

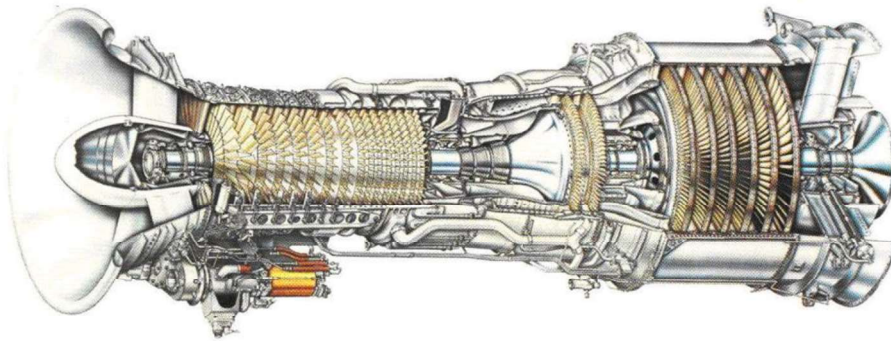


TransCanada Turbines Inc.  
2015 Westwind Dr, Suite 6  
Bakersfield, CA, USA  
93301

Telephone: (661) 836-4070  
Email: [commercial\\_support@tcturbines.com](mailto:commercial_support@tcturbines.com)  
Website: [www.tcturbines.com](http://www.tcturbines.com)

## HPC VSV Bushing Repair

City of Riverside  
Clearwater



General Electric LM2500 Gas Turbine

TCT Proposal #: RFQ-24-0062\_REV2

Submitted: July 11, 2024

## Proprietary Information

This Proposal is the property of TransCanada Turbines Ltd. and its subsidiary companies. The information contained herein is confidential, privileged and/or proprietary, and intended only for the person or persons who are explicitly addressed below. This Proposal may not be copied or used for any purpose other than that for which it is supplied, in whole or in part, without the express written permission of TransCanada Turbines Ltd.

July 11, 2024

VIA EMAIL

Attention Garry Grimwade  
City of Riverside  
Clearwater Cogeneration Facility  
1700 Railroad Street  
Corona, CA 92880

CC: Charmaine Lloyd  
Garth King  
Marcus Nichols

**RE: HPC VSV Bushings and 1 STG 1 HPC Blade Replacement**

---

Dear Mr. Grimwade:

TransCanada Turbines Inc. ("TCT") would like to thank the City of Riverside facility ("City of Riverside or "Customer") for the opportunity to submit a revised proposal regarding the HPC VSV Bushing Repair required at the Clearwater cogeneration site ("Proposal"). This Proposal has been submitted in accordance with the requirements in RFP No. 2370.

This Proposal has been prepared in good faith, and TCT requests that the City of Riverside hold the contents and all supporting documentation confidential. TCT looks forward to working with the City of Riverside on this project. Should you have any questions concerning the Proposal or the scope of our services, please feel free to contact me directly at the information listed below.

This Proposal #RFQ-24-0062\_REV2, dated July 11, 2024, is valid for 30 days from the date of issuance.

Sincerely,

Scotty Rowland  
Regional Commercial Manager – Western United States  
TransCanada Turbines Ltd.  
Office: (661) 836-4070  
Cell: (661) 303-5890  
Email: [scott\\_rowland@tcturbines.com](mailto:scott_rowland@tcturbines.com)

CC: Marcus Nichols – Commercial Lead – North America  
TransCanada Turbines Ltd.  
Email: [Marcus\\_Nichols@tcturbines.com](mailto:Marcus_Nichols@tcturbines.com)

## Table of Contents

Scope of Supply & Pricing .....	5
Additional Notes .....	6
Responsibility Matrix .....	9

