

HPM

SYSTEMS, INC.

July 31, 2008

Mr. Leonard Chan
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Center for Integrated Systems
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RE: Stanford Gas Monitoring Systems Annual Maintenance

Proposal: 208693

Dear Leonard,

Thank you for the opportunity to submit our proposal to Stanford for annual maintenance services on your gas monitoring systems. The work includes systems at CIS, CISX, and McCullough building. The proposal has been prepared using sensor data from your document "Stanford Service March 08 Sensor Replacement".

SCOPE OF WORK

This proposal is for the annual maintenance of all active gas monitors in the above mentioned facilities. Attachment A details the list of sensors to be replaced.

I) MST SENSORS

HPM Systems shall provide replacement and calibration as required for all MST sensors as shown in Attachment A. We will replace the sensors on each detector every six months with the exception of the LEL type sensors. Per the manufacturer's recommendation these will be replaced only once per year and calibrated. LEL and Oxygen sensors will be calibrated every three months. Replacement and service schedule will be as follows:

Contract start – Replace all sensors per Attachment A

90 Days later – Calibrate LEL and Oxygen sensors

180 Days later – Replace all sensors per Attachment A *except LEL Sensors*

270 Days Later - Calibrate LEL and Oxygen sensors

Service will consist of replacement and adjustment of the "CE" value on FMK transmitters. On Satellite transmitters the sensors will be replaced and cell data loaded. Should any replacement sensor prove to be defective at the time of installation, HPM Systems will replace it with a new one at no additional cost. If a sensor shall drift, we will recalibrate or replace it at no additional cost.

II) SYSTEM 16

HPM Systems proposes to provide preventative maintenance quarterly on the System 16 at CIS. We will replace all filters once annually, and will provide two boxes of printer paper. We will not replace nor provide paper tapes as part of this proposal.

III) **OPTIONAL ANNUAL FUNCTIONAL TESTING**

As an option HPM Systems can do a complete system functional test. This test would be performed on a mutually acceptable schedule during normal business hours and not on a holiday. We would test all 109 points with a test gas and record all actions, and note deviations from the system operation described in the functional matrix.

IV) **UNSCHEDULED MAINTENANCE SERVICES**

HPM Systems will provide an allowance of \$5,500 of time and material that can be used to provide service and materials for any of the following:

- System PLC and I/O
- System Software and Computers
- LON Interface
- Audible / Visual Indicators
- Manual stations

ASSUMPTIONS

The aforementioned scope-of-work is based on the following assumptions and/or exclusions:

- A) Sensor replacement cost is based on current pricing and availability. If the vendor raises that price of the replacement sensors, the additional cost shall be billed separately to Stanford. Should the vendor discontinue any sensor, our obligations under this proposal are eliminated and we will issue a credit for the sensors that were not provided.
- B) This proposal is for the servicing the gas detectors and equipment as detailed above. If additional equipment is added to the scope during term of this contract, a change order shall be submitted and the price shall be adjusted to include the increase in scope.
- C) We will not provide services for the fire alarm or liquid leak system as part of this proposal.
- D) Physical damage to any sensor or device is not covered by this proposal.
- E) This proposal does not cover any software upgrades.
- F) This proposal is not a guarantee or warranty for any of the products or systems. We are proposing to provide preventative maintenance only.
- G) We will extend the manufacturer's warranty to Stanford for any materials supplied in the performance of this work.
- H) Paper tapes or their installation is not included.
- I) Stanford shall be responsible for disabling the active alarms during the field services, calibration and functional testing on any part of the gas detection system. HPM Systems shall not be responsible for shut downs, site interruptions, or other loss of production.
- J) Stanford shall provide HPM Systems with access to all necessary areas prior to any service.
- K) Any additional field time required due to delays beyond our control shall be considered an increase in the scope of work and shall be invoiced separately in accordance with the HPM Systems' Standard Rate Schedule.

- L) The proposed fee does not include any services or parts to correct deficiencies that may be found during the field calibration as regards to sensor placement, parts or wiring, however, HPM Systems can assist in correcting those deficiencies under a separate contract.
- M) After-hours, weekend and emergency services shall be provided at 1.5 times the HPM Systems' Standard Rate Schedule. For holidays, labor time shall be charged at 2.0 times the hourly rates.
- N) Fee includes the cost of travel time, mileage, sensors, calibration gases, time to perform calibration and service report.
- O) Any unscheduled maintenance such as adjustments made to sensors in between calibration dates or programming changes shall be credited to the forty hour allowance as described herein. If the cost of unscheduled maintenance services or replacement parts exceeds \$5,400 during the duration of this contract, any additional fees shall be billed on a Time & Materials basis per the attached rate schedule.
- P) HPM Systems shall furnish a report and calibration sticker for all devices calibrated or replaced. Calibration report shall list calibration data, calibration gas used, observations of any problems and recommendations. Calibration sticker shall list calibration date and calibration due date.
- Q) HPM Systems shall furnish service report for all other services rendered under this proposal. The report shall include the nature of any issue, its resolution and the amount of time used to correct the issue.
- R) Any items or services not specifically mentioned in this proposal are excluded.
- S) Invoices shall be due net 30 days from the date of invoice. A late fee equivalent to 1.5% per month shall be billed to client for invoices overdue by more than 30 days. Should Client cancel project or terminate HPM Systems' contract without cause, Client shall be responsible for all project costs incurred to date plus 25% of the remaining contract balance.

