

## FOR BOARD ACTION

Agenda Item # 6.a.

Meeting Date:

4/25/06

**SUBJECT:** Contract for Engineering Services  
Northwest Rochester Transmission Routing and Right of Way

**PREPARED BY:** Neil Stiller  
Sr. Electrical Engineer

As part of the approved 2006 budget, RPU purchased property as a site for a future electric generation and substation. This site, located at 60<sup>th</sup> Avenue and 19<sup>th</sup> Street NW, must be electrically connected to the RPU 161 kV transmission system. The site and proposed transmission line routes are presently along the edge of city limits. As development occurs, easements will become more difficult to acquire. It is therefore necessary to analyze the most desirable and beneficial route for the transmission lines and begin acquiring property easements before development occurs.

Engineering, Right of Way Agent, and regulatory services are required to complete this project. Deliverables of this contract will include: 1) a transmission line routing study detailing several options; 2) land agent services for property easement negotiations; 3) future regulatory permitting processes for transmission line approval by the State of Minnesota. Ulteig Engineers Incorporated, offices in Minneapolis and Fargo, has a long history of providing engineering support to RPU. The proposed professional services contract would provide services on a time and material basis. Services are estimated at \$85,000. The proposed contract for engineering services, a description of the services, and billing rates are attached. The professional services agreement has been reviewed by the City Attorney's office.

Ultimately, this project will include filing fees to the State of Minnesota approaching \$20,000. It will also include the purchase of utility easements. It is estimated that these expenditures may be \$200,000, depending on land values. This estimate assumes that the line will be built along a public road or street, so only half of the transmission corridor requires easements. Of these, half of the easements may be obtained from developers via the platting process and half will be acquired by negotiation. As this project was not included in the approved 2006 Capital Budget, it is necessary to re-allocate funds from an approved budget item. Staff recommends \$350,000 be re-allocated from the "IBM Substation Distribution Switchgear" capital budget item. That project is not expected to occur in 2006.

### UTILITY BOARD ACTION REQUESTED:

1. It is recommended that the Board approve the re-allocation of 2006 Capital Budget funds to support this project.
2. It is further recommended that the Board approve a contract agreement with Ulteig Engineers, Inc. not to exceed \$85,000 to provide professional engineering services per the attached proposal, and request the Mayor and the City Clerk execute the agreement.

  
General Manager

  
Date

**ROCHESTER PUBLIC UTILITIES**

## Engineering Services Agreement

### Northwest Rochester Transmission Line Routing and R.O.W. Plan

THIS AGREEMENT made this 25th day of April, 2006 by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and Ulteig Engineers, Inc., a North Dakota corporation, hereinafter called "Engineer".

WHEREAS, City has solicited a proposal from Engineer for a transmission routing study and land agent services described herein; and

WHEREAS, Engineer has expressed its willingness to perform said work; and

WHEREAS, City desires to engage the services of Engineer according to the terms and conditions of City's request for Engineering Services and the Engineer's response thereto.

NOW, THEREFORE, in consideration of the above premises and of the terms and conditions contained herein, the parties hereto agree as follows:

Article I. Project Description. Study and recommend transmission line routes in northwest Rochester for the connection of the future City electric generation and substation facilities at 60<sup>th</sup> Avenue and 19<sup>th</sup> Street NW. Plan and assist negotiating for utility easements. Determine scope of future regulatory work for securing the transmission line routes through appropriate government units.

Article II. Scope of Engineering Services. The Engineer will provide the necessary trained personnel to complete the project as described in Article I and attached Exhibit A.

Article III. Payment. City agrees to pay the Engineer for performance of the above services, upon submission of monthly invoices, an amount equal to the actual hours of service furnished, billed in accordance with Exhibit B, Hourly Rate Schedule – 2006, as annually amended. City will reimburse the Engineer each month at cost for all out-of-pocket expenses directly chargeable to the project, including travel, lodging, reproduction, and computer expenses. On the basis of the services outlined in this Agreement, the estimated total amount to be paid by City including hourly charges and reimbursable expenses, is \$ 49,300.00. Payment by City under this Agreement shall not exceed said amount without prior written consent of the City.