## Scope of Supply & Pricing

Item	Quantity	Description	Estimated Price USD	Tax @8.75%
1	1	Labor	\$103,202.00	N/A
		3 mechanical technicians, 8 shifts, working 12-hour shifts, days only. <ul style="list-style-type: none"> <li>Includes the removal of the GG and set it into a maintenance dolly.</li> <li>Removal of the HPC cases (Upper and lower)</li> <li>Replace of the full set of VSV bushings</li> <li>Reassembly of the HPC</li> <li>Installation of the GG</li> <li>VSV Rig</li> </ul>		
2	1	Labor to Replace one STG 1 HPC blade	\$1,904.00	N/A
		1 mechanical technician, 8 hours <ul style="list-style-type: none"> <li>Replace 1 STG 1 HPC Blade and retainers.</li> </ul>		
3	1	Bushings and Parts	\$51,572.25	\$4,512.57
		See attached parts list for details.		
4	1	K157G02 Blade, HPTR, stg 1 ea.	\$5,937.78	\$519.55
		<ul style="list-style-type: none"> <li>If additional blades are required, the price blades will be as per note 9</li> </ul>		
5	36	1854M45G02 Retainer ,Blade, Compressor 36 each \$87.50 each X 36	\$3,150.00	\$275.62
6	1	Safety Consumables	\$1,265.00	N/A
		<ul style="list-style-type: none"> <li>Includes gloves, safety cable, anti-seize etc.</li> </ul>		
7	1	Transportation	\$20,000.00	N/A
		<ul style="list-style-type: none"> <li>Transportation estimate includes the tooling to remove the GG from the package, tooling to repair the HPC, and parts.</li> <li>This is an estimate only and the customer will be invoiced for the actual amount +10%.</li> </ul>		
		Sub Total	\$187,031.03	
		Sub Total of Items 3, 4 & 5 Tax @ 8.75%	\$5,307.74	
		<b>Total</b>	<b>\$192,338.77</b>	

8	1	<p><b>Project Contingency Option</b></p> <p>The amount of project contingency option shall not exceed 25% of the project total of \$192,338.77 and will be charged in accordance with rates listed in Note 9.</p> <ol style="list-style-type: none"> <li>1. Optional price to be utilized for any unexpected out of scope services during the project.</li> <li>2. The project contingency option is excluded from the total payment due under the project and shall only apply if the City of Riverside submits approval to purchase this option.</li> <li>3. Any Services under this option shall require the City of Riverside's prior approval and the City of Riverside shall only be billed for authorized services under this option.</li> </ol>	<p>\$48,084.69 (Not To Exceed Price 25% of total \$192,338.77)</p> <p><b><u>\$240,423.46</u></b> (Total price including 25% contingency)</p>
---	---	---	---

**Notes:**

- a. Purchase orders must comply with the following:
  - This Proposal reference.
  - The Terms and Conditions agreed to by the parties.

Purchase orders for US field service are made out to TransCanada Turbines Inc.

**Project Schedule**

Task - HPC Bushings & 1 STG 1 HPC Blade	Mobilize	Shift 1	Shift 2	Shift 4	Shift 4	Shift 5	Shift 6	Shift 7	Shift 8	Demobilize
Travel In										
Remove the GG from the package										
Remove and install the HPC Cases. Change out of bushings and 1 STG 1 HPC blade										
Install the GG back into the package										
Travel Out										

## Additional Notes

- Note 1: **Availability**  
All required parts, technicians and tooling are subject to availability. Availability must be confirmed by Customer with TCT, prior to the issuance of a purchase order.
- Note 2: **Support Equipment**  
Unless otherwise specified in writing, the supply of any cranes, forklifts and additional support equipment (and qualified operators where applicable) required to support portions of the work performed at Customer's site will be supplied by Customer.
- Note 3: **Safe Lifting and Customer Engine Lifting and Support**  
Upon award of the gas turbine work and prior to removing and/or re-installing the GT, the customer owned lifting equipment such as, but not limited to, the package hoist, customer GT lift fixture, and package "H" frame beam must comply and be tested in accordance with the applicable General Electric standards and have a valid certificate of physical load test inspection. The customer shall produce the certificate(s) and documented evidence of such compliance upon TCT's request and prior to any lifts made at the customer site. Applicable GE service letters and product bulletins include GE SL2500-09-02.
- Note 4: **Transportation Responsibilities**  
Unless otherwise specified in writing, [TCT] shall be responsible for transporting all required Parts and tooling from TCT's facility to the Customer's site, and from Customer's site back to TCT's facility. All costs including but not limited to taxes, duties and customs charges, associated with transporting all required Parts and tooling from TCT's facility to Customer's site to, and from Customer's site back to TCT's facility will be the responsibility of Customer.
- Note 5: **Responsibility Matrix**  
The scope of service has been itemized detailing the responsibility between TCT and Customer. Please refer to Responsibility Matrix section of this Proposal.
- Note 6: **Terms of Payment**  
Unless otherwise agreed to in writing, payment shall be made to TCT in United States Dollars (USD), and invoiced following completion of the services. Payment will be due 30 days from the invoice date. Wire transfer instructions will be presented to Customer by TCT.
- Note 7: **Labor Costs**  
The labor totals contained within this Proposal are estimates only. The actual labor time and cost may be greater or less than the estimated time, based on the condition of the gas turbine and final scope of work and charged based on the rates in Note 9.
- Note 8: **Taxes and Duties**  
All amounts payable are exclusive of all federal, provincial, state, county, local, municipal or other excise, sales, use, value-added, stamp, property or similar taxes and fees and all export or import fees, customs duties, tariffs or consular fees, now in force or enacted in the future. All such costs, duties, tariffs, taxes and fees shall be paid by Customer unless Customer provides a certificate of exemption or similar document exempting a payment from a particular tax.

