



Mobile Equipment Service

Scope of Work

Reviewed By: _____

Approved By: _____

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BACKGROUND

The MESCS program will provide superior on-site equipment, service, technology, application expertise, process knowledge, monitoring techniques, effective service project management, overall process excellence and cost control in support of the OWNER's mission to be a world class manufacturer.

SCOPE OF WORK

Service Objectives

The Mobile Equipment Service Contractor will provide the OWNER Operations with State of the art equipment and off sight servicing thus contributing to the OWNER's immediate production support performance goals. This will allow FM support and the OWNER production personnel to operate worry free of material transportation concerns.

Definitions

- Mobile Equipment Service Contractor shall be defined as the contract service provider awarded the contract to support the OWNER facility.
- *THE OWNER*, who Contractor is under contract with and who owns the site.
- *FM – Facility Manager*
- *PE – Plant Engineer*
- *Fleet*, The owned, leased or rented mobile equipment and other equipment described or listed on Exhibit " A " to be used to fulfill the requirements of this facility.
- *Mobile Equipment Service Manager (MESM)* Shall be defined as the designated person who will be responsible for administering the Total Truck Repair Service program as described in this specification, and any addenda. He/She shall administer the program within the parameters of the OWNER operating systems at the facility.

Scope of Work

- The MESCS will supply the equipment identified in Exhibit "A ", on sight at the OWNER facility in .
- The MESCS will provide all necessary maintenance required per the Manufacturers recommendations (Exhibit "B") for all equipment ordered in Exhibit "A"

- The MESC will be responsible to replace all mobile equipment that is not in working order in 24 hours of the initial down time.
- All equipment will be battery powered with a rapid charge process set up by the MESC. (There will be no central battery charging area) or as approved by the OWNER.
- The equipment will come with a governor to limit speeds to 10 mph, back up warning signal, and a stop light on pedestal.
- All equipment will be painted _____ Security _____
- All equipment will be identified with a stenciled # on each piece of equipment clearly visible from 10 ft.
- All equipment will have a blinking yellow strobe light. (emergency and security vehicles will have red blinking strobe lights)
- A back up beeper will be installed on all vehicles.
- A working steering wheel horn is expected to be on all vehicles
- Failure to conduct routine and required maintenance will result in immediate replacement of mobile equipment at MESC cost.
- It is expected that all users of mobile equipment will conduct a “pre-flight” checklist to note the condition of the equipment (Exhibit D). These pre-flight sheets will be made available for contractor to cross reference to understand if any maintenance or repairs are needed. If a piece of equipment is found to be not working correctly, the equipment will be tagged for non-use and the MESC will be contacted.
- The MESC will supply and maintain all charging equipment needed to support the 100% up time requirement of this scope of work.
- The warranty service, preventive and predictive maintenance and repair of this equipment will be the responsibility of the MESC. All data in information will be recorded and made available to the owner on site.
- All work on this equipment will be performed “off sight” with a switch out procedure developed by the Mobile Equipment Service Contractor and approved by FM or PE.
- Any work performed on site must be Union affiliated and represented.
- All workers on site will be required to have company names on uniforms and service trucks and follow the plant procedures listed in Exhibit F.
- Emergency services shall be coordinated by the MESC to pick up and repair broken-down equipment during regular scheduled shift operations. In addition, a 24-hour, seven day a week hot line number will be provided by the MESC to accommodate any emergencies occurring outside of regular scheduled working shifts. Response time by the MESC’s personnel shall be no longer than two (2) hours but in any event,

production dependent equipment must be replaced immediately requiring extra equipment to be maintained on sight allowing for the 100% up time requirement. The MESOC may also suggest alternate methods of performing the critical job function with FM or PE approval.

- The MESOC shall resolve all problems related to service and quality of the equipment with manufacturing.
- The MESOC shall pursue the labeling and identifiers in a world class manner avoiding handwritten identifiers and labels.
- All labeling must comply with federal, state, local, and OSHA regulations.
- Working Shift Hours are typically _____
- Prices will be submitted per piece of equipment rental with full turn key service.
- All equipment will be no older than 50% of the lifecycle.
- An alternate price will be provided for non marking tires per vehicle.

