

FOR BOARD ACTION

Agenda Item # 6

Meeting Date:

3/25/08

SUBJECT: Engineering Services Agreement
2008 – 2010 Electric Substation, Transmission, and Distribution

PREPARED BY: Neil Stiller
Sr. Electrical Engineer

RPU has planned and budgeted for numerous electric substation, transmission, and distribution projects through 2010. Staff has considered the quantity of engineering resources and the specialized nature of some of the design work. Extensive external engineering services are required to complete the project workload. Ulteig Engineers Incorporated, with offices in Minneapolis and Fargo, has a long history of providing engineering support to RPU over the past 25 years on projects similar to those planned. In recent years, such projects have included substation work at Northern Hills, IBM and Chester Substations, several transmission line projects, and considerable work brought on by the Hwy. 52 work a few years ago.

The proposed engineering services contract would provide services on a time and expenses basis. The \$850,000 estimate is a not to exceed value through 2010. Specific work requests that document detailed scopes of service, schedule of deliverables, and required compensation will be negotiated on a project by project basis. Funding for expenditures covered by this agreement will be through normal annual budget processes. Examples of intended work include:

Project or Work	2008 \$	2009 \$	2010 \$
IBM Substation 161 kV Bus Upgrades	\$100,000		
Westside Substation Phase 1	\$100,000	\$100,000	\$75,000
Transmission Line Extension along 19 th St. NW		\$50,000	
Willow Creek Substation Expansion			\$150,000
Transmission Line Extension to 48 th St. SE	\$25,000	\$25,000	
Annual services for assorted projects	\$75,000	\$75,000	\$75,000

The proposed contract for engineering services and billing rates are attached. The agreement has been reviewed by the City Attorney's office.

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Board approve a contract agreement with Ulteig Engineers, Inc. for professional engineering services in an amount not to exceed \$850,000 for budget years 2008 through 2010, with \$300,000 approved as part of the 2008 budget and with the expenditure in each future year contingent upon Council approval of each year's project budget.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

Engineering Services Agreement

Transmission and Substation Project Engineering, 2008 - 2010

THIS AGREEMENT made this ___ day of ___, 2008 by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and Ulteig Engineers, Incorporated, a North Dakota corporation, hereinafter called "Engineer".

WHEREAS, City has solicited a proposal from Engineer for electrical, structural, and civil engineering and design services associated with utility projects 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. City desires to expand, modify, and build new electric utility transmission, substation and distribution infrastructure during the 2008, 2009, and 2010 calendar years.

Article II. Scope of Engineering Services. The scope of services required under this Agreement shall be described in separately authorized Work Requests (hereinafter referred to as the "Services"). Each Work Request shall include a detailed description of the services required, a schedule of deliverables, and compensation to be paid for such services. The Engineer will be authorized to begin the Services upon written notice from City to proceed. The Engineer will provide the necessary trained personnel to complete the services as described in Article I and attached Exhibits.

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 C, Hourly Rate Schedule – 2008, 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 \$850,000.00. The amount payable for 2008 budgeted work shall not exceed \$300,000, with the remaining amount contingent upon the City's approval of each year's project budget. Payment by City under this Agreement shall not exceed said amounts 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 for those projects referred to in Article I above.

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 and employees from claims, damages, and liability resulting from 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. Workers' Compensation. The contractor shall obtain and maintain workers' compensation insurance policy with limits of at least \$500,000 per incident or injury to cover claims for injury or disease resulting or arising from the actions of the contractor, its officers, employees or agents during the contract. Insurance coverage will meet statutory requirements for Minnesota.
- C. Liability Insurance. The contractor shall obtain and maintain a commercial liability insurance policy with limits of at least \$1,000,000 each occurrence/\$2,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the contractor, its officers, employees or agents during the term of the contract. Products and completed operations coverage is to be included within the required limits.
- D. Excess Umbrella Liability. The contractor shall obtain and maintain an umbrella policy with limits of at least \$5,000,000 to cover the excess above the underlying policies requested in this insurance section.
- E. Auto Insurance. The Engineer shall obtain and maintain commercial auto insurance policy with limits of at least \$1,000,000 each occurrence/\$2,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the contractor, its officers, employees or agents, including hired and non-owned vehicles, during the contract.

- F. **Professional Liability Insurance.** The Engineer shall obtain and maintain a professional liability insurance policy with limits of at least \$1,000,000 each occurrence/\$2,000,000 aggregate to cover claims for injury, repairs or damages arising out of professional errors or omissions.
- G. The Engineer's insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this agreement.

Certificate holder shall be listed as: City of Rochester, MN / Rochester Public Utilities.

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 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.

Article XIV **Professional Responsibility.** Engineer shall be responsible for the accuracy of the work and must promptly make necessary revisions or corrections resulting from Engineer's errors, omissions or negligent acts without additional compensation. Acceptance of the work by City will not relieve Engineer of the responsibility for subsequent correction of errors or omissions, or for clarification of ambiguities.

