



Memorandum

September 25, 2013

To: Jay Sweeney, Interim Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Professional Services Agreement – TS&H Automation**

Request

This is to request Assembly approval to authorize the Interim Municipal Administrator to approve a Professional Services Agreement (PSA) between TS&H Automation (Contractor) and the City and Borough of Sitka (CBS) for technical services for the Blue Lake Hydroelectric Expansion Project, Jarvis Street Diesel Capacity Increase Project, and other Supervisory Control and Data Acquisition (SCADA) support in an amount not to exceed \$150,000. The proposed PSA is attached.

Analysis:

SCADA is the backbone system used to safely and reliably operate, on a real time basis, our electric generation, transmission, and distribution system. Functional control of our high voltage system ensures service reliability for our customers, protects the millions of dollars of system infrastructure and most importantly provides absolute control of system elements protecting our employees and the public.

A dependable SCADA system allows remote control of system switches, circuit breakers, reclosers, and generation resources to manage normal operations as well as emergencies and outages. Our electric system is monitored and controlled 24-7 by the operator on duty at the Blue Lake powerhouse.

TS&H Automation has provided support for our SCADA systems for many years and is completely versed in all aspects of the complex and dynamic skills required to ensure proper operation of the system. With the addition of the Blue Lake Expansion Project and the Jarvis Street Diesel Turbine Project, integrating these new assets into our SCADA system is of paramount importance.

Fiscal Note:

Funding for this work will be from the Blue Lake Expansion Project, CIP No. 90594, and the Jarvis Street Diesel Capacity Increase Project, CIP No. 90646. Adequate funds are available in each account to fund this PSA. Estimated costs to complete the SCADA integration are approximately \$150,000, including contingency funds for additional work if required.

Recommendation:

The expertise and professional knowledge offered by TS&H Automation will be invaluable to the successful commissioning and operation of the new Blue Lake and Jarvis Street generation projects. I recommend approval of the Professional Services Agreement with TS&H Automation.

Industrial Automation Systems Development
TS&H Automation
Professional Services Agreement Appendix
To be attached to CBS's standard agreement
September 18, 2013

Appendix (A) Scope of Work

The CBS intends to install, upgrade and maintain Electric Department SCADA systems. In that the Principal of TS&H Automation, is familiar with Sitka's automation systems, and has extensive demonstrated experience in the design and programming control systems, the CBS is contracting the services of TS&H Automation for automation engineering in the design, installation, and commissioning of systems to be utilized in the completion of the Blue Lake Expansion Project, Jarvis Diesel Expansion Project, as well a support of previously installed automation systems utilized by the CBS Electric Department.

Appendix (AI) Blue Lake/Jarvis Expansion Projects - Scope of Work

1. Task 1 (Systems Engineering and Network Design):
 - a) SCADA network expansion planning.
 - b) Operators interface planning and design.
 - c) Fiber Optic network expansion design.
 - d) Video Monitoring Systems.

2. Task 2 (Systems equipment specifications):
 - a. Operator Interface Hardware/Software.
 - b. Fiber Optic cabling systems and infrastructure.
 - c. Network Expansion infrastructure.
 - d. Control Room equipment specification.
 - e. Video Camera and management software.

3. Task 3 (Systems configuration and Software development):
 - a. Operator Interface Graphic and Database Development for switchyard controls and Blue Lake turbine generator controls.
 - b. Programing for switchyard controls and Blue Lake operation screen.
 - c. SEL interface Design.

- d. Gatehouse PLC programming.
- e. Plant Function PLC programming.
- f. Systems Server configuration.
- g. Video Systems setup.

4. Task 4 (Installation and Startup):

- a. Commissioning of Gatehouse PLC operation.
- b. Commissioning of Plant Function PLC operation.
- c. Checkout of Operator Interface operation and indications.
- d. Integration of existing Green Lake control into new systems.
- e. Commissioning of SEL data gathering and control.

5. Task 5 (Training and Support):

- a. Technical training of technicians on operator interface and plc programing.
- b. Hydro Operations support and training.
- c. Ongoing systems support of new and existing automation equipment.

The tasks are laid out as discreet events so that in the case that this contract is terminated by either party, the engineering may be continued by a third party using all the work completed at the time of termination.

Appendix B Compensation

Compensation

Compensation for TS&H Automation will be based on actual hours, expenses and the cost of third party services.

- 1) Hourly rates for TS&H Automation are \$125.00/hr for all services, which is expressed in US dollars. Rates will be adjusted to include an annual 5% increase effective each year, with the first increase occurring on January 1, 2014.
- 2) Overtime will be billed at straight time rate.
- 3) Internal expenses, such as IT (computer, standard software, etc.) are included in the hourly rate and will not be charged separately.
- 4) External expenses (Equipment, Travel, Lodging, etc.) billed at cost plus 5% mark-up.
- 5) Onsite meal per diem would be at current CBS rates of \$61 per day.
- 6) Insurance required by CBS billed at cost plus 5%.
- 7) All compensation is for non-licensed professional services per Appendix (D).

