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[www.arcco.com](http://www.arcco.com)

**Date:** April 12, 2016

**State Contract #409913**

City of Hammond

Attn: Janice Russo

(985)277-5966

Email: [russo\\_jm@hammond.org](mailto:russo_jm@hammond.org)

**Reference:** 100kw Natural Gas Generator & 400A ATS - 240v 3ph

We are pleased to submit you Arcco Power Systems proposal for your generator project. This quote includes the standard accessories provided by **Generac** with the optional equipment and services as identified in this proposal.

Additionally, we have detailed the equipment configuration and services relative to our understanding of these requirements in the body of this document. Please check it for correctness and completeness to be certain that it meets your needs. Please contact us for any clarifications or refinements that may be necessary to meet the scope of the project, as you understand it.

Equipment provided for this proposal:

**Quantity 1 - Generac Industrial gaseous engine-driven generator, 9.0L V-8 engine, consisting of the following features and accessories:**

- **100 kW Rating, wired for 120/240 VAC three phase, 60 Hz – Line item 43**
- Permanent Magnet Excitation
- Stationary Emergency-Standby rated
- UL2200
- EPA Certified
- SCAQMD
- H-100 Control Panel
  - Meets NFPA 99 and 110 requirements
  - Temp Range -40 to 70 degrees C
  - Digital Microprocessor:
    - Two 4-line x 20 displays, full system status
    - 3 Phase sensing, +/-0.25% digital voltage regulation
    - RS232, RS485 and Canbus remote ports

- Waterproof connections
    - All engine sensors are 4-20ma for minimal interference
    - Programmable I/O
    - Built-in PLC for special applications
  - Engine function monitoring and control:
    - Full range standby operation; programmable auto crank, Emergency Stop, Auto-Off- Manual switch
    - Isochronous Governor, +/-0.25% frequency regulation
    - Full system status on all AC output and engine function parameters
    - Service reminders, trending, fault history (alarm log)
    - I2T function for full generator protection
    - Selectable low-speed exercise
  - HTS transfer switch function monitoring and control
  - 2-wire start controls for any 2-wire transfer switch
- Natural Gas fuel system
- **Standard Weather Protective Enclosure – Line item 45**
  - Industrial Grey enclosure, powder paint finish
- Standard MLCB, 80% rated thermal-magnetic
  - 350 Amp
- Battery Charger, 2.5 Amp, installed
- 5-Year Comprehensive Warranty
- Coolant Heater, 1500W, 120VAC
- Flex Fuel Line
- 90 AH, 700 CCA Group 27F Battery, with rack, installed
- Alternator Strip Heater
- SG0100JG189.0N18HPYYE

**Quantity 1 - GTS Series Automatic Transfer Switch consisting of the following features and accessories:**

- **400 Amp, 3 Pole, 120/240 VAC three phase, 60 Hz, with 2-Wire Start Circuit – Line item 171**
  - Utility Voltage Sensing Controls:
    - Adjustable Drop-out and Pick-up
    - Adjustable Utility Interrupt Delay
  - Adjustable Logic Controls:
    - Minimum Standby Voltage
    - Minimum Standby Frequency
    - Engine Warmup
    - Inphase Monitor
    - Time Delay Neutral
    - Return to Utility
    - Engine Cooldown
    - Transfer on Exercise
- 4 Owners Manuals
- NEMA 3R Enclosure
- Single set of Auxiliary Contacts
- Auto/Normal/Standby switch
- Return to Normal Bypass
- 2-Year Basic Warranty
- UL 1008 Listed, CSA Certified
- GTS040W-3J2LDNCY

## Terms of Sale

### General Terms

Prior to any order, the customer must have an account and credit terms established.

All orders for equipment, material or services shall require a formal purchase order signed by an authorized representative of the company.

Terms and conditions of the sale will be displayed on the purchase order or a statement reflecting "Per Arcco Power Systems Proposal with the associated proposal's reference number shall be included in the customer's purchase order.

Where third parties are acting on behalf of another corporate entity, the end user of the equipment shall be identified on the purchase order.