Engineer will perform services under this Agreement with the degree of skill and diligence normally practiced by professional engineers or consultants performing the same or similar services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.

Engineer will perform at its own cost, and without additional compensation from City, the professional engineering services necessary to correct errors and omissions which are caused by Engineer's failure to comply with above standard, and which are reported to Engineer within one year from the completion of Engineer's services for the Project. In addition, Engineer shall be responsible for cost, loss or damages caused in part by Engineer's negligence. Engineer's liability shall not exceed the percentage share that Engineer's negligence bears to the total negligence of City, Engineer, and all other negligent entities and individuals.

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.

By

Its

CITY OF ROCHESTER

By

Its Mayor

Attest

Its City Clerk

Approved as to Form

Its City Attorney

ROCHESTER PUBLIC UTILITIES

Reviewed by

Its General Manager

EXHIBIT A

SUBSTATION PROJECT RESPONSIBILITIES

I. RESPONSIBILITIES OF THE ENGINEER

1. Prepare a written cost estimate for the project.
2. Schedule trips to RPU's office as required for design coordination, design review and construction management.
3. Prepare and maintain a basic schedule, including key engineering, procurement, and construction milestones and significant project cash flows. The schedule shall be prepared using Microsoft Project software.
4. Update or prepare specifications for procuring major equipment. Where the estimated value of equipment exceeds \$50,000, Engineer will prepare a set of bidding documents, review manufacturer's technical proposals and assist in recommendations for contract award. Where the estimated value of equipment is less than \$50,000, Engineer will prepare documents for requesting quotes, review quotes and manufacturer's information to recommend purchase approval. Specifications will conform to RPU requirements and draw from previous RPU procurement documents of similar equipment.
5. Prepare specifications for construction of foundations and/or structures for the project if required. All documents and drawings will be certified by an engineer registered in Minnesota.
6. Provide direction to the construction contractor for foundation staking if requested. Staking shall be the responsibility of the construction contractor.
7. Review and approve manufacturer's equipment drawings and/or contractor's submittals when required.
8. Prepare a material list for all project materials.
9. Prepare all necessary designs and project drawings within the scope of this services agreement. Drawings shall follow RPU standards concerning AutoCAD conventions, drafting methods, similarity to other RPU project drawings, layer control, font selection, symbology, etc. RPU drawing standards documents are available to the Engineer and will be followed. All drawings are to be prepared and exchanged in AutoCAD ".dwg" file format compatible between RPU and the Engineer. All work shall be based on RPU standards and methodologies. Specifications and drawings will conform to RPU requirements.
10. Complete construction package to include three (3) full size sets of drawings certified by a licensed engineer and two (2) reduced size sets of drawings, plus CD's containing all AutoCAD ".dwg" files.

11. Prepare "as built" drawings for the project after construction is concluded. Complete all drafting and file delivery within 3 months of receipt of annotated field drawings.
12. Exchange all project correspondence in Microsoft Office file formats for MS Word, MS Excel, MS Project, etc. Conversion to Adobe PDF will not be accepted.

II. RESPONSIBILITIES OF THE CLIENT

1. Provide technical and project management direction to the Engineer.
2. Provide Engineer with all relevant instructions, reports, data, documents and other information necessary for Engineer to perform requested services.
3. Make decisions and carry out its other responsibilities in a timely manner so as not to delay Engineer's services.
4. Attend and/or host meetings for the gathering and dissemination of information of the project.
5. Host bid openings and transmit copies of the bid proposals and bid tabulations to the Engineer for review.
6. Review bid proposals and make Board recommendations for contract award.
7. Perform electric system fault current and power flow studies to facilitate project design.
8. Oversee field construction.
9. Review and approve all contractor requests for payment and all equipment invoices. Copies of such statements will be transmitted to The Engineer for informational purposes.
10. Promptly pay the Engineer's Invoice in good funds.
11. Negotiate the annual Hourly Rate Schedule and enter into change orders when appropriate.

EXHIBIT B

TRANSMISSION PROJECT RESPONSIBILITIES

I. RESPONSIBILITIES OF THE ENGINEER

1. Prepare a written cost estimate for the project.
2. Schedule trips to RPU's office as required for design coordination, design review and construction management.
3. Prepare and maintain a basic schedule, including key engineering, procurement, and construction milestones and significant project cash flows. The schedule shall be prepared using Microsoft Project software.
4. Survey the transmission corridor for the purpose of design. This includes preparing a plan view of the transmission corridor. Property lines, contours, and sections lines will be provided by RPU thru their GIS data base. Engineer will coordinate design work with City and County Public Works departments to obtain necessary street and road elevations, sections, and contours.
5. Prepare plan and profile drawings and complete the designs using PLS-CADD or similar design tools. Where projects are extensions or interior segments of existing lines, the new designs and plan and profile drawings will integrate into the existing drawings as required by RPU. All plan designs shall be correlated to the GIS base maps.
6. Prepare stringing charts and conductor tension tables.
7. Prepare guying information in the form of charts, tables or drawing details as required.
8. Prepare a material list for all project materials, highlighting long lead items. All structures will be based on current RPU OT3 and OD3 construction standards. All material will utilize common stock items from RPU inventory.
9. Prepare specifications for construction of foundations and/or special structures for the project if required. All documents and drawings will be certified by an engineer registered in Minnesota.
10. Perform line staking if requested. Staking methods shall utilize survey instruments and/or electronic station methods as mutually agreed with RPU.
11. Review and approve manufacturer's equipment drawings and/or contractor's submittals when required.
12. Prepare all necessary designs and project drawings within the scope of this services agreement. Drawings shall follow RPU standards concerning AutoCAD conventions, drafting methods, similarity to other RPU project drawings, layer control, font selection,

