of Clark County, NOW, THEREFORE,

THE COUNTY AND THE CONTRACTOR MUTUALLY AGREE AS FOLLOWS:

1. Services. The Contractor shall perform services as follows:

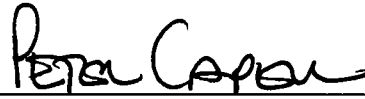
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2. Time. The contract shall be deemed effective beginning January 1, 2013. Clark County reserves the right to extend the contract resulting from this bid for a period of two (2) one (1) year periods, with the same terms and conditions, by service of a written notice of its' intention to do so thirty (30) days prior to the contract termination


18. Warranty. Warranty for any of the services provided shall be for a period of one (1) year from the date of the completion of Contractor's services and is limited to the warranty provisions as noted in Contractor's Warranty Certificate.

IN WITNESS THEREOF, County and the Contractor have executed this agreement on the date first above written.

APPROVED AS TO FORM ONLY
ANTHONY F. GOLIK
Prosecuting Attorney



Peter Capell, PE
Public Works Director/County Engineer



Deputy Civil Prosecutor

Vendor/Contractor:


Siemens Energy Inc.
EOEMP PCF US
Site Director