Appendix C Communication

Communication Organization

Technical communications between the Contractor and the CBS shall include Andy Eggen for system SCADA work and Dean Orbison for work related to the Blue Lake expansion for the CBS and Tal Honadel (Principal) for the contractor.

All communications regarding scope, schedule or budget shall be directed to the Utility Director. All communications requesting agreement or confirmation of technical decisions or conclusions shall be directed to Andy Eggen or Dean Orbison, with copies to Utility Director.

Communications directly between the Contractor, construction contractors, CBS staff or the CBS's individual consultants may take place, provided that all such communications are appropriately copied to Andy Eggen, Dean Orbison and Utility Director.

Direction of Work

Contractor's work shall be directed and requested by Andy Eggen for system SCADA work and Dean Orbison for work related to the Blue Lake expansion, or the Utility Director. Requests and direction will be submitted to the contractor in writing usually by e-mail. The contractor shall acknowledge each request and provide a short proposal to perform the work and timetable to complete it. Incremental POs will be issued by the CBS for the work performed.

Reporting

Contractor shall provide a monthly report summarizing work performed during the month, and status of the work in progress. This report is to be submitted with all monthly invoices.

Appendix D Work Products

Work Products / Deliverables

Work performed under this contract need not be stamped by a professional engineer.

All deliverables must be submitted in the electronic format that it was generated (i.e. WORD, Excel, ACAD, Wonderware), so that it may be modified, a pdf format for publication, and paper copies when and as requested by the CBS.

Progress submittals shall also be submitted in Adobe Acrobat .pdf format. As needed, the underlying documents shall be edited as needed to provide easily readable .pdf format documents.

Use of Deliverables

The CBS retains the right to use all work products paid for by the CBS to continue the development and construction of the Electric Department Projects. The work products may be released to third parties to continue the work if necessary.

Appendix E Schedule

The Scope of Work for the Blue Lake Expansion will be performed as the Project progresses to completion. The Project is scheduled for completion and must be placed into full service no later than October 2014. Maintenance and upgrades to system SCADA will be performed as needed.

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY AND BOROUGH OF SITKA

The **City and Borough of Sitka (“CBS”)** and **TS&H Automation (“Contractor”)** individually referred to as “Party” and collectively referred to as “Parties,” enter into this “Agreement to Provide Professional Services to the City and Borough of Sitka” The terms, conditions, and consideration regarding this Agreement are set out below.

This Agreement consists of:

- Professional Services Agreement
- Appendix (A): Scope of Work
- Appendix (C): Communication
- Appendix (D): Work Products
- Appendix (E): Schedule

SECTION 1. DEFINITIONS

For the purpose of this Agreement, the terms used herein shall have the following meaning:

- A. The term “CBS” shall mean “City and Borough of Sitka”.
- B. The term “Contractor” shall mean “**TS&H Automation**”.
- C. “CBS” Authorized Representative shall be the person listed in Section 21(B)(2) of this Agreement.
- D. “Days” shall mean calendar days.

SECTION 2. AGREEMENT TIME PERIOD

- A. This Agreement becomes effective when signed and dated by both Parties, and covers the time period when professional services are provided by Contractor.
- B. Contractor shall perform for and on behalf of CBS regarding the services set out in the Scope of Services (attached as Appendix A). Except as expressly allowed under this Agreement, CBS need not grant the Contractor any extension in the time provided to complete the work under this Agreement. If the Contractor progress falls behind the project schedule, the

Contractor shall commit additional resources to complete the work, or take such other additional steps as are reasonably necessary to assure the completion of the work at no additional cost to CBS.

- C. Contractor shall perform for and on behalf of CBS the scope of work in an expedient and reasonable manner.

SECTION 3. RESPONSIBILITY OF THE CONTRACTOR

At all times during the Contractor's performance under this Agreement, the Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

Contractor must certify that the firm is authorized to do business in Alaska and provide proof of insurance and licensing.

SECTION 4. SCOPE OF SERVICE

The services to be performed by the Contractor shall include all services required to complete the scope of work set forth in Appendix A,C, & D and shall be in accordance with all applicable statutes, ordinances, rules and regulations.

SECTION 5. OWNERSHIP OF DOCUMENTS

All plans, drawings, calculations, supporting data and specifications, originals and tracings,(Work Products) Appendix D shall become the property of CBS. Such documents shall be transmitted to CBS prior to the time of final payment for the work under this Agreement. The Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

All designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with Energy Authority grant funds are public domain. In particular, the following language is in place: "Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Energy Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract."