Article IV. Term. The term of this Agreement shall commence on the date of this Agreement and shall continue until deliverables are completed and accepted by the City.

Article V. Compliance with Appropriate Regulations. Engineer shall comply with all federal, state, county, and municipal laws, ordinances, regulations and codes relating or applicable to the services to be performed under this Agreement.

Article VI. Independent Contractor. The Engineer is deemed an independent contractor for purposes of this Agreement and any and all persons employed by Engineer in the performance of

any work or services required or provided for in this Agreement shall not be considered employees of City for any purpose whatsoever, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit, and any and all such claims shall be the sole obligation or responsibility of Engineer.

Article VII. Liability. The Engineer shall indemnify, hold harmless and defend the City, its officers, agents, and employees from any and all claims, damages, and liability of any kind arising out of any negligent or wrongful acts, errors, or omissions of the Engineer, its agents, employees, or subcontractors in performing services pursuant to this Agreement.

Article VIII. Insurance. The Engineer shall obtain, as a minimum, the following described types and limits of insurance coverage. All policies called for herein shall become effective before Engineer undertakes any work under this Agreement and shall remain in full force and effect for a minimum of 1 year after closing of this Agreement. Further, Engineer shall furnish City with an insurance certificate, or certificates at the time the Agreement is consummated between the parties, evidencing such insurance coverage prior to work commencing on said project. Each of said certificates shall provide the following:

- A. A 30-day notice of cancellation and/or non-renewal.
- B. Statutory Worker's Compensation insurance including occupational disease coverage. Employer's liability insurance with limits of not less than \$500,000 per person.
- C. A comprehensive general liability policy with a Combined Single Limit (CSL) of \$500,000 bodily injury and property damage liability policy. The Broad Form Endorsement covering:
  1. Contractual Liability
  2. Broad Form Property Damage
  3. Personal Injury

The general liability insurance policy shall name the City as an additional insured for claims from work conducted pursuant to this agreement.

- D. A \$1,000,000 umbrella policy to cover the excess above the underlying policies requested in this insurance section.
- E. A comprehensive automobile liability policy with a Combined Single Limit of \$500,000 bodily injury and property damage liability coverage, including hired and non-owned automobiles.

Article IX. Termination. City reserves the right to terminate this Agreement at any time it deems to be in the best interest of City to do so upon the giving of 7 days written notice to Engineer. Notice shall be effective upon depositing such notice in the U.S. Mail by registered mail addressed to Engineer and cancellation shall take effect 7 days thereafter. If this Agreement is so terminated, City shall compensate and reimburse Engineer according to the terms hereof to the date of such termination.

Article X. Assignability. Engineer shall not assign this Agreement or any part thereof without the prior written consent of City.

Article XI. Disposition of Documents. It is agreed that any reports, drawings, specifications, and other data compilations developed or created as a result of the services performed by Engineer pursuant to this Agreement shall be and remain the sole property of City. Upon completion of these services to be performed hereunder, Engineer shall deliver to City the original of all drawings, specifications, and other data compilations as are described under Article II Scope of Engineering Services. Any reuse of such documents without written verification or adaptation by Engineer for the specific purpose intended will be at City's sole risk and without legal exposure to Engineer.

Article XII. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota.

Article XIII Merger Clause. This agreement constitutes the final expression of the parties' agreement, and the complete and exclusive statement of the terms agreed upon. This agreement supersedes all prior negotiations, understandings, agreements and representations. There are no oral or written understandings, agreements or representations not specified herein. Furthermore, no waiver, consent, modification, or change of terms of this agreement shall bind either party unless in writing and signed by both parties."

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in their respective names the day and year first above written.

ULTEIG ENGINEERS, INC.

CITY OF ROCHESTER

By

By

\_\_\_\_\_

\_\_\_\_\_

Its Mayor

Its \_\_\_\_\_

Attest

\_\_\_\_\_

Its City Clerk

Approved as to Form

\_\_\_\_\_

Its City Attorney

ROCHESTER PUBLIC UTILITIES

Reviewed by

\_\_\_\_\_

Its General Manager

## EXHIBIT A

### I. OVERALL PROJECT DESCRIPTION – NORTHWEST TRANSMISSION LINE ROUTING STUDY AND R.O.W. PLAN

Rochester Public Utilities (RPU), a department of the City of Rochester, intends to construct a 161/13.8 kV distribution substation and generation facility in northwest Rochester on property located at 60<sup>th</sup> Avenue and 19<sup>th</sup> Street. It is necessary to study transmission line routing options, determine line R.O.W. requirements, and negotiate the acquisition of electric utility easements.