- Note 9: **Technician Schedule**  
 Any work outside the above listed work scope will be deemed as “extra work” and will be charged at the standard TCT rates listed below.

<b><u>Field Service Turbine Technician – 2024 Fixed Rates</u></b>	
	Mechanical Repair
<b>Straight Time</b>	\$238 / hr.
<b>Overtime (payable after 8 hours)</b>	\$356 / hr.
<b>Travel / Standby Time</b>	\$182 / hr.
<b>Weekend and Holiday Travel</b>	\$238 / hr.
<b><u>Parts Rates</u></b>	
<b>New Parts</b>	GE list price + 10%
<b>Zero-Timed Hardware (repaired)</b>	GE list price - 30%
<b>Repairs</b>	As per current TCT price list
<b>Package Parts</b>	Quote

- Note 10: **Reporting and Project Management**  
 TCT provides one (1) type of reports for field services. All can be delivered on CD or in PDF format.  
 i. Field Repair Report

- Note 11: **General Terms and Conditions of sale**  
 In the event of any conflict between the terms and conditions set forth in this TCT Proposal RFQ-24-0062\_REV2, dated July 11, 2024, and the TCT / City of Riverside Agreement # CIT010-12-FS-6LM-016-C, the terms and conditions of this Proposal shall take precedence. All other terms are in accordance with agreement # CIT010-12-FS-6LM-016-C in place between the parties.

- Note 12: **Validity**  
 This Proposal is valid for 30 days from date of July 11, 2024.



## Responsibility Matrix

Scope of Services Breakdown	Customer	TCT	Comments/Details
On-site proof load test of on-site crane, engine lift fixture, package H-frame assembly, package beams (all), package hoist	x		
On-site mobile crane	x		
Qualified crane operator, supervision & direction of	x		
Site forklift, forklift operator, and site material handling	x		
Management of TCT employees on site		x	
Management/Supervision of Customer employees and their activities	x		
Comprehensive LOTO program in which TCT employees can review, sign-on/sign-off, and apply/remove TCT lock	x	x	
Plant specific HSE Orientation and Emergency Response (including site HSE rep and spill response)	x		
GT Package enclosure condition suitable for safe work (removal of accumulated oil/water/fuel), and lighting	x		
Fitting engine in transport dolly and/or placement under package hoist		x	
Lifting engine with package hoist		x	
Transitioning engine into berth and fitting into mounts		x	
Engine to generator alignment		x	

Contracted gas turbine package inspections or maintenance		x	
Contracted gas turbine inspection, repairs, or maintenance		x	
Engine to package mechanical connections		x	
Engine to package electrical connections (other than cannon plug connectors)	x		If specifically requested by Customer, TCT can supply additional I&C support for engine electrical
Pre-start leak check during crank cycle		x	
Pre-start calibrations	x		If specifically requested by Customer, TCT can supply additional I&C support for calibrations
Engine idle inspection leak checks (if permitted access by customer)		x	
Gas Turbine Water wash (if required)	x		
Final review & release of LOTO	x		
Final release of GT for start-up per OEM guidelines	x		
Start-up & operations of GT in accordance with OEM specification	x		
Review of engine operating data at idle and customer identified load set points (if engine dispatched with TCT reps on site)		x	
Return of GT for service/dispatch	x		
Field service reports for contracted site activities		x	

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

TRANSCANADA TURBINES, INC., a Nevada corporation authorized to do business in California

By: \_\_\_\_\_  
City Manager

By: Keith Luft  
Keith Luft (Aug 8, 2024 12:22 MDT)

S. Keith Luft  
\_\_\_\_\_

[Printed Name]

Attest: \_\_\_\_\_  
City Clerk

~~VP Corporate, General Counsel~~  
\_\_\_\_\_

[Title]

Certified as to Availability of Funds:

By: Sharmilla Tymchen  
Sharmilla Tymchen (Aug 8, 2024 12:27 MDT)