### No equipment will be allowed to leave the United States without payment in full or secured by Irrevocable Letter of Credit, satisfied upon shipment From Arcco

### Payment Terms

Progress payments will be required on equipment sales that meet any one of the following criteria:

- Dollar value of contract will be in excess of \$500,000 USD
- Projects requiring installation
- Requirement of a deposit payment by a supplier

Progress Payments will be required based on the above conditions, the following is our proposed Progress payment schedule for the project.

- 100%** - Net 30 from invoice date

### Additional Payment Terms:

Arcco Power Systems Payment terms are Net 15 unless modified by a signed accepted addendum by Arcco Power Systems or if equipment is scheduled to depart the continental United States. All equipment leaving the continental United States will require payment in full prior to shipment. Payments shall be made by wire transfer upon receipt of invoice. If Customer fails to fulfill any condition of its payment obligations, Arcco Power Systems may (i) withhold deliveries and suspend performance, or (ii) continue performance if Arcco Power Systems deems it reasonable, or (iii) place products in storage at customer's expense. In any event, the costs incurred by Arcco Power Systems as a result of the Customer's non-fulfillment shall be payable by the Customer upon submission of an Arcco Power Systems invoice. Arcco Power Systems shall be entitled to an extension of time for performance under the contract equaling the period of Customer's non-fulfillment whether or not Arcco Power Systems elects to suspend its performance under the contract. If Customer does not rectify such non-fulfillment promptly upon notice, Arcco Power Systems may cancel the agreement and Customer shall pay Arcco Power Systems cancellation charges upon submission of Arcco Power Systems invoices for all costs incurred plus a 15% profit. Late charges of 1-1/2% per month will be assessed for all late payments and will be payable by customer upon invoice by Arcco Power Systems. ALL equipment remains the property of Arcco Power systems until final payment has been made

### Invoicing

An invoice will be generated and presented to the customer at each of the milestones stated in the terms of the sale.

### Invoice Disputes

The Customer shall notify Arcco Power Systems immediately in writing when an invoice or a portion of an invoice is determined to be in dispute. Failure to notify Arcco Power Systems will cause the customer to incur service charges per our established credit terms. Should a dispute occur, the Customer and Arcco Power Systems shall determine and agree upon the corrective action or actions as necessary to resolve the dispute. Upon reaching an agreement and as soon as corrective action has begun, the Customer shall make immediate payment of the invoice to Arcco Power Systems. Where non-payment of the

Arcco Power Systems invoice continues, we shall reserve the right to suspend performance under the contract. Each suspension under the contract shall be equal to an extension of delivery under the contract.

**Cancellation Policy**

Customer may terminate or cancel an order by written notice and upon payment of appropriate charges based upon a percentage of the contract price at the stage of completion: 20% hold for approval status and 100% released to manufacture status.

**Damages**

In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall Arcco Power Systems be liable for any special, consequential, incidental or exemplary damages including, but not limited to, loss of profit or revenues, loss of data, loss of use of the products or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime cost, or claims of customers of the Customer for such damages. If the products or services being provided by Arcco Power Systems will be furnished by the Customer to a third party by contract or otherwise or relate to a contract between the Customer and a third party, the Customer shall obtain from such third party a provision affording Arcco Power Systems the protection of this Article.

**Acceptance**

Customer's signature on this quotation, or the issuance of a purchase order or other acknowledgement by customer for the Equipment, shall constitute acceptance of this quotation and shall be subject only to the terms and conditions set forth herein, notwithstanding any terms and conditions contained in any such purchase order or other acknowledgment or communication from the customer which are different from, or in addition to the terms and conditions of this quotation.

**Change Orders**

No change order or directive shall be effective against Arcco Power Systems unless the description of the work and the payment terms have been established and agreed to in advance and in writing. Arcco Power Systems will not implement changes in our scope of supply unless we have received written approval from the customer. Where a change and approval by the customer is pending, it may be necessary for the Arcco Power Systems to suspend its continuation of the original production schedule. Upon the Arcco Power Systems receiving the customer's approval, the production schedule shall resume and any modifications to the schedule required to meet the change in scope shall be communicated to the customer. Change orders as they occur, shall be invoiced at the nearest milestone payment.

