## CITY OF UNALASKA UNALASKA, ALASKA

#### **RESOLUTION 2017-01**

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ELECTRIC POWER SYSTEMS, INC. TO PERFORM THE DESIGN, PROVIDE BID-PHASE SUPPORT, AND PERFORM CONSTRUCTION INSPECTION FOR THE OLD POWERHOUSE BATTERY SYSTEM REPLACEMENT PROJECT IN THE AMOUNT OF \$41,434.

WHEREAS, the Old Powerhouse Battery System Replacement Project is a part of the Fiscal Year 2017 Capital MMP; and

WHEREAS, the City of Unalaska has determined that it is in the best interests of the residents of the City of Unalaska to have such a project; and

WHEREAS, the City of Unalaska has provided funding for such project; and

WHEREAS, Staff prepared and advertised a Request for Qualifications to perform the work per the City's Purchasing Policy; and

WHEREAS, Electric Power Systems, Inc., an experienced electrical engineering firm, was found to be the most qualified proposer.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an agreement with Electrical Power Systems, Inc. to perform the design of the project, provide bid-phase support, and perform construction inspection for the Old Powerhouse Battery System Replacement Project in the amount of \$41,434.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 24th DAY OF JANUARY , 2017.

MAYOR

ATTEST:

CITY CLERK

SEAL

#### MEMORANDUM TO COUNCIL

**TO:** MAYOR AND CITY COUNCIL MEMBERS

FROM: DAN WINTERS, DPU DIRECTOR

**THRU:** DAVE MARTINSON, CITY MANAGER

**DATE:** JANUARY 24, 2017

RE: RESOLUTION 2017-01: AUTHORIZING THE CITY MANAGER TO

ENTER INTO AN AGREEMENT WITH ELECTRICAL POWER SYSTEMS, INC. TO PERFORM THE DESIGN, PROVIDE BID-PHASE SUPPORT, AND PERFORM CONSTRUCTION INSPECTION FOR THE OLD POWERHOUSE BATTERY SYSTEM REPLACEMENT PROJECT.

<u>SUMMARY:</u> Through Resolution 2017-01, Staff is requesting approval for the City Manager to enter into an agreement with Electrical Power Systems, Inc. (EPS) to perform the design, provide bid-phase support, and perform construction inspection for the Old Powerhouse Battery System Replacement Project in the amount of \$41,434. Staff received four proposals in response to our Request for Qualifications and, after the review and scoring process, EPS received the highest score.

**PREVIOUS COUNCIL ACTION:** Council approved Ordinance 2016-12, on May 24, 2016, adopting the FY17 Capital and Operating Budget, allocating \$263,070 for this project from the unrestricted retained earnings of the Electric Production Fund.

**BACKGROUND:** The installation of these 60 batteries and accompanying equipment was performed in 1985 as part of the Old Powerhouse Renovation Project. These batteries supply electricity to the existing switchgear and emergency equipment in the event of a power outage. They also provide energy to the main electrical breakers during normal run times.

The batteries and charger life expectancy is 25 years, however, our system has been in service for 32 years. As a result, the systems wiring is brittle and cracking, and the reliability of this system is questionable as well as out of compliance with modern safety regulations.

In September 2016, Staff advertised on the City Website and directly emailed a Request for Qualifications (RFQ) to interested parties for the design of the Old Powerhouse Battery System Replacement Project. Staff received four proposals in October of 2016. After a team of DPU and DPW staff reviewed and scored the proposals, Electrical Power Systems, Inc. received the high score. EPS is the Department of Public Utilities' Electrical Engineer of Record and has performed extensive electrical design work for the City in the past. The staff has the utmost confidence in EPS to accomplish the tasks associated with the design of this system.

**<u>DISCUSSION:</u>** Approval of Resolution 2017-01 will give the City Manager authorization to enter into an agreement with Electrical Power Systems, Inc. to perform the design, provide bid-phase assistance, and perform the construction inspection for the Old Powerhouse Battery System Replacement Project. The design phase of this project will begin approximately ten days after approval of this Resolution. Table 1 below depicts the design and construction schedule.