Sharmilla Tymchen  
\_\_\_\_\_

[Printed Name]

By: [Signature]  
Chief Financial Officer

~~Assistant Secretary~~  
\_\_\_\_\_

[Title]

Approved as to Form:

By: [Signature]  
Deputy City Attorney



# **FIELD SUPPORT SERVICES AGREEMENT**

**AGREEMENT NO. CIT010-12-FS-6LM-016-C**

**BETWEEN**

**CITY OF RIVERSIDE  
5901 PAYTON AVENUE  
RIVERSIDE, CA 92504**

**AND**

**TRANSCANADA TURBINES INC.**

**East Coast Office**  
22 Gildner Road  
Central Square NY 13036  
Phone: (315) 668-8285  
Fax: (315) 668-2105

**West Coast Office**  
4308 Resnik Court, Suite 208  
Bakersfield, CA 93313  
Phone: (661) 836-4070  
Phone: (661) 836-4355

**Houston Office**  
11221 Cutten Rd. Bldg. #4  
Houston, Texas 77066  
Phone: (281) 880-2900  
Fax: (281) 880-2909

**TRANSCANADA TURBINES  
FIELD SUPPORT SERVICES AGREEMENT  
AGREEMENT NO. CIT010-12-FS-6LM-016-C**

**This Agreement, including the exhibits and amendments, as agreed, embodies the entire agreement and understanding of the Parties and, as of its effective date, terminates and supersedes all prior or independent agreements and understandings between the Parties covering the same subject matter. These terms and conditions shall be exclusive and in lieu of all terms and conditions appearing on the face or reverse side of any Work Order or other documents submitted by the Customer, except as may be otherwise agreed in writing between the Parties in the manner specified herein. The identification of Field Support Services, price, quantity, delivery dates and shipping instructions shall be as set forth in TCT's proposal; or Customer's Work Order, which has been accepted by TCT.**

Field Support Services Agreement between TransCanada Turbines Inc., its affiliates, and subsidiaries ("TCT") and the City of Riverside ("Customer").

TCT and the Customer may be referred to individually as the "Party" or collectively as the "Parties".

**1. GENERAL**

- 1.1 TCT will provide the Customer with Field Support Services for Customer's General Electric ("GE") Engine.
- 1.2 The Customer shall issue a Work Order to TCT outlining the Services to be undertaken.
- 1.3 The Customer acknowledges that some repairs and maintenance may require the delivery of the Engine to TCT's authorized facility in Canada. All work required in addition to Field Support Services, shall be governed by the terms and conditions of TCT's Repair and Overhaul Service Agreement, a copy of which is attached as Appendix "A", except that sections 12.3, 13, 15, 16 and 19 of the Repair and Overhaul Service Agreement shall not apply and instead the comparable provision of this Field Support Services Agreement shall apply. **[NOTE: Compensation schedule is attached as Appendix. B.]**

**2. DEFINITIONS**

- 2.1 "Agreement" shall mean this document for the provision of Field Support Services by TCT.
- 2.2 "Engine" shall mean an industrial gas generator [GE LM2500, LM2500+ or LM6000] and the subassembly or parts, or any combination of Engine, subassembly, or parts.
- 2.3 "Field Service Technicians" shall mean TCT's qualified employees providing Services to the Customer pursuant to this Agreement.
- 2.4 "Part" shall mean any new or serviceable material/part supplied by TCT to the Customer pursuant to this Agreement.

- 2.5 “Services” shall mean all repairs, maintenance and material/part supplied by TCT to the Customer’s Engine pursuant to this Agreement.
- 2.6 “Work Order” shall mean the Customer’s written document detailing the Services to be undertaken by TCT pursuant to this Agreement.

**3. INVOICING AND TERMS OF PAYMENT**

- 3.1 Upon completion of each Work Order, TCT shall submit one (1) invoice for compensation for all Field Support Services performed. TCT shall provide supporting documentation.
- 3.2 The Customer shall pay each invoice within thirty (30) days after receipt of the invoice.
- 3.3 All past invoices shall accrue at two percent (2%) per month, or the maximum permitted by law, whichever is less.
- 3.4 If the Customer fails to fulfill any condition of the terms of payment, TCT may:
- (a) withhold deliveries and suspend Services, or
  - (b) continue Services if TCT deems it reasonable to do so.