PROFESSIONAL FEE

I) SENSOR AND SYSTEM 16 MAINTENANCE

First Visit - MST Sensor Replacement	\$16,135
Second Visit - Calibration of 20 O2 and 2 LEL Sensors.....	\$594
Third Visit - MST Sensor Replacement.....	\$15,555
Fourth Visit - Calibration of 20 O2 and 2 LEL Sensors.....	\$594
PM for System 16 (\$650 / quarter).....	\$2,600

II) OPTIONAL ANNUAL TEST

Annual Test.....	\$4,320
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III) UNSCHEDULED MAINTENANCE

Labor and Material Allowance.....	\$5,500
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TOTAL FEE	\$45,598
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We look forward to working with you to provide your maintenance services. Should you have any questions or comments, please feel free to contact us at (408) 615-6900 extension 202.

Sincerely,



Don Stevenson Jr.
Project Manager

Stanford
Authorized Representative

Signature

Date

Cc: Bert Buehler, Principal

P.O.# (if applicable)

HPM SYSTEMS RATE SCHEDULE

The following fee schedule applies through December 31, 2008

PROFESSIONAL FEES

Principal Engineer / Consultant	\$165
Senior Engineer / Consultant	\$150
Project Manager	\$135
Engineer / Consultant II	\$125
Engineer / Consultant I	\$110
Associate Engineer / Consultant	\$95
AutoCAD Designer	\$95
AutoCAD Draftsman	\$85
Senior Programmer	\$120
Programmer	\$110
Senior Field Technician	\$120
Field Technician	\$95
Clerical / Project Assistant	\$70

Subcontractors Cost +15%

Special Charges:

All after-hours, weekend, and emergency services shall be provided at 1.5 times the standard labor rate. All holiday services will be provided at 2.0 times the standard labor rates.

Calibration Gas	\$25 for each hour of field usage
Service Van	\$25 for each hour of field usage or a maximum of \$50 per day

REIMBURSABLE EXPENSES

Direct Expenses Cost Plus 15% Mark-up

Including: mail & courier services, leased equipment, reproductions, travel and other direct expenses.

Mileage (other than Service Van) \$0.55Mile

Plotting and Reproductions (In-House)

Black & White Plots	\$5 per sheet
Color Plots	\$12 per sheet
Scan	\$7 per sheet
Color Prints	\$1 per sheet

ID	Location	Equipment	Gas	Cell
D20	CLEAN ROOM	Tylan # 2	HCl	9012-5800
D27	CLEAN ROOM	L116 ASM EPI	HCl	9012-5800
D28	CLEAN ROOM	L116 ASM EPI	NH3	9012-6704
D29	CLEAN ROOM	L116 ASM EPI	WF6	9012-6500
D30	CLEAN ROOM	WBDIFF	HCl	9012-5800
D31	CLEAN ROOM	Service Isle Ambient	NH3	9012-6704
D32	CLEAN ROOM	Service Isle Ambient	HCl	9012-5800
D33	CLEAN ROOM	PlasmaQuest	HCl	9012-5800
D34	CLEAN ROOM	Lam	HBr	9012-7000
D35	CLEAN ROOM	AMT 5000	HBr	9012-7000
D36	CLEAN ROOM	AMT 5000	Cl2	9012-5300
D37	CLEAN ROOM	AMT 5000	HCl	9012-5800
D38	CLEAN ROOM	AG4108	NH3	9012-6704
D39	CLEAN ROOM	THERMCO	LEL	9602-9900
D40	CLEAN ROOM	Tylan	LEL	9602-9900
D41	CLEAN ROOM	THERMCO	HCl	9602-5800
MST69	CLEAN ROOM	EPI 2 Exhaust Duct	HCl	9602-5800
MST70	CLEAN ROOM	EPI 2 Exhaust Duct	H2	9602-5101
*MST 71	CLEAN ROOM	TEL Ambient	H2	9602-5100
*MST 72	CLEAN ROOM	TEL Exhaust	H2	9602-5100
*MST 73	CLEAN ROOM	Plasmaquest Ambient	H2	9602-5100
*MST 74	CLEAN ROOM	Plasmaquest Tool	H2	9602-5100
*MST 75	CLEAN ROOM	Plasmaquest Ambient	Cl2	9602-5300
*MST 76	CLEAN ROOM	Plasmaquest Tool	Cl2	9602-5300
*MST 77	CLEAN ROOM	Plasmaquest Ambient	HCl	9602-5800
*MST 78	CLEAN ROOM	Plasmaquest Tool	HCl	9602-5800
D22	BASEMENT	Cabinet 14	SiCl4	9012-5800
MST 54	BASEMENT	Ambient	O2	9602-5500
MST 55	BASEMENT	Ambient-Freight Elevator	O2	9602-5500
MST 56	BASEMENT	Ambient	O2	9602-5500
MST 57	BASEMENT	Ambient Above-Freight Elevator	H2	9012-5101
MST 58	BASEMENT	Ambient Above-Column E5	H2	9012-5101
MST 59	BASEMENT	Piping Rack	H2	9012-5101
MST 61	BASEMENT	Ambient Above-Column G6	H2	9012-5101
MST 62	BASEMENT	Substation-Column F5	H2	9012-5101
MST 64	BASEMENT	Column	H2	9012-5101
MST 68	BASEMENT		HCL	9602-5800
MST 60	INTERSTITIAL	227A	H2	9012-5101
MST 63	INTERSTITIAL	EPI Scrubber Room	H2	9012-5101
MST 47	CISX	B 107X	O2	9602-5500
MST 48	CISX	B 105X	O2	9602-5500
MST 49	CISX	B 106X	O2	9602-5500
MST 50	CISX	B 108X	O2	9602-5500
MST 10	CISX	113X	HF	9012-6500
MST 14	CISX	113X	Cl2	9012-5300
MST 18	CISX	113X	NH3	9012-6704
MST 35	CISX	113X HOOD	H2	9012-5101
MST 44	CISX	113X	O2	9602-5500