Table 1: Schedule

Tasks	Description	Start and Finish Dates
1	Preliminary Conference and Site Visit	3/10/17 to 3/20/17
2	Technical Pre-design report and alternatives evaluation	3/10/17 to 4/9/17
3	35% Design Phase	4/9/17 to 5/6/17
4	Specifications for Owner-furnished Equipment	5/6/17 to 6/4/17
5	65% Design phase	6/4/17 to 7/1/17
6	Final 95% Design Phase and Cost Estimate	7/1/17 to 7/16/17
7	Construction Bid Documents	7/16/17 to 7/30/16
8	Bid Phase and Preconstruction Activities	7/30/16 to 9/1/16
9	Construction Phase Activities and Inspection	9/1/17 to 11/21/17

<u>ALTERNATIVES</u>: The Powerhouse Staff could keep repairing the battery system as components fail. Doing so is more expensive in the long term and increases the chance of a catastrophic failure of this system.

**FINANCIAL IMPLICATIONS:** This project will be paid by the Electrical Proprietary Fund. The total cost for this contract will be \$41,434. Below, Table 2 shows the tasks and the cost for those tasks.

Table 2: Detailed Fee

Task	Task Description	Total	
1	Preliminary Conference and Site Visit	\$	6,151
2	Technical Pre-design report and alternatives evaluation	\$	3,073
3	35% Design Phase	\$	4,673
4	Specifications for Owner-furnished Equipment	\$	3,302
5	65% Design phase	\$	6,987
6	Final 95% Design Phase and Cost Estimate	\$	7,262
7	Construction Bid Documents	\$	1,902
8	Bid Phase and Preconstruction Activities	\$	770
9	Construction Phase Activities and Inspection	\$	7,314

Total \$ 41,434

**LEGAL:** The City Manager will determine whether a legal opinion is required.

**STAFF RECOMMENDATION:** Staff recommends approval of Resolution 2017-01.

**PROPOSED MOTION:** "I move to approve Resolution 2017-01"

**CITY MANAGER'S COMMENTS:** 

# **Consultant Agreement**

# **Power Production 125VDC Station Service Replacement Project**

**PROJECT NO. 17302** 

**CONTRACT NO. 17302-01** 

**Prepared By:** 

City of Unalaska P.O. Box 610 Unalaska, Alaska 99685 907.581.1260

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# AGREEMENT FOR CONSULTING AND RELATED SERVICES

#### WITNESSETH THAT:

WHEREAS City desires to engage Consultant to render consulting and related services for the performance Design and Project Management Services for the Power Production 125VDC Station Service Replacement Project; and

WHEREAS Consultant represents that it has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Consultant will, as requested, perform such work;

NOW THEREFORE the parties hereto do mutually agree as follows:

# 1. Employment of Consultant

Consultant agrees to provide professional services in accordance with the provisions of this Agreement. A written description of the work to be performed, schedule and compensation is set out in **Exhibits A-C** of this Agreement.

#### 2. <u>Performance</u>

Consultant agrees to perform the work described in **Exhibit A- Scope of Services**; however, the Consultant is not authorized to perform any work or incur any expense which would cause the amount for which he is entitled to be paid under this Agreement to exceed the amount set forth in **Exhibit C – Fee Proposal** without the prior written approval of the City. All services shall be rendered in accordance with the schedule set forth in **Exhibit B – Contract Schedule**.

The work shall include but not be limited to the following: furnishing all equipment, transportation, per diem, travel, and supplies to perform all scopes of work that are authorized under the State of Alaska's Professional Engineering License, in connection with the City of Unalaska Power Production 125VDC Station Service Replacement Project.

#### 3. Fee

After receipt of a periodic billing for said services, the City agrees to pay Consultant as compensation for the services under this Agreement such sums of money as set forth in **Exhibit C** of this Agreement. The amount payable to the Consultant shall not exceed the amount specified in **Exhibit C**.