Any costs incurred by TCT, resulting from the Customer's non-fulfillment, shall be paid by the Customer upon submission of TCT's invoices therefore. If such non-fulfillment is not rectified by the Customer promptly upon notice thereof, TCT may cancel any outstanding Work Order(s) and suspend Services and the Customer shall pay TCT its reasonable and proper charges for cancellation upon submission of TCT's invoices therefore.

- 3.5 If the financial condition or payment practices of the Customer at any time does not, in TCT's reasonable judgment, justify continuance of Services on the terms of payment agreed, or, upon commencement of any bankruptcy or reorganization proceedings or potential insolvency of the Customer, TCT may require full or partial payment in advance or shall be entitled to cancel any Work Order then outstanding and shall receive reimbursement for its reasonable and proper cancellation charges (including charges for Services already performed).

**4. LAW**

- 4.1 TCT shall comply, and secure compliance with all federal, state, provincial and local statutes, codes, ordinances, rules, regulations, and stipulations applicable to the performance of Services.
- 4.2 This Agreement shall be governed by the substantive law of the State of California, without regard to any conflicts of laws principles that could require application of any other law, shall govern the interpretation of this Agreement and any dispute, controversy, or claim arising out of, relating to, or in any way connected with this Agreement, including, without limitation, the existence, validity, performance, breach, or termination thereof.

## 5. DISPUTE RESOLUTION

5.1 The Parties agree that any and all disputes or controversies that may arise between them arising out of or related to this Agreement shall be determined by non-binding arbitration. Any such arbitration shall be determined before J.A.M.S, in accordance with the J.A.M.S Commercial Rules before a single arbitrator. Judgment upon arbitration awards may be entered in any court, state or federal, having jurisdiction.

**The Parties hereby waive their rights to trial before a jury to the maximum extent permitted by law.**

5.2 The place of arbitration shall be the City of Riverside, California. The arbitrator shall apply the laws of the State of California to the substance of the dispute.

5.3 Arbitration proceedings shall use the English language throughout.

5.4 Any claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator shall be made and shall promptly be payable, free of any tax, deduction or offset; and that any costs, fee or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting such enforcement.

## 6. WARRANTY

6.1 In respect of the Field Support Services which are proved to the reasonable satisfaction of TCT not to have been provided or performed with the skill and care commensurate with the recognized standards prevailing in the industry, (fair wear and tear to Customer Property and Products excepted) TCT will repair or replace any defective products or re- perform the relevant services.

6.2 If any defect or failure occurs in a Part or workmanship within the period specified in Clause 6.6 in the sole and reasonable opinion of TCT, then TCT shall replace or repair the defective/failed Part or re-perform the Services at the Customer's site or TCT's authorized Canadian facility.

**Any downstream or collateral damage within the Engine proper, caused by the failure or defect within the Engine is covered by this warranty and subject to the Limitation of Liability set forth in this Agreement.**

**6.3 TCT's liability for repair or replacement under this warranty provision shall not exceed, in any case, the cost of the original Services performed.**

6.4 Any replacement or repair under the terms of the warranty shall in turn be warranted in accordance with the provisions of this Agreement, provided however, the foregoing shall not serve to extend any warranty beyond twelve (12) months from the date of completion of the original Field Support Services performed.

6.5 TCT makes no warranty in respect of material or part supplied by the Customer for fitting to the Customer's Engine by TCT.

6.6 Subsequent to the Services provided, this warranty shall be subject to the following conditions:

- (a) The Engine was properly installed by qualified personnel;
- (b) The Engine was operated and maintained in accordance with applicable manufacturer's guidelines and standards, overhaul manuals, service bulletins and Customer's handbooks;
- (c) The Engine has been used under normal operating conditions, has/have not been subjected to misuse, neglect or accident and has/have not subsequently been repaired or altered, except by TCT;
- (d) Where the Engine is to be stored for any period prior to installation, acceptance by TCT of any warranty claim, is conditional upon the Part being stored in accordance with the manufacturer's recommended storage procedures and conditions laid down in the maintenance instructions prepared by the manufacturer; and,
- (e) Any warranty claim made shall be made in writing and delivered to TCT within thirty (30) days after the defect or failure is discovered.
- (f) Warranty claims shall only be considered by TCT in respect to defects that become apparent and are notified by the Customer in writing to TCT before the expiry of the following:

**Gas Generators and Modules:**

**[General Electric LM2500 and LM6000]**

**Calendar Time:** 12 months from delivery

**Running Time:** 8,000 hours

Whichever of the above limitations occurs first.