MST 09	CISX	110X	HCl	9012-5800
MST 30	CISX	110X Ambient	B2H6	9012-6200
MST 31	CISX	110X Ambient	GeH4	9602-6900
MST 32	CISX	110X Ambient	PH3	9012-6100
MST 36	CISX	110X	H2	9012-5101
MST 39	CISX	110X	H2	9012-5101
MST 43	CISX	110X	O2	9602-5500
MST 11	CISX	121X Ambient	HCl	9012-5800
MST 41	CISX	122X	O2	9602-5500
MST 42	CISX	121X	O2	9602-5500
MST 38	CISX	213X	H2	9012-5101
MST 45	CISX	213X	O2	9602-5500
MST 46	CISX	217X	O2	9602-5500
MST 65	CISX	213X	O2	9602-5500
MST 1	GAS VAULT	C 8	SiH2Cl2	9012-5800
MST 2	GAS VAULT	C 46	SiH2Cl2	9012-5801
MST 3	GAS VAULT	C 48	SiH2Cl2	9012-5801
MST 15	GAS VAULT	C 9	NH3	9012-6704
MST 16	GAS VAULT	C 43	NH3	9012-6704
MST 17	GAS VAULT	C 54B	NH3	9602-6704
MST 19	GAS VAULT	C 51	B2H6	9602-6200
MST 20	GAS VAULT	C 53A	PH3	9012-6100
MST 21	GAS VAULT	C 53B	B2H6	9602-6200
MST 22	GAS VAULT	C 59	GeH4	9602-6900
MST 23	GAS VAULT	C12-B	GeH4	9602-6900
MST 24	GAS VAULT	C12-A	AsH3	9012-6000
MST 25	GAS VAULT	C-3	PH3	9012-6100
MST 26	GAS VAULT	C 30	GeH4	9602-6900
MST 27	GAS VAULT	C31-A	B2H6	9602-6200
MST 28	GAS VAULT	C-13	PH3	9012-6100
MST 40	GAS VAULT	Corridor	O2	9602-5500
MST 53	GAS VAULT	C 10B	HBr	9012-7000
MST 4	GAS VAULT	C 39	HCl	9602-5800
MST 5	GAS VAULT	AMBIENT	HF	9602-6500
MST 6	GAS VAULT	C 60	HCl	9602-5800
MST 7	GAS VAULT	C 62	HCL	9602-5800
MST 8	GAS VAULT	C 2	HCL	9012-5800
MST 12	GAS VAULT	C 10A	Cl2	9012-5300
MST 13	GAS VAULT	C 58B	BCl3	9602-5800
TGD-116A	McCullough		H2	9602-5100
TGD-116I	McCullough		O2	9602-5500
GD-004	McCullough		O2	9602-5500
GD-80	McCullough		O2	9602-5500
172-A	McCullough		H2	9602-5100
172-B	McCullough		O2	9602-5500
GD-180	McCullough		O2	9602-5500

* These sensors were not part of the sensor service done in March 2008 but are part of the system matrix.