# 4. <u>Payments</u>

City agrees to make monthly payments to Consultant as services are performed and costs are incurred, provided Consultant submits a proper invoice for each payment, in such form accompanied by such evidence in support thereof as may be reasonably required by the City. City may, at its option, withhold ten percent (10%) from each monthly payment pending satisfactory completion of the work by Consultant. All invoices are otherwise due and payable within thirty (30) days of receipt by City. City shall pay Consultant for the services identified in **Exhibit A** the **Not to Exceed Total Fee of \$41,434.** The Not to Exceed Total Fee is based on the distribution of the Not to Exceed Total Fee between tasks set forth in **Exhibit A**. The portion of the Not to Exceed Total Fee billed and paid for Consultant's services shall be equal to the proportion of services actually completed for each task set forth in **Exhibit A** during the billing period to the fee total specified for that task.

#### 5. Personnel

Consultant agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, and well qualified for the work assigned. No person objected to by the City shall be employed by Consultant for work hereunder.

#### 6. <u>Independent Contractor Status</u>

In performing under this Agreement, Consultant acts as an independent contractor and shall have responsibility for and control over the details and means for performing the consulting services required hereunder.

#### 7. Indemnification

Consultant shall defend and save harmless City or any employee, officer, insurer, or elected official thereof from and against losses, damages, liabilities, expenses, claims, and demands but only to the extent arising out of any negligent act or negligent omission of Consultant while performing under the terms of this contract.

# 8. <u>Assignment</u>

Consultant shall not assign this Agreement or any of the monies due or to become due hereunder without the prior written consent of City.

## 9. Subcontracting

Consultant may not subcontract its performance under this Agreement without prior written consent of City. Any subcontractor must agree to be bound by terms of this Agreement.

# 10. <u>Designation of Representatives</u>

The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the **Director of Public Utilities** or such other person as he may designate in writing. Consultant shall advise City in writing of the name of its representative in charge of the administration of this Agreement, who shall have authority to act for and bind Consultant in connection with this Agreement.

#### 11. Termination

Either party shall have the right to terminate this Agreement in whole or in part at any time and for reasonable cause, by delivery of thirty (30) days written notice, specifying the extent and effective date thereof. After receipt of such notice, Consultant shall stop work hereunder to the extent and on the date specified in such notice, terminate all subcontracts and other commitments to the extent they relate to the work terminated, and deliver to City all designs, computations, drawings, specifications and other material and information prepared or developed hereunder in connection with the work terminated.

In the event of any termination pursuant to this clause, Consultant shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred prior to the termination pursuant to Section 3 hereof, and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Consultant shall not be entitled to any anticipated profit on services not performed. Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this Agreement.

#### 12. Ownership and Use of Documents

Consultant agrees that all original design reproducible drawings, all pertinent calculations, specifications, reports, data and other documents prepared for the City hereunder are the property of the City and the City shall have the right, without payment of additional compensation, to disclose, reproduce and use such documents for this project

#### 13. Insurance

A. During the term of the contract, the Contractor shall obtain and maintain in force the insurance coverage specified in these requirements. Such coverage shall be with an insurance company rated "Excellent" or "Superior" by A. M. Best Company, or a company specifically approved

by the City.

- B. The contractor shall carry and maintain throughout the life of this contract, at its own expense, insurance not less than the amounts and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified and where allowed, with respect to the performance of the work. There shall be no right of subrogation against the City or its agents performing work in connection with the work, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies providing coverage thereunder shall contain provisions that no cancellation or material changes in the policy relative to this project shall become effective except upon 30 days prior written notice thereof to the City of Unalaska.
- C. Prior to commencement of the work, the contractor shall furnish certificates to the City of Unalaska, in duplicate, evidencing that the Insurance policy provisions required hereunder are in force. Acceptance by the City of Unalaska of deficient evidence does not constitute a waiver of contract requirements.
- D. The contractor shall furnish the City of Unalaska with certified copies of policies upon request. The minimum coverages and limits required are as follows:
  - 1. Workers' Compensation insurance in accordance with the statutory coverages required by the State of Alaska and Employers Liability insurance with limits not less than \$1,000,000 and, where applicable, insurance in compliance with any other statutory obligations, whether State or Federal, pertaining to the compensation of injured employees assigned to the work, including but not limited to Voluntary Compensation, Federal Longshoremen and Harbor Workers Act, Maritime and the Outer Continental Shelf's Land Act.
  - 2. Commercial General Liability with limits not less than \$1,000,000 per Occurrence and \$2,000,000 Aggregate for Bodily Injury and Property Damage, including coverage for Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, Broad Form Property Damage Liability and Personal Injury Liability.
  - 3. Commercial Automobile Liability on all owned, non-owned, hired and rented vehicles with limits of liability of