Components (Repair of  
Spares):

Calendar Time: 12 months from delivery

**6.7 It is expressly agreed that there are no warranties of any kind, expressed, implied, statutory or otherwise, as to merchantability, fitness for particular purpose or for any other matter relating to the Field Support Services performed hereunder, except those warranties set out above.**

**In no event shall TCT be responsible for any incidental or consequential damages incurred by the Customer in respect of any defect or failure covered by the warranty set out above. The within warranty is made in lieu of all other warranties and may not be altered or amended without the express written approval of both Parties.**

6.8 Any warranty is personal to the Customer and shall not be assigned without prior written consent of TCT; said consent shall not be unreasonably withheld.



## **7. INDEMNIFICATION**

- 7.1 To the maximum extent permitted by law, TCT shall defend, indemnify and hold harmless Customer and Customer's directors, officers, and employees and Customer's contractors to the extent of the limitation on liability from all claims, causes of action, losses, liabilities and expenses (including reasonable attorney's fees) for personal loss, injury or death to persons (including, but not limited to TCT's employees) and loss, damage to or destruction of Customer's property or the property of any other person or entity (including but not limited to TCT's property to the extent arising out of any negligent act or omission of TCT and their employees in any manner arising out of or connected with the Agreement, or the materials or equipment supplied or services performed by TCT. But nothing herein shall be construed as making TCT liable for any injury death, loss, damage, or destruction to the extent arising out of any negligent act or omission of Customer.
- 7.2 To the maximum extent permitted by law, Customer shall defend, indemnify and hold harmless TCT and their respective directors, officers, and employees from all claims, causes of action, losses, liabilities and expenses (including reasonable attorney's fees) for personal loss, injury or death to persons (including, but not limited to Customer's employees) and loss, damage to or destruction of TCT'S property or the property of any other person or entity (including but not limited to Customer's property) to the extent arising out of any negligent act or omission of Customer, Customer's contractors, and their employees in any manner arising out of or connected with the Agreement, or the materials or equipment supplied or services performed by Customer. But nothing herein shall be construed as making Customer liable for any injury death, loss, damage, or destruction to the extent arising out of any negligent act or omission of TCT.
- 7.3 Notwithstanding Clause 7.1 and 7.2, TCT shall be liable for and shall defend, indemnify and hold the Customer harmless from and against each and every claim which arises out of one or both of the following (i) loss of or damage to the property of any third party, (ii) death or illness of or injury to any third party (including any officer, employee, servant or agent of Customer), to the extent that such loss, damage, death, illness or injury is caused by the negligence of TCT in the performance of the Services and provided that if such claim is brought against Customer, Customer shall immediately notify TCT of such claim.

## **8. INSURANCE**

- 8.1 General Provisions: Prior to commencement of the agreement, TCT shall provide satisfactory evidence of, and shall thereafter maintain during the term of this agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.
- 8.2 Limitations: These minimum amounts of coverage shall not constitute any limitation or cap on TCT's indemnification obligations herein.
- 8.3 Ratings: Any insurance policy or coverage provided by TCT or subcontractors as required by this agreement shall be deemed inadequate and a material breach of this agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

- 8.4 Cancellation: Each such insurance policy shall contain a provision obligating the insurer to give TCT written notice of cancellation not less than thirty (30) days prior to the effective date of such cancellation and TCT shall advise the Customer of such cancellation thereafter.
- 8.5 Workers' Compensation Insurance: By executing and/or acknowledging this Agreement, TCT certified that TCT is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. TCT shall carry the insurance or provide for self-insurance required by California law to protect said TCT from claims under the Workers' Compensation Act. Prior to commencement of the Services, TCT shall file with City either (1) a certificate of insurance showing that such insurance is in effect, or that TCT is self-insured for such coverage, or (2) a certified statement that TCT has no employees, and acknowledging that if TCT does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days prior written notice before modification or cancellation.

Commercial General Liability and Automobile Insurance: Prior to commencement of the Services, TCT shall obtain, and shall thereafter maintain during the term of this agreement, commercial general liability insurance and automobile liability insurance as required to insure TCT against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of TCT. The City, and its officers, employees and agents, shall be named as additional insureds under the TCT's insurance policies.