**Taxes and Tariffs**

In addition to any price specified by the contract, Customer shall pay, or reimburse Arcco Power Systems for, the gross amount of any present or future sales, tariffs, duties, use, excise, value-added, or other similar tax applicable to the price, sale or delivery of any products or services furnished hereunder. Should the customer claim and exemption of the foregoing, the customer shall furnish Arcco Power Systems with evidence of said exemption that will be acceptable to the taxing authorities.

**Additional Terms & Conditions:**

The scope of supply of this quotation is limited to the equipment and services as listed in this offer of business. The customer is responsible for all installation of the equipment as outlined in our quotation unless it is specifically modified by this proposal. All equipment needed to perform any loading or unloading of the equipment will not be supplied by Arcco Power Systems and is the responsibility of the customer, unless it is specifically modified by this proposal. Equipment not indicated is to be supplied by others unless specifically listed in our bill of material. This quotation is subject to any applicable manufacturer's general terms and conditions of sale. Changes to the terms of this quotation may only be made by the express written agreement of Arcco Power Systems. Arcco Power Systems will not be responsible for any labor or material charges by others associated with the start-up and installation of this equipment unless previously agreed upon, in writing by Arcco Power Systems. The prices stated herein are subject to any manufacturer increases if the order is not released for manufacture within 30 calendar days from the customer's order date or, if drawings for approval are required, the drawings are not returned and released for manufacture within 30 calendar days of transmittal date. For any completed order, scheduled for shipment, that is held, delayed or rescheduled at the request of the Customer. Arcco Power Systems may, at its sole option, ship to storage, invoice, and transfer title, all at the sole cost and risk of loss of the customer.

We reserve the right to correct any errors or omissions.

**Quoted prices do not include Federal, State or Local taxes which may be applicable.** Quoted prices include normal testing, packaging and instructional literature. Special testing, packaging, additional instructional literature, parts, provisioning lists or prints are not included, and prices will be quoted separately

Should you have any questions or comments on this matter, please do not hesitate to contact us.

Proposal Summary:

Generator – Line item 43:	\$20,590.66
Weather Enclosure - Line item 45:	\$3,447.14
Transfer Switch - Line item 171:	\$3,030.10
Freight Price:	Included
Final Inspection/Warranty Start-up Price:	<u>Included</u>

**TOTAL PROPOSAL PRICE: \$27,067.90**

**Additional cost not covered under State Contract - Upgrade to an Aluminum Enclosure – Adder - \$1,900.00**

FOB: Destination Freight Allowed

Direct Ship from Factory

Estimated Delivery: 8-10 weeks

Prices valid Until September 14, 2016 per State Contract

Not Included: **Unloading/Installation**

Sincerely,

*Greg Paliaro*

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**Greg Paliaro**

Business Development Manager

ARCCO Power Systems

9424 N. Interstate Drive

Baton Rouge, LA 70809

225.275.2722 Office

225.235.4796 Cell

[gpaliaro@arcco.com](mailto:gpaliaro@arcco.com)

**Acceptance of Quote**

**State Contract #409913**

City of Hammond

Attn: Janice Russo

(985)277-5966

Email: [russo\\_jm@hammond.org](mailto:russo_jm@hammond.org)

Total investment for the above equipment (Not including any applicable tax ): **\$ 27,067.90**

**Additional cost not covered under State Contract - Upgrade to an Aluminum Enclosure – Adder - \$1,900.00**

Prior to ordering equipment or services, please sign and return as a confirmation of the above terms and conditions

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Customer Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchase Order #

**Disclaimer:**

Arcco Power Systems makes no express warranties and disclaims all implied warranties including merchantability and fitness for a particular purpose regarding generator sizing or a sizing program. Arcco shall have no liability in law or equity for damages consequential or otherwise arising from sizing or use of a program and related material or any part thereof. The analysis provided from sizing or sizing software is only for the expected result at the generator terminals. Analysis of transient conditions of any device downstream is the responsibility of the system designer and end user. Arcco Power Systems does not assume any responsibility for changes after an order has been placed. By signing Customer Acceptance, Customer acknowledges they have read and agree to the bill of materials listed.