- not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each accident or loss.
- 4. Umbrella/Excess Liability insurance coverage of not less than \$1,000,000 per occurrence and annual aggregate providing coverage in excess of General Liability, Auto Liability, and Employers Liability.
- 5. If work involves use of aircraft, Aircraft Liability insurance covering all owned and non-owned aircraft with a per occurrence limit of not less that \$1,000,000.
- 6. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence.
- 7. Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.
- E. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense.
- F. All insurance policies as described above are required to be written on an "occurrence" basis. In the event occurrence coverage is not available, the contractor agrees to maintain "claims made" coverage for a minimum of two years after project completion.
- G. If the contractor employs subcontractors to perform any work hereunder, the contractor agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth in this section and to furnish copies thereof to the City of Unalaska. This requirement is applicable to subcontractors of any tier.

## 14. <u>Claims Recovery</u>

Claims by City resulting from Consultant's failure to comply with the terms of and specifications of this contract and/or default hereunder may be recovered by City by withholding the amount of such claims from compensation otherwise due Consultant for work performed or to be performed. City shall notify Consultant of any such failure, default or damage therefrom as soon as practicable and no later than 10 days after discovery of such event by written notice. Nothing provided herein shall be deemed as constituting an exclusive remedy on behalf of City, nor a waiver of any other rights hereunder at law or in equity. Design changes required as a result of failure to comply with the applicable standard of care shall be performed by the Consultant without additional compensation.

# 15. Performance Standard

Services performed under this Agreement will be performed with reasonable care or the ordinary skill of the profession practicing in the same or similar location and under similar circumstances and shall comply with all applicable codes and standards.

# 16. Compliance with Applicable Laws

Consultant shall in the performance of this Agreement comply with all applicable federal, state, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation, and other employee benefit laws. Consultant also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement. The Consultant and all subcontractors must comply with state laws related to local hire and prevailing wages.

#### 17. Records and Audit

Consultant agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six (6) years from the date of completion of the improvements to which the consulting services of this Agreement relate.

#### 18. Reporting of Progress and Inspection

Consultant agrees to keep City informed as to progress of the work under this Agreement by providing monthly written progress reports, and shall permit City to have reasonable access to the work performed or being performed, for the purpose of any inspection City may desire to undertake.

# 19. <u>Form of City Approval</u>

Except as otherwise provided in this Agreement, City's requests and approvals, and Consultant's cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.

# 20. <u>Duration of Agreement</u>

This agreement is effective for a period of one (1) year from the date first shown above. The agreement may be extended by the mutual written agreement of City and Consultant.

# 21. Inspections by City

The City has the right, but not the duty, to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities and activities of the Consultant as may be engaged in the performance of this Agreement.

#### 22. Endorsements on Documents

Endorsements and professional seals, if applicable, must be included on all final plans, specifications, estimates, and reports prepared by the Consultant. Preliminary copies of such documents submitted for review must have seals affixed without endorsement (signature).

#### 23. Notices

Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

To City:
Dan Winters, DPU Director
City of Unalaska
Box 610
Unalaska, Alaska 99685

To Consultant:
David Burlingame, P.E.
Electric Power Systems, Inc.
3305 Arctic Blvd., Suite 201
Anchorage, AK 99503

The addresses hereinabove specified may be changed by either party by giving written notice thereof to the other party pursuant to this paragraph.

#### 24. Venue/Applicable Law

The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.

# 25. Attorney's Fees

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

#### 26. Waiver

No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.

