ABB develops a unique service agreement for a customer’s control management system.

Traditional service agreements typically define what services are done when and how often. ABB and Amager Resource Center (ARC), a Danish waste-management company, have taken full service to a new level by developing an agreement called a control management system functional agreement. With this new concept the focus is on keeping system functionality at high levels of performance and uptime.

ABB and ARC have entered into the functionality agreement with the purpose of maintaining complete functionality, accessibility and uptime in the company’s system, plant, and production. This means that both companies share responsibility for ARC’s strategic target of 100 per cent uptime. The new concept allows ABB to assume responsibility for the customer’s overriding target, not just for specified points of service. When the strategic target is met, ABB receives a bonus.

Dynamic Agreement

With the functionality agreement both parties assume mutual responsibility for exercising due diligence, staying ahead of potential problems and solving them in the right order. Since both parties are committed to mutually inform each other of all important matters which may arise during operation, the functionality agreement becomes dynamic and progressive. ABB has been given authority to anticipate problems and find solutions for control systems are well as physical components.

“This will be a win-win situation for both sides,” says Michael Friborg, ABB service manager. “We have a satisfied customer who wants to continue our cooperation and ABB gets a financial bonus for the months we fulfill the targeted uptime.”
The functionality agreement releases a bonus to ABB if the targeted functionality and uptime is achieved. The bonus is calculated per month and settled per quarter. If a bonus is released for three months in a row an extra bonus will be added per quarter.

As part of the agreement ABB logs on weekly to ARC’s System 800xA CMS system and PGIM system, collecting historical operations data to be used for environmental reporting, OEE reporting and other technical reports. In this way ABB is able to monitor the actual state of the facility’s systems.

Additionally, ABB project managers visit the ARC facility monthly for meetings with ARC personnel in order to exchange operational information. To ensure the most comprehensive knowledge of the plant and system as well as the best possible trust and confidence between the partners the same ABB employees are permanently connected to the functionality agreement.

Since ABB is involved in identifying requirements and selecting future solutions at the plant, coverage of the functionality agreement is extremely wide, ranging from software updates as provided by Automation Sentinel, the ABB control system lifecycle management program, to the replacement of physical components. The functionality agreement also includes third-party equipment and software used at the facility.

ABB’s Life Cycle Analysis of ARC is included in the functionality agreement to detail the working life status of the equipment and systems of the facility all the way down to the component level. Thus the agreement comprises hardware as well as software.

Under the terms of the agreement ABB has the authority to carry out checks, corrections, and updates and can make requests with regard to equipment and the training of employees, as related to the implemented solutions.

Confidence and Trust Is Necessary
ARC’s long-standing relationship of trust with ABB and extensive previous knowledge between the two companies was vital in order to enter into such a functionality agreement to bring even closer cooperation. For ABB the control management system functionality agreement provides valuable knowledge that will be used to enter into future functionality agreements with other customers.

“ABB is ready to be challenged by other customers the way we are by ARC,” says Friborg. “The closer we are to our customers, the better we can help them achieve their strategic goals and targets.”

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