Management of Program

Supplier shall retain a Fleet Service Manager for the duration of the contract. It is expected that the Fleet Service Manager shall be accountable for all daily activities of the Truck repair and maintenance program

- Program Operation
 - Continuously benchmark all service functions; recommending alternative, innovative products and technologies for continuous improvement.
 - Provide superior inventory management and control.
 - Initiate continuous improvement project activities.
 - The MESOC is to apply its service application expertise to recognize, suggest, and jointly implement cost reduction projects. All project activities must include business plans which define, prioritize, and detail key implementation steps. Project expectations and priorities shall be jointly prepared with the FM team. Each cost reduction project activity should be captured using written living documents, complete with financial justification and expected results. The Fleet Service Manager shall maintain and update quarterly a list of specific continuous improvement plans (CIP's) to be jointly implemented during the life of the contract. These CIP's will include strategies for improving

plant operations, timetables, estimates of resources and savings, along with priorities.

The Fleet Service Manager shall participate as a working partner in designated FM and/or Owner committees and meetings.

- Authorization

The Purchase Order does not authorize the MESC or any of its employees to act on behalf of or to obligate FM in any way without prior written approval. The Purchase Order is only intended to transfer the day-to-day operating responsibility for supplying and managing the Fleet program at the Owner facility.

- Problem Resolution Process

- The MESC Fleet Service Manager shall work with the FM personnel in resolving service related problems. Documentation and notification of service related problems should be included in the periodic reports distributed to FM personnel.
- Thefts are handled by reports to THE OWNER Security and Fleet MESC's own Insurance. For any incidents, the Fleet Service Manager will submit written notification, with copy of Security Report, to FM.

System Concepts

- Provision by MESC of all necessary physical and personnel resources to manage the Fleet and battery charging operation providing the deliverables outlined herein. The Fleet manager shall ensure that all maintenance and repairs to the Fleet are scheduled and performed in accordance with the appropriate OEM's requirements for safe and properly functioning equipment, and that these are met in a timely fashion. The Fleet manager will also coordinate Fleet replacements, rentals, and disposals and will take steps to recommend the optimum Fleet composition, size and utilization.
- The MESC shall also provide any temporary equipment on sight needed from time to time and will charge back based upon an agreed daily amount.

Tasks and Requirements

The Service Partner will be required to support the following systems;

- You may be required to use THE OWNER data collections and documentation.
- Provide periodic progress reports. This report will be presented to FM by a manager of the Vendor Provider other than the on-site manager or supervisor.
- Create and maintain a service change system. This system may or may not utilize the CMMS (Computer Maintenance Management System).
- Participate in functional teams and/or committees designed to ensure THE OWNER goals on reliability, quality benchmarking, and safety.
- Introduce new systems & organizational concepts to the FM and/ or THE OWNER.
- Create and maintain a service charge back process to support special request.
- Provide well trained, dependable staff to meet the needs of the department as described in this document.
- All employees of the service partner must pass a criminal background check. See definition for complete explanation of Criminal Background requirements
- All employees of the service partner must pass a pre-employment drug test. See definition for complete explanation of Drug Test requirements.
- All employees serving the THE OWNER, must present the employee's information to the FM for approval prior to allowing said employee on site.
- Document and maintain all processes for this operation.
- Training programs must be designed, administered and monitored for effectiveness.
- THE OWNER and/or FM reserve the right to approve all prices, price changes, and product changes.
- Show evidence of insurance coverage in effect for:
 - Workmen's Compensation and Occupational Disease,
 - Comprehensive General Liability including Broad Form Contractual, and Products Liability of at least \$1,000,000.00.

- Automobile Liability Insurance with limits equal to those required under Comprehensive General Liability.

Factors Affecting the Truck Repair Organization

- Space
THE OWNER shall provide the MESC with the necessary shipping/receiving areas on THE OWNER's premises agreed to by the parties from which MESC will conduct switch out fleet services. The MESC be responsible for maintaining proper housekeeping of the agreed upon Area.

Balanced Score Card

- MESC will be measured for performance using a balance score card.
 - See exhibit "E"

Inspections of Vehicles, Property

- All vehicles, tool boxes, lunch boxes, and other containers are subject to inspection on entrance, exit, or at any other time while on the THE OWNER sight, including truck compartments and automobile trunks.
- Materials being removed from the premises which could be mistaken for THE OWNER or one of the other Partner's property, could cause unnecessary delay while the item is being questioned. Persons carrying such items must document their possession and intent to remove in advance with appropriate THE OWNER or Security Personnel in order to minimize this inconvenience.