symbolology, etc. RPU drawing standards documents are available to the Engineer and will be followed. All drawings are to be prepared and exchanged in AutoCAD “.dwg” file format compatible between RPU and the Engineer. All work shall be based on RPU standards and methodologies. Specifications and drawings will conform to RPU requirements.

13. Complete construction package to include three (3) full size sets of drawings certified by a licensed engineer and two (2) reduced size sets of drawings, plus CD's containing all AutoCAD “.dwg” files.
14. Prepare "as built" drawings for the project after construction is concluded. Complete all drafting and file delivery within 3 months of receipt of annotated field drawings.
15. Exchange all project correspondence in Microsoft Office file formats for MS Word, MS Excel, MS Project, etc. Conversion to Adobe PDF will not be accepted.

II. RESPONSIBILITIES OF THE CLIENT

1. Provide technical and project management direction to the Engineer.
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5. Host bid openings and transmit copies of the bid proposals and bid tabulations to the Engineer for review.
6. Review bid proposals and make Board recommendations for contract award.
7. Perform electric system fault current and power flow studies to facilitate project design.
8. Oversee field construction.
9. Review and approve all contractor requests for payment and all equipment invoices. Copies of such statements will be transmitted to The Engineer for informational purposes.
10. Promptly pay the Engineer's Invoice in good funds.
11. Negotiate the annual Hourly Rate Schedule and enter into change orders when appropriate.

EXHIBIT C

HOURLY RATE SCHEDULE - 2008



ULTEIG ENGINEERS, INC.
2008 Hourly Rate Schedule
for Rochester Public Utilities

CLASSIFICATION	HOURLY RATE
Principal	\$165.00
Senior Engineer	\$140.00
Lead Engineer	\$125.00
Engineer	\$115.00
Transmission Planning Engineer	\$115.00
Design Engineer	\$105.00
Graduate Engineer	\$90.00
Right-of-Way Manager	\$120.00
Senior Right-of-Way Specialist	\$100.00
Lead Right-of-Way Specialist	\$90.00
Right-of-Way Specialist II	\$80.00
Right-of-Way Specialist I	\$70.00
Principal Land Surveyor	\$140.00
Senior Land Surveyor	\$120.00
Land Surveyor	\$95.00
Senior Crew Chief	\$85.00
Survey Crew Chief	\$75.00
Survey Technician II	\$65.00
Survey Technician I	\$55.00
Senior Engineering Technician	\$105.00
Lead Engineering Technician	\$95.00
Engineering Technician	\$85.00
Senior GIS Analyst	\$120.00
Lead GIS Analyst	\$105.00
GIS Technician	\$95.00
Tech II	\$75.00
Tech I	\$70.00
Planning Manager	\$120.00
Senior Planner	\$105.00
Lead Planner	\$95.00
Planner II	\$85.00
Planner I	\$75.00
Senior Staff Support	\$120.00
Staff Support Lead	\$90.00
Staff Support	\$75.00
Clerical	\$60.00

All subcontractors & sub consultants engaged by us on behalf of the client will be billed at cost plus ten percent

Survey Vehicle	\$0.70/Mile
Car/Pickup	\$0.55/Mile
Snowmobile	\$105.00/Day
All Terrain Vehicle	\$105.00/Day
GPS or Robotic Total Station (Each Unit)	\$32.00/Hour
Total Station	\$16.00/Hour
CADD/Engineering Computer	\$11.00/Hour
PSS/E Program Usage per hour of run time	\$15.00 /Hour
Printing: Plan Sheet Prints	\$0.80/Sq Ft
8 1/2 x 11 Sheet Copying (Black and White)	\$0.20/Each
8 1/2 x 11 Sheet (Color) Copying (Color)	\$0.50/Each
Subsistence, Postage/Messenger and Miscellaneous Out-of-Pocket	At Cost

"For additional project related services, such as: software development, network and system design, IT consulting, market analysis, training, administrative or general support services, please contact your Ulteig representative for capabilities and rates"



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Board approves a contract agreement with Ulteig Engineers, Inc., and that the Mayor and the City Clerk are authorized to execute the agreement for

Professional Engineering Services

With the amount not to exceed EIGHT HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$850,000.00) for the 2008-10 budget years and not to exceed \$300,000 in 2008, with the remaining amount to be approved as part of each year's project budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of March 2008.

President

Secretary