

Jean Farris
Purchasing Agent

January 07, 2011

City of Rochester Hills
1000 Rochester Hills Dr.
Rochester Hills, MI 48309

Subject: Proposal for 2011 Annual Maintenance of SCADA System, Q01072011 ALK.Rev0

Dear Ms. Farris;

Perceptive Controls, Inc. proposes an amended proactive maintenance solution to insure that the SCADA system will always be properly maintained and operational. By evaluating your usage over the course of the last service agreement, we have been able to refine our offering and eliminate some cost for the City.

This proposal still helps to prevent expensive overhauls and unnecessary downtime while keeping the system up to date. By annually updating all software, backing up servers on a regular basis, and maintaining the historical databases, the likelihood of a catastrophic failure is reduced dramatically.

Our proposal includes;

1. Annual updates to all control system: All current control licenses owned by the city will be upgraded at least once a year or upon a major release. These licenses include:
 - a. Two (2) iFix Runtime Clients license numbers 100047325 and 100047324.
 - b. One (1) Unlimited Runtime w/Ack failover. License number 100033670.
 - c. One (1) Unlimited Developer. License number 100033669.
 - d. One (1) Historian Std. 1000. License number 100181688.
2. Win-911 License Support Renewal / Upgrade
3. Engineering Support
 - a. Quarterly on-site preventative maintenance trips. One (1) day per quarter.
 - b. 40 Hours of Annual Telephone Technical Support M-F, 7AM to 5PM, with an 8 hour response time.
 - c. 16 Hours of Remote System Monitoring, M-F, 7 AM to 5 PM (based upon internet accessibility).
 - d. Any additional programming and consultation time for use by the City of Rochester Hills will be billed monthly on a time and expense basis using our 2011 billing schedule with a 7.5% discount (Currently \$99.00/hour, \$75/hour travel).
4. Engineering / Design Consulting Services
 - a. 48 Hours of Engineering Design Consulting Services for any New Work
5. Hardware
 - a. A Maximum of \$2,500 Budgeted funds to replace the System Server, Network Components, etc. (if required due to a catastrophic system failure)

2011 Annual Support Contract \$26,264.00

Terms: 1% 10, Net 30, Billed Quarterly.

If you have any questions, please feel free to contact me anytime at 586-907-0110.

Respectfully,
For Perceptive Controls, Inc.

Andrew L. Keller
Manager - Metro Detroit Branch
13335 Fifteen Mile Road
Sterling Heights, MI 48312
Cell (586) 907-0110
Office (269) 685-3040 Ext 36
Fax (269) 685-3045

Maintenance Agreement

This contract is by and between City of Rochester Hills, hereafter "Customer" and Perceptive Controls, Inc., Perceptive Controls located at 951 Industrial Parkway in Plainwell, Michigan, hereafter "Company".

Relationship: Company is acting as an independent contractor, and is not acting as an employee of Customer.

The Customer desires Perceptive Controls, Inc. to enter into a Annual Maintenance AGREEMENT for the following projects:

1.0 Authorization: Customer is engaging Perceptive Controls, Inc. for the specific project of developing and/or improving an existing SCADA system. The Customer will establish a separate contract with an ISP or Web Hosting provider, or Perceptive Controls, Inc. will establish one on behalf of the Customer. The Customer hereby authorizes Perceptive Controls, Inc. to access this account, and authorizes the Internet Service Provider to provide Company with "write permission" for the Customer's SCADA server, and any other directories or programs, which need to be accessed by Perceptive Controls, Inc. for this project.

2.0 Maintenance and Changes: Company will provide minor updates to the SCADA system for a period of 12 months. Minor updates are defined as work that does not exceed 8 hours each quarter. No other parties shall have the right to change the SCADA system during the maintenance period. If The Customer or an agent other than Perceptive Controls, Inc. attempts updating the SCADA system, time to repair will be assessed at the hourly rate, and is not included as part of the updating time.

2.10 Compensation. For all of Perceptive Controls, Inc.'s services under this Agreement, Customer shall compensate Company, in cash, US as defined in this proposal In the event Customer fails to make any of the payments referenced by the deadline set forth in this proposal (Invoice), Developers have the right, but are not obligated, to pursue any or all of the following remedies:

- (1) terminate the Agreement,
- (2) immediately stop all works-in-progress or remove unpaid for material,
- (3) bring legal action.

3.0 Consultation: Perceptive Controls, Inc. consultation each quarter, the hourly.

4.0 Scope of Service

Perceptive Controls, Inc. will:

- Edit, revise, update or create new content on existing system based on Customer request.
- Provide consultation service for any projects that impact the SCADA system and/or projects defined in the project specified above.
- Provide disaster recovery from backup and maintain a current file library of all assets, graphics, source code and revision history for Customer's SCADA system.
- Liaise with hardware engineers, hosting customer support, and other affiliate service entities.

5.0 Additional Services: Any revisions, additions or redesign Customer wishes Company to perform which is not specified in this document shall be considered "additional" and will require separate Agreement and payment. Perceptive Controls, Inc. shall advise Customer on any requested work that falls within these bounds.



6.0 Cancellation: You may cancel your SCADA Agreement with us at any time, by giving us one month's written notice, provided that payment is up-to-date. A pro-rata refund will be given for any unused period of the advance payment.

7.0 Troubleshooting: In the event of a fault with your SCADA system, we will initiate an inquiry into the service disruption within 24 working hours of the fault or support issue being reported or observed. In the event of a hardware or software fault being found, the software or hardware maintainer will be contacted and Perceptive Controls, Inc. will negotiate with them on the Customer's behalf. In the event of an operating system fault, Perceptive Controls, Inc. will endeavor to solve the problem as soon as it is possible.

8.0 Entire Understanding: This contract, together with the links herein, constitutes the sole agreement between Perceptive Controls, Inc. and the Customer regarding its SCADA system service. It becomes effective only when signed by both parties. Regardless of the place of signing of this agreement, the Customer agrees that for purposes of venue, this contract was entered into in Oakland County, Michigan, USA and any dispute will be litigated or arbitrated in Oakland County, Michigan, USA. This agreement shall be governed and construed in accordance with the laws of the State of Michigan, USA.

The undersigned agrees to the terms of this agreement on behalf of his or her organization or business. No responsibility will be accepted for digital or photocopied signatures.

Print _____

Sign _____

Perceptive Controls, Inc.

Date

Print _____

Sign _____

City of Rochester Hills

Date