- 8.6 TCT's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent TCT's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.
- 8.7 TCT's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of TCT's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with TCT's performance of this Agreement, which vehicles shall include, but are not limited to, TCT owned vehicles, TCT leased vehicles, TCT's employee vehicles, non-TCT owned vehicles and hired vehicles.
- 8.8 TCT's Inland Marine Insurance policy shall cover loss of, or damage to Engine/Parts while in transit over land from and/or to TCT premises where TCT assumes transportation responsibility;
- 8.9 Prior to commencement of the agreement, copies of insurance policies or original certificates and additional insured endorsements evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for services performed by and on behalf of the named insured for the City of Riverside.

8.10 The insurance policy or policies shall also comply with the following provisions:

- (a) The policy shall be endorsed to waive any right of subrogation against the City and its sub-Contractors, employees, officers and agents for services performed under this Agreement.
- (b) If the policy is written on a claim made basis, the certificate should so specify, and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- (c) The policy shall specify that the insurance provided by TCT will be considered primary and not contributory to any other insurance available to the City.

## **9. LIMITATION OF LIABILITY**

9.1 In no event, whether as a result of breach of contract, warranty, tort, (including negligence of any degree) or otherwise, shall either Party be liable to the other for any special, consequential, resultant, incidental, indirect, punitive or exemplary damages arising out of or in connection with this Agreement or its implementation thereof.

9.2 TCT's liability under any of the express or implied terms of this agreement, or otherwise in respect of all claims of any kind, whether in tort (including negligence of any degree), contract, warranty, indemnity, strict liability or otherwise shall not exceed the higher of \$500,000 USD or the value of the work performed. THE TERMS OF THIS CLAUSE SHALL BE PRIMARY TO ANY OTHER CONFLICTING TERM OF THIS AGREEMENT.

## **10. TERM AND TERMINATION**

10.1 Either Party shall have the right to terminate this Agreement for convenience by giving the other not less than forty-five (45) days notice of such termination.

10.2 Either Party shall have the right to terminate this Agreement subject to the terms of this Agreement after giving fourteen (14) days notice should the other (the Defaulting Party):

- (a) be in material breach of its obligations under this Agreement, or
- (b) become practically insolvent, or being a limited company, go into liquidation whether voluntarily or compulsorily, or if an administrator or administrative receiver of the whole or part of the Customer's assets is appointed, or
- (c) ceases or threatens to cease to carry on its business, or
- (d) makes any agreement with creditors compounding debts.

Where the defaulting Party is TCT and TCT fails to commence, or having commenced, fails to remedy, the breach within fourteen (14) days from date of the notice, Customer may, by notice in writing, without prejudice to its other rights under this Agreement, immediately terminate this Agreement. Customer shall make payment to TCT in accordance with the provisions of Article 3.

Where the defaulting Party is Customer and Customer fails to commence, or having commenced, fails to remedy, the breach within fourteen (14) days from the date of the notice, TCT may, by notice in writing, without prejudice to its other rights under this Agreement, immediately terminate this Agreement. Customer shall make payment to TCT in accordance with the provisions of Article 3.

## **11. REPRESENTATIVES**

11.1 All notices, authorizations, approvals and communications shall be considered delivered and effective upon receipt only when given in writing and delivered personally, by registered mail (postage prepaid), prepaid courier or faxed to the parties at the following addresses:

11.2 TCT Contact:

Name: Beverly Stewart  
Fax: (403) 420-4300  
Cell: (403) 613-9646  
Email: bev\_stewart@tcturbines.com

11.3 Customer Contact:

Name: Jim Perez  
Phone: 951-710-5019  
Fax: 951-710-5040  
Email: jperez@riversideca.gov

## **12. AMENDMENT**

12.1 No provisions of this Agreement shall be changed or modified in any way, including this provision, either in whole or in part except by an instrument in writing made after the effective date of this Agreement signed on behalf of both Parties and which is expressly stated to amend this Agreement.

## **13. MISCELLANEOUS**

13.1 The Customer shall ensure that TCT's Field Service Technician(s) will have access to a suitable and safe work environment.

13.2 Neither Party may assign this Agreement without the prior written consent of the other Party; said consent may not be unreasonably withheld.

13.3 If TCT is delayed or impeded in performing its obligations due to any act or omission on the part of the Customer, or any industrial dispute, government action, fire, flood, hurricane, earthquake, volcanic eruption, act of God, war (declared or undeclared), civil commotion, riot insurrection,

military uprising or any other cause beyond the reasonable control of TCT, then TCT shall be under no liability for failure to perform its obligations.