SECTION 6. TERMINATION

This Agreement may be terminated:

- A. By mutual consent of the Parties;
- B. For the convenience of CBS and the Contractor, provided that either party provides written notification of its intent to terminate under this paragraph in writing at least 10 days prior to

the effective date of the termination; or

- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Agreement; provided, however, that as a condition of the exercise of its right of termination under this subsection, the terminating Party shall notify the other Party of its intent to terminate this Agreement in writing, state with reasonable specificity the grounds, and allow the defaulting Party to cure the default within thirty (30) days of receiving the notice.
- D. Termination pursuant to this Section shall not affect the Parties continuing obligations under this Agreement.

SECTION 7. DUTIES UPON TERMINATION

- A. If CBS terminates this Agreement for convenience, CBS shall pay the Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this Section shall never exceed the total compensation possible under Section 9. CBS may terminate the work upon ten (10) days written notice to Contractor. Within ten (10) days after the Agreement terminates, Contractor shall deliver to CBS all finished and unfinished notes, reports, drawings and materials prepared by the Contractor which shall become the property of CBS.
- B. If this Agreement is terminated for cause, CBS shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by CBS because of the Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of CBS at its option. Under no circumstances shall payment under this Section exceed the total compensation possible under Section 9.
- C. If the Contractor has received payments prior to termination in excess of the amount to which he is entitled under Subsection A or B of this Section, the excess amount shall be remitted to CBS within 30 days after receipt of CBS's notice to that effect.
- D. The Contractor shall not be entitled to compensation under this Section until the Contractor has delivered to CBS all documents, records, work products, materials and equipment owned by CBS, related to this Agreement and/or requested by CBS, as provided in Subsection A and B of this Section.
- E. CBS need not recognize any claim by the Contractor for reimbursable expenses or costs incurred after the time which the Contractor receives notice of termination under this Section.

SECTION 8. INDEMNIFICATION

- A. The Contractor shall indemnify, defend, save, and hold CBS harmless from any claims, lawsuits or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.
- B. The Contractor shall not indemnify, defend, save, and hold CBS harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising from wrongful or negligent acts, errors or omissions solely by the City and Borough of Sitka occurring during the course of or as a result of the performance of this Agreement.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both CBS and the Contractor, the Contractor shall indemnify, defend, save and hold CBS harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from the Contractor's wrongful or negligent acts occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.

SECTION 9. PAYMENT

- A. For the Contractor's services, as described in Appendix (A), (C) & (D) of this Agreement, compensation will be paid on a time and expense basis, as defined in Appendix (B) unless otherwise mutually agreed upon by both Parties prior to commencing additional work.
- B. The Contractor shall present invoice(s) to the CBS's Authorized Representative at 100 Lincoln St. Sitka Alaska 99835. Such invoice(s) shall describe the work for which payment is sought and shall document expenses and fees to the satisfaction of the CBS's Authorized Representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. CBS's Authorized Representative shall approve, or not approve, and make payment on invoices within 30 days of receipt of invoice. If invoice is not approved the CBS must notify the consultant and may withhold payment on the portion not approved, payment must be made on the approved portion.
- D. The Contractor shall be entitled to no compensation under this Agreement beyond the amount of the CBS's express obligation under Subsection A above.
- E. For the purposes of Section 9 the invoices shall be presented to the CBS designated contacts.

SECTION 10. AUDIT: ACCESS TO RECORDS

- A. The Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Agreement. CBS's Authorized Representatives shall have the right to examine such records and accounting procedures and practices.
- B. CBS's Authorized Representative shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing and performance Agreement, and any change or modification for the purpose of evaluating the accuracy, completeness and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations and projections used.
- C. The materials described in this Section shall be made available at the business office of the Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of three (3) years from the date of final payment under this Agreement and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.
- D. If this Agreement is completely or partially terminated, records relating to the services terminated shall be made available to CBS by the Contractor for a minimum of three (3) years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Agreement shall be made available to CBS by the Contractor until such claims or litigation have been concluded.

SECTION 11. RELATIONSHIP OF PARTIES

The Contractor shall perform the obligations in this Agreement as an independent Contractor of CBS. CBS may administer the Agreement and monitor the Contractor's compliance with its obligations. CBS shall not supervise or direct the Contractor other than as provided in this Section.

SECTION 12. ASSIGNMENTS

Unless otherwise allowed by this Agreement or in writing by CBS, any assignment by the Contractor of its interest in any part of this Agreement or any delegation of duties under this Agreement shall be void, and any attempt by the Contractor to assign any part of its interest or delegate duties under this Agreement shall give CBS the right immediately to terminate this Agreement without any liability for work performed.

CBS reserves the right to approve all sub-consultant agreements.