The project scope consists of the following:

1. RPU has recently purchased property in the SE quadrant of 60th Avenue NW and 19<sup>th</sup> Street NW in Rochester, MN.
2. It is desired to purchase the electric utility easements required for the transmission lines needed to connect future electric facilities located on the recently acquired property to the RPU transmission system.
3. Routes are required that provide for a “looped” connection as opposed to a “radial” connection to the system.
4. The following design assumptions will be used in calculating the required easement width:
  - a. 161kV transmission voltage
  - b. 954 MCM ACSR conductor size
  - c. Horizontal post construction
  - d. OPGW shield wire
  - e. Three-phase 477 MCM ACSR distribution underbuild
5. Due to land development plans in the project area, RPU would like to purchase the easements as soon as possible.
6. A Minnesota Public Utilities Commission Certificate of Need is not required.
7. A Minnesota Public Utilities Commission Route Permit may be required. Per Minnesota Statute 116C.576 this project has the option of applying for a route permit through a local governmental unit. The scope of work required to obtain the route permit is dependent upon the needs of the permitting agency. To that end, this proposal will cover the costs associated with determining the scope of work for the route permit but not the costs of preparing the permit application. Engineer will submit a separate proposal to cover the permitting needs once that scope of work has been identified.
8. Olmsted County property records may be sufficient to write the easement descriptions. If it is determined that survey data needs to be obtained Engineer will submit a proposal to provide these services.

9. Several City and County Public Works projects are planned for the project area. A meeting with the respective Public Works departments is required to define the existing and proposed road right-of-ways.
10. Engineer will make all of the land owner contacts.

## II. SCOPE OF SERVICES

1. Coordinate, attend and document the following meetings:
  - a. Project kickoff meeting
  - b. Meeting with City and County Public Works departments
  - c. Easement acquisition progress update meeting
2. Review City and County roadway plans.
3. Conduct site visit to review route alternatives.
4. Prepare routing study report including node map, cost estimates and typical structure drawings. Report to be used in defining easement dimensions and locations.
5. Assist in defining scope of work required to apply for and obtain route permits.
6. Land owner research for the affected parcels, proposal based on 25 parcels.
7. Land owner contacts and negotiation for easement acquisition, proposal based on 25 parcels, 10 hours per parcel. RPU will purchase the easements.
8. Write legal description of the easements to be purchased by RPU, proposal based on 25 parcels.
9. Coordinate with local title company to facilitate title research, RPU to pay the title company fees.
10. Provide documentation of easement acquisition process including but not limited to; signed easements, parcel list, and landowner contact log.

### III. RESPONSIBILITIES OF THE CLIENT

1. Provide technical and project management direction to the Engineer.
2. Attend and/or host meetings for the gathering and dissemination of information of the project.
3. Review Engineer's route recommendations and provide feedback.
4. Provide easement legal documents as prepared by the City Attorney.
5. Oversee Field Agent activities with local property owners. Provide advice on local matters that may affect Field Agent activities.
6. Review and pay fees for title company and appraiser services.
7. Review, approve and pay all negotiated settlements for private easements.
8. Promptly pay the Engineer's Invoice in good funds.
9. Request additional assistance as required from the Engineer.





## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the re-allocation of the 2006 RPU Capital Budget funds to support the Northwest Rochester Transmission Routing and Right-of-Way project.

BE IT FURTHER RESOLVED by the Public Utility Board to approve a contract agreement with Ulteig Engineers, Inc., and request that the Mayor and the City Clerk execute the agreement for

Northwest Rochester Transmission Routing Study and ROW Plan

The amount of the contract agreement not to exceed EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$85,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25<sup>th</sup> day of April, 2006.

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President

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Secretary