Parking

- The Fleet Service MESC shall have an electronic record of all registration plate numbers of all company-owned or employee-owned vehicles which may park on THE OWNER property.
- All personnel utilizing the facility lots and roadways will follow all posted speed limits and regulations governing their use. Failure to do so may result in this privilege being suspended and/or disciplinary action taken.
- Prohibited Items

The following items may not be brought into the THE OWNER facilities, used on THE OWNER property, or removed from THE

OWNER property without specific prior approval of appropriate THE OWNER personnel or the Security Department. Violations will cause the item to be confiscated and the offender could face other consequences such as being barred from re-entering THE OWNER property or even prosecution.

Prohibited items:

- Explosives
- Cameras
- Recording devices of any type
- Firearms
- Alcoholic beverages
- Drugs of abuse
- Hazardous Materials
- Other items deemed non-appropriate by THE OWNER personnel

Customer Relations

The MESC be an integral part of all teams and will be treated as a team member. FM and THE OWNER expect nothing less in return from the MESC interaction between FM and the service provider will be based on standard procedures to insure mutual benefit. The vendor provider will support all THE OWNER production activities as a full team member with the best interest of the facility in mind.

Interfaces with Production and Support Organizations

The MESC will participate in all identified committees whether production, facilities, or support services giving valuable input into decisions effecting all THE OWNER operations.

Requirements

- The MESC shall insure PM scheduling is performed on the fleet according to OEM recommended PM schedules and prepare a status report for FM within 4 months commencement of the purchase order.
- The MESC shall work with the safety department in developing a training system to train operators in charging batteries and operation of the mobile equipment.
- A recommended battery strategy, including a review of the use opportunity charging of batteries, rapid charging of batteries will be developed for review by FM.

- A “right sizing”, fleet composition, utilization, and standardization report will be submitted by the MESC and will be updated at least annually.
- Maintain a vehicle deterioration rate to measure and predict failure so that planned maintenance can be scheduled in advance.
- A safety audit of all equipment will be conducted on equipment taken out for PM or repair and to fulfill safety requirements. These documents will be shared with the FM on a weekly basis with the safety department maintaining those records.
- Operator daily safety checklists will be provided by the owners of the equipment shall be utilized for maintenance and repair, and retained by the MESC for a period agreed to by FM.
- Provide 100% uptime to the end user customer for all Production critical equipment by providing on sight switch out equipment. This designation is identified in Exhibit “A “.
- Provide 24 hour change out of all other non critical equipment.
- Monthly, Semi-annual, and Annual Status reports covering all performance criteria shown on Exhibit A, including personnel safety performance, total Fleet repair and maintenance costs (labor and parts), Fleet warranty repair costs, overtime cost, cost per unit, run hours per unit, financial summaries, cost savings, efficiency improvements and warranty tracking will be submitted to FM throughout the term of this agreement.
- Equipment and Materials to Be Provided by THE OWNER
- There shall be no equipment or supplies provided by THE OWNER.
- Space for charging equipment and staging of production critical change out equipment will be provided by THE OWNER.
- Equipment and Materials to Be Provided by Service Supplier
- All equipment designated in the attached Exhibit “A “and supplies/ materials are the responsibility of the MESC.
- Equipment shall have installed all appropriate safety systems as identified by the safety department.

Objectives of the program

- The MESC will be measured on key performance indicators. It will be the responsibility of the MESC to track its success with each measurable. The tracking system will be supported with criteria defining each measurable to minimize the subjective approach. Measurable to track include but are not limited to;

- Safety – All MESC employees are expected to participate in the facility safety programs, and assist with the development and improvement of safety practices.
- Quality-All product and services will be of the highest quality.
- Delivery-Delivery will be accomplished in a timely manner. At no time should delivery become an excuse for not meeting customer satisfaction.
- Cost-Although cost will be agreed upon when the contract is awarded, the MESC will seek process improvements and procurement opportunities to control and reduce operating cost without any negative impact on quality of product or service.
- Customer Satisfaction-Customer surveys will be one method of measuring the success of this service.
- Environment-The MESC will ensure it complies with all federal, state, local and corporate environmental regulations. You will support and comply with all on-site recycling programs
- Awareness Program - The MESC should implement an awareness program, which will encourage good practices by the employees.