SECTION 13. NONDISCRIMINATION

- A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.
- B. The Contractor shall state in all solicitations or advertisements for employees to work on jobs relating to this Agreement, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. The Contractor shall include the provisions of Subsection A of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of the Contractor under this Agreement.
- D. The Contractor shall comply with all applicable Federal, State and Municipal laws concerning the prohibition of discrimination.

SECTION 14. COPYRIGHTS AND RIGHTS IN DATA

All documentation, including notes, drawings, reports and other technical information, hereinafter referred to as work products, produced under this Agreement, except items which have pre-existing copyrights, are the property of the CBS. Payments to the Contractor for services hereunder include full compensation for all work products produced by the Contractor and its subcontractor.

All such subject data furnished by the Contractor pursuant to this Agreement are instruments of the Contractor's services in respect to this particular project. It is understood that the Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If the CBS reuses the subject data without the Contractor's specific written verification of adaption, such reuse will be at the risk of CBS, without liability to the Contractor. Any such verification of adaption requested in writing by CBS at CBS's sole option will entitle the Contractor to further compensation at rates agreed upon by CBS and Contractor.

SECTION 15. NOTICES

Any notice required pertaining to this Agreement shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

CITY AND BOROUGH OF SITKA:

Attn: John P. Sweeney III
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

CONTRACTOR:

Attn: Tal Honadel
TS&H Automation
2728 255th Ave
Montrose, IA 52639

SECTION 16. CLAIMS AND DISPUTES

If the Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, the Contractor shall immediately notify in writing the CBS's Authorized Representative. If the matter cannot be resolved within seven (7) days, the Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. The Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Agreement under which the claim is made. This procedure covers all claims by the Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Agreement. The Contractor agrees that unless these written notices are provided, the Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

SECTION 17. SUCCESSORS AND ASSIGNS

CBS and the Contractor each bind himself, his partners, successors, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement.

SECTION 18. INSURANCE

- A. The Contractor shall at all times during the term of this Agreement, maintain in good standing the insurance described in Subsection B of this Section. Before rendering any services under this Agreement, the Contractor shall furnish the CBS with proof of insurance in accordance with Subsection B of this Section in a form acceptable to the CBS; such proof of insurance shall be incorporated as Appendix C of this Agreement.

B. Type of coverage:

1.	<u>General Liability</u>	\$1,000,000
2.	<u>Workman's Compensation</u>	Statutory
3.	<u>Comprehensive Automotive Liability</u>	\$500,000
4.	<u>Professional Errors and Omissions</u>	N/A

C. Insurance Notes

1. CBS shall be named as an additional named insured on the required general liability. CBS shall also be granted a full waiver of any rights of subrogation under all required policies including Workmen's Compensation policy. These requirements extend to all subcontractors.
2. All of the policies of insurance so required to be purchased and maintained (or the certificates or other evidence thereof shall contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to CBS by certified mail.

SECTION 19. PERMITS, LAWS AND TAXES

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Agreement. All actions taken by the Contractor under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all taxes pertaining to its performance under this Agreement.

SECTION 20. NON-WAIVER

The failure of either Party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part of the Agreement, or the right of such Party to enforce each and every provision of the Agreement.

SECTION 21. AMENDMENT

- A. This Agreement shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Agreement as an Appendix.

B. For the purposes of any amendment, modifications or change to the terms and conditions of this Agreement, the only authorized representatives of the Parties are:

1. For Contractor – Tal Honadel

2. For CBS – John P. Sweeney III, Interim Municipal Administrator

C. Any attempt to amend, modify or change this Agreement by either an unauthorized representative or unauthorized means, shall be void.

SECTION 22. SEVERABILITY

Any provision of this Agreement decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Agreement.

SECTION 23. JURISDICTION - CHOICE OF LAW

Any civil action rising from this Agreement shall be brought in the Alaska Superior Court First Judicial District at Sitka. The law of the State of Alaska shall govern the rights and obligations of the Parties under this Agreement.

SECTION 24. INTEGRATION

This Agreement and all appendices and amendments embody the entire agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement.

This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

IN WITNESS, the Parties execute this Agreement in duplicate on the date shown below, and by their signatures, confirm they are authorized to sign this Agreement.

CITY AND BOROUGH OF SITKA

CONTRACTOR

John P. Sweeney III, Interim Administrator

Tal Honadel, Principal

Date: _____

Date: _____

EIN NO. _____

ATTEST:

CERTIFIED FUNDS AVAILABLE:

Colleen Pellett, MMC
Municipal Clerk

Date: _____

Fund Number: _____

Account Number: _____

Amount of Contract: **NTE \$150,000**
(renewable as required by the CBS)

Mike Middleton, Finance Director

Date: _____

APPROVAL OF CONTRACT FORM

Robin Koutchak
Municipal Attorney

Date: _____