

Memorandum


To: Dirk Jablonski
CC: File, Karen Jones
From: Dave VanCleave
Date: 8 August, 2005
Re: WRF Generator Service Agreement



Dirk,
I would request permission for the Mayor and Finance officer to sign a service agreement with Diesel Machinery, Inc. for annual service on our 5 standby generators. The quote is for \$3,112.00/year for two years. The competitive quotes were \$5118.32/year for two years from Genpro, and \$7,300.00 per year from Butler Cat.

Attached you will find the original copy of the service agreement for routing to the attorney as well as a copy for public works use.

Sincerely


Dave Van Cleave
Superintendent



DIESEL MACHINERY, INC.

3801 N Deadwood Ave Rapid City, SD 57701
(605) 348-7438 Fax (605) 348-0370
(800) 658-3047
www.dieselmachinery.com

SERVICE AGREEMENT

This Service Agreement is entered into by Diesel Machinery, Inc. of Rapid City SD, and the generator set owner named below (herein called owner), for the purpose of setting forth the terms and conditions governing Diesel Machinery, Inc. obligations to maintain the owner's emergency standby generating set(s) and associated equipment listed below. This service will minimize the necessity of emergency service attention, thus assuring upkeep practices performed by trained and qualified personnel at a minimum of expense.

Upon acceptance of this agreement, Diesel Machinery, Inc. of Rapid City SD, agrees to perform the services listed below on the equipment as described in Appendix B. This work shall be performed during regular business hours at least twice each year (unless specified otherwise in this contract) that this agreement remains in effect. Time between regular bi-annual visits shall not be less than four (4) months nor more than seven (7) months unless requested sooner by the customer.

Services to be performed:

1. Check and adjust as required, mechanical fasteners, mounts, braces and devices.
2. Inspect engine and generator mounts.
3. Examine all duct work and louvers.
4. Check condition of hoses and tighten clamps as needed.
5. Check engine coolant pump and for coolant leaks.
6. Check engine anti-freeze solution for proper level. Note level on service report.
7. Check engine block heater.
8. Check for fuel and oil leaks.

9. Check and adjust drive belts.
10. Check all fluid levels and grease all fittings as needed.
11. Inspect engine condition and check crankcase breather.
12. Inspect engine wiring.
13. Check governor sensitivity and droop.
14. Check all linkage and ball joints on governor.
15. General inspection of all governor components.
16. Check operation of engine and generator instruments during load test.
Readings will be noted on service report.
17. Inspect starter motor and check solenoid.
18. Clean and inspect battery terminals. Read gravity and load test batteries.
Note readings on service report.
19. Check all safety shutdowns and alarms circuits.
20. General inspection of exhaust system and check for wet stacking.
Note results on service report.
21. Inspect generator condition and end bearings.
22. Blow out any accumulation of dust and dirt in generator and ATS with clean dry compressed air.
23. Check condition of electrical wiring. Secure in holder where broken or loose.
24. Check fuel tank operation.
25. Check Automatic Transfer Switch (ATS) controls and exerciser clock for proper operation.
26. Check battery charger for proper operation. Note output settings on service report.
27. Inspect buss bars bracing and feeder connection for cleanliness and signs of overheating.
28. During exercise operation, check for any unusual vibrations or noise.

Operate generator under load for two hours. Note startup time seconds on service report.

29. Note fuel tank levels on service report.

30. Change lubricating oil as per manufactures recommendations.

Customer will provide all lubricates coolant and filters for servicing the units.

31. Change lubricating filters

32. Change fuel filters.

33. Check or change air cleaner elements as needed.

34. Clean exterior of radiator.

35. Close main breaker if applicable.

36. Place generator in auto or remote start mode at or upon completion of inspection or service call.

37. Provide customer with written reports at each service or inspection call. Reports will include any recommendations for repairs or modifications.

38. Take and submit oil sample for analysis to an approved lab.

39. Take and submit coolant sample for analysis to approved lab.

Any additional labor or parts, other than those specifically mentioned above will be billed to the owner at standard rates. Diesel Machinery, Inc. will consult with the owner or his representative before performing any additional labor or installing any additional parts other than those specifically mentioned above. A complete report of the work performed will be faxed to the designated customer location upon completion of service and or inspection calls.

Emergency service other than regular inspections will be provided at a standard rate of **\$71.00** per hour during normal business hours of 7 am to 6 pm Monday through Friday. Emergency service from 6 pm to 9 pm Monday thru Friday and Saturday 8 am to 5 pm will be billed at the overtime rate of **\$108.00** per hour. Emergency service after 9 pm until 7 pm the next day Monday thru Friday, Saturday's before 8 am and after 5 pm and ALL Holidays will be billed at the Premium rate of **\$133.00** per hour. Current prices for parts and a \$1.50 per mile (travel charge from Rapid City, SD) plus the technicians travel time at the charge out rate will apply. Any parts shipping charges, miscellaneous charges for special order parts will also apply if pre-approved with the customer. This

agreement does not include the expenses to repair damage caused by abuse, accident, theft, acts of a third party, forces of nature, or altering the equipment. Diesel Machinery, Inc. shall not be responsible for failure to render the service for causes beyond its control, including strikes and labor disputes.

This agreement is not assignable without the consent of Diesel Machinery, Inc. of Rapid City, SD, and will remain in force for two years from date of final approval by the City of Rapid City. Diesel Machinery, Inc and the customer both retain the right to cancel this agreement with 30 days written notice to the other party. Cancellation shall be effective 30 days after receipt of cancellation notice by either party. .

The service consists of 2 service calls per year to cover the specific items outlined in this agreement. The cost of this service agreement is \$ 3112.00 per year for the 5 units as listed in Appendix B. Billing shall be made after each visit at the rate applicable.

Please sign this service agreement and return it to:

Diesel Machinery, Inc.
3801 N. Deadwood Ave.
Rapid City, SD 57702

Upon receipt of it, we will immediately put this agreement into effect.

Accepted: Lev Boyles Diesel Machinery, Inc. 7/27/05

Equipment Owner

Billing Address

City State Zip Code

Telephone Number

Signature Title

Date

APPENDIX B

Equipment covered and annual service rate

The owner's equipment as described below is covered by this service agreement at the annual rate shown.

EQUIPMENT MANUFACTURER	MODEL NUMBER	SERIAL NUMBER	LOCATION	ANNUAL RATE
ONAN	400DFN	A890200165	RC	
KOHLER	500ROZD71	320728	RC	
CAT UNIT #1	3412	9EP02352	RC	
CAT UNIT #2	3456	CCB00555	RC	
CAT UNIT #3	3456	CCB00568	RC	

Total for this service agreement \$3112.00 per year which will cover all of the above units

PW083005-14

AUTHORIZATION

FOR THE CITY OF RAPID CITY, SOUTH DAKOTA:

Client City of Rapid City, SD

Authorized Signature: _____

Typed Name: Jim Shaw, Mayor

ATTEST: _____
Jim Preston, Finance Officer

Date: _____ (Seal)

ACCEPTANCE

FOR DIESEL MACHINERY, INC:

Client: Diesel Machinery Inc

Authorized Signature: Lee G. Boyles

Typed Name: Lee G. Boyles

Title: Power Generation Mgr

Date: 7-27-2005