Equipment and Materials to Be Provided by MESC

- The MESC will provide all tools necessary to complete work including two-way Nextel communications.
- MESC shall quote cost of equipment and tooling specific to the program specifications. All equipment will be owned by the MESC through out the term of the contract. All equipment will be operated and maintained by the MESC through out the term of the contract. The MESC will be responsible for all repairs and/or replacement of equipment without additional cost to PSSP/FM or THE OWNER, unless otherwise authorized by THE OWNER

OTHER CONSIDERATIONS AND EXCEPTIONS

All MESC activities and personnel shall comply with all THE OWNER health and safety requirements.

- Provide clean, matching uniforms for MESC personnel as specified by THE OWNER. The uniforms must be clearly marked to permit easy identification of the service being provided. Identification method of services will be determined by ID badges issued by Security.

- Pay all federal, state, and local taxes which may be assessed against its operations, equipment or merchandise while in or upon the premises of THE OWNER.
- Comply with all federal, state, and local laws and regulations governing the process and environmental.
- The MESC will obtain and maintain all necessary licenses and permits, and certificated required by law in the performance of this scope of work.
- Maintain an adequate staff for efficient operation. Upon being hired, employees and agents of the contracting company will be subject to the rules and regulations of THE OWNER while on the premises.
- The MESC will not hire, or attempt to hire employees of THE OWNER, , or employees of any MESC on-site providing support services to THE OWNER's production efforts without the expressed written permission of the contractor, or for a period of six (6) months after the termination of their employment.
- At no time will gas or LP gas power equipment be utilized in the facility. Or on approval of THE OWNER.
- Criminal Background Check – The MESC will research each employee's background for criminal records. That research will be a seven-year record and will include any and all counties of residence for the past 7 years. No employee of any MESC will be permitted on the premises with a felony record, without written consent by THE OWNER. The MESC will notify the PSSP/FM of all instances where an employee is assigned to the Dundee facility and has a criminal record including misdemeanors, but excluding driving offenses. The MESC will ensure that the resident history accounts for all period of time for the past 7 years.
- Drug Test Policy – Each MESC is required to have a drug testing policy in place. That Drug testing policy will include drug testing prior to working on THE OWNER property, and drug testing for any individual involved in a work place accident resulting in personal injury and/or asset damage. The drug testing policy must provide the Service Partner with the right to perform random Drug Test.
- Changes in the work - shall only be deemed to have occurred if, during the progression of the design, THE OWNER or FM directs a change that requires new work of a materially different nature, character, scope, or quality, than the original scope criteria indicated and reasonably inferred from the original contract by the design professional recognized as an experienced and prudent design professional. It is recognized by THE OWNER or the FM that "design changes" are necessary to meet the basic defined business objective & criteria, regulatory or legal requirements, or safety and engineering standards that were not previously communicated in prior contract documents.

- Safety shall be the first priority on all jobs. Personal protection planning and implementation shall be considered for all workers on all tasks. Also, consider the safety of other people in your work area.
- When in doubt about the application of any safety rules, the operation of any device or the correct procedure for safe completion of a task, discuss the situation with the Safety supervisor before proceeding.
- It is the responsibility of each MESC and their employees to avoid creating safety hazards both in the condition of the work performed and while doing the work.
- Approved eye protection devices are to be worn by all personnel at all times while on the plant floor.
- Safety shoes, hearing protection, respirators, hard hats and other protective equipment should be worn while working on tasks which present specific hazards and are required by THE OWNER or OSHA safety rules and regulations.
- Good housekeeping must be maintained at all times. MESC must keep machines, tools, and work places clean and orderly. Refuse must be placed only in the containers provided for that purpose.

LIST OF EXHIBITS

- Exhibit A – Mobile Equipment Asset List
- Exhibit B - Truck Repair Process Flow
- Exhibit C – Pre-Flight Checklist
- Exhibit D – Manufactures recommended Service Manuals (existing equipment)
- Exhibit E – Balance Score Card
- Exhibit F – Plant Procedures.
- Equipment safety inspection forms - A safety audit of all equipment will be conducted on equipment taken out for PM or repair and to fulfill all safety requirements. - TBD