# 27. Binding Effect

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

# 28. Entire Agreement/Modification

This agreement, including Exhibits A-C, and the Consultant's proposals dated October 31, 2016, and December 2, 2016, constitute the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

#### ELECTRIC POWER SYSTEMS, INC. CITY OF UNALASKA, ALASKA By:\_\_\_ By:\_\_\_\_ David Burlingame, Principal Engineer David A. Martinson, City Manager State of Alaska State of Alaska ) ss. ) ss. Municipality of Unalaska) Municipality of Unalaska) The foregoing instrument was acknowledged The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_, before me on the day of 2017, by David Burlingame, the Principal 2017, by David A. Martinson, City Manager Engineer of Electric Power Systems, Inc., an for the City of Unalaska, a First Class Alaska Alaska Corporation, on behalf of the Municipal Corporation, on behalf of the City corporation. of Unalaska. Notary Public, State of Alaska Notary Public, State of Alaska My Commission Expires: \_\_\_\_\_ My Commission Expires:

#### **EXHIBIT "A"**

#### **SCOPE OF SERVICES**

#### **CONTRACT NO. 17302-01**

The Consultant will work with the City to complete the Design and provide Project Management Services for the Power Production 125VDC Station Service Replacement Project. Each of the deliverables outlined below will be provided electronically as applicable as an Adobe Acrobat (PDF) file.

#### The Scope of Services for this Contract includes the following general tasks:

#### Task 1: Preliminary Conference and Site Visit

The deliverables for Task 1 will be meeting notes for the City's comment and review, and recording of further information requests as needed.

#### Task 2: Technical Pre-design report and Alternatives Evaluation

The deliverables for Task 2 will be a Technical Pre-Design Report consisting of overall design concepts and alternatives, as well as a list of alternatives considered and the reason for the proposed selection over these alternatives.

#### Task 3: 35% Design

The deliverables for Task 3 will be complete 35% designs including concept-level civil, structural, mechanical, and electrical drawing, specifications and outline of recommendations for additional Owner Furnished Equipment (OFE) and other long-lead time procurement items. Also included in this Task 3 is a list of applicable permits required for construction.

#### Task 4: Delivery of Specifications for Owner-furnished Equipment

The deliverables for Task 4 will be detailed specifications for long-lead time equipment for the City's approval and procurement purposes.

#### Task 5: 65% Design

The deliverables for Task 5 will be 65% design drawings and specifications for the City's review and comment.

#### Task 6: Final 95% Design

The deliverables for Task 6 will be complete design drawings and specifications organized in a project manual formatted to the City's preferences A permitting/review package for final City comment and approval as well as and the Engineer's construction cost estimate is also included.

#### Task 7: Construction Bid Documents

The deliverables for Task 7 will be 100% complete bid and construction documents appropriate for release with stamped final drawings.

#### Task 8: Bid Phase and Preconstruction Activities

The deliverables for Task 8 will be Pre-Bid Conference and weekly Construction Progress Meeting attendance, as well as site visits, question response and information for addenda as needed.

# Task 9: Construction Phase Activities and Inspections

The deliverables for Task 9 include Construction Administration tasks such as inspections, report preparation, and answering contractor questions as needed. Also included is testing and commissioning, and as-built drawings.

# EXHIBIT "B" CONTRACT SCHEDULE

# **CONTRACT NO. 17302-01**

Tasks	Description	Start and Finish Dates	
1	Preliminary Conference and Site Visit	3/10/17 to 3/20/17	
2	Technical Pre-design report and alternatives evaluation	3/10/17 to 4/9/17	
3	35% Design Phase	4/9/17 to 5/6/17	
4	Specifications for Owner-furnished Equipment	5/6/17 to 6/4/17	
5	65% Design phase	6/4/17 to 7/1/17	
6	Final 95% Design Phase and Cost Estimate	7/1/17 to 7/16/17	
7	Construction Bid Documents	7/16/17 to 7/30/16	
8	Bid Phase and Preconstruction Activities	7/30/16 to 9/1/16	
9	Construction Phase Activities and Inspection	9/1/17 to 11/21/17	

# EXHIBIT "C" FEE PROPOSAL

Task	Task Description	Total
1	Preliminary Conference and Site Visit	\$ 6,151
2	Technical Pre-design report and alternatives evaluation	\$ 3,073
3	35% Design Phase	\$ 4,673
4	Specifications for Owner-furnished Equipment	\$ 3,302
5	65% Design phase	\$ 6,987
6	Final 95% Design Phase and Cost Estimate	\$ 7,262
7	Construction Bid Documents	\$ 1,902
8	Bid Phase and Preconstruction Activities	\$ 770
9	Construction Phase Activities and Inspection	\$ 7,314

Total \$ 41,434