- 13.4 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and which together shall constitute one and the same instrument; provided that neither Party shall be bound to this Agreement unless and until both Parties have executed a counterpart. A signature page signed by a Party and sent by facsimile machine to the other Party shall be deemed to be valid as an original and shall be binding as between the Parties.
- 13.5 The article headings and subheadings in this Agreement are for convenience only, and shall not affect the meaning, construction, or interpretation of this Agreement.
- 13.6 No waiver of any breach of this Agreement shall be or deemed to be effective or binding unless the waiver is in writing and signed by an authorized representative of the Party purporting to have waived the breach and, unless otherwise provided in this Agreement, such waiver shall be limited to the specific breach waived. A Party's failure to enforce or delay in enforcing any of the terms and conditions of this Agreement shall not constitute or be deemed to constitute a waiver of such terms or conditions. No delay or failure by either Party in exercising or pursuing any claims, rights or remedies arising under this Agreement, or for any breach hereof shall operate as a waiver thereof nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.
- 13.7 If any provisions of this Agreement are invalid under any applicable statute or rule of law, such provisions may be severed from this Agreement with the remainder of this Agreement continuing to be valid and binding upon CUSTOMER and TCT.

**APPENDIX “A”**

**TCT REPAIR AND OVERHAUL SERVICE AGREEMENT**

**APPENDIX “B”**

**2012 FIXED RATES FOR FIELD SERVICE TECHNICIAN**

1.1 All prices quoted in United States Dollars.

1.2 Field Service Technicians: (Mechanical/controls and instrumentation)

Straight Time	\$	181.00/per hour
Overtime (payable after 8 hours)	\$	270.00/per hour
Travel Time	\$	139.00/per hour
Weekend and Holiday Travel	\$	181.00/per hour

Overseas or Offshore (any service work outside of United States of America):

Daily Rate (12 hour day)	\$	2,535.00/per hour
Overtime (after 12 hours)	\$	300.00/per hour

1.3 **Overtime** - Overtime will be charged for any Service for time worked over eight (8) hours. The overtime rate will be charged on all Services required on weekends and established holidays.

1.4 **Minimum Charges** - A minimum charge of four (4) hours straight time plus expenses will be applied for any Service in the United States of America (USA). Overseas a minimum of twelve (12) hours daily rate plus expenses will apply.

1.5 **Subsistence** - Expenses (travel and lodging) will be charged at cost plus ten percent (10%).

1.6 **Travel Expenses** - Air travel will be billed at cost plus ten percent (10%). Domestic travel will be at the rate of non-stop coach. Travel over eight (8) hours will be business class.

1.7 **Taxes** - All applicable taxes (airport taxes, sales taxes, duties, and other taxes) and fees will be billed for all Services.

1.8 **Standby Charges** - Standby charges will apply when Field Service Technician(s) arrive on site and are requested or required by the Customer to wait, a standby charge will be assessed as follows:

- (a) Domestic Standby Charges: A maximum of eight (8) hours per day for each weekday.

- (b) Domestic Overtime Standby Charges: A maximum of eight (8) hours overtime per day for Saturdays, Sundays, and established holidays.
  - (c) Overseas Standby Charges: The overseas daily rate will be charged for each weekday.
  - (d) Overseas Overtime Standby Charges: The overseas overtime daily rate will be charged for Saturdays, Sundays and established holidays.
- 1.9 **Parts and Material** – Locally procured materials and supplies required by Field Service Technician(s) while at the Customer’s site will be charged at cost plus twenty-five (25%).
- Part sales will be quoted separately.
- 1.10 **Miscellaneous Expense** – Expenses such as freight, passports, visas, inoculation and etc. required by Field Service Technician(s) to fulfill the Customer’s requirements will be charged at cost plus ten percent (10%).
- 1.11 **Call-out time** – TCT shall use reasonable efforts to have Field Service Technician(s) on-site within twenty-four (24) hours of receiving a request from the Customer.
- 1.12 **Reports and Records:**
- (a) TCT shall provide the Customer with a written report of the Services performed within twenty-one (21) working days following completion of each inspection or repair. This report shall be in a format to be agreed with the Customer. The Customer shall acknowledge such report by signing and returning a copy thereof.
  - (b) Any additional work identified during routine or unscheduled inspections will be notified in the report and corrective action shall be determined by mutual agreement between the Parties.
  - (c) The Customer shall maintain complete records relating to the Engine, including but not limited to previous inspection and repairs reports, details of all repairs and modifications to the Engine performed and a log containing relevant information about operation of the Engine.
- 1.13 **Prices** – The rates listed shall be subject to annual adjustments beginning in January of each calendar year during the term of this Agreement.