

**CITY OF BETHLEHEM**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

**SUBJECT:** Request for Approval by City Council of Contract Award or Contract Price Increase Pursuant to City Ordinance, Article 121.05 (a)

Project or Contract Reference: 2015 Application Software Support, SCADA Hardware Maintenance Support and Additional Support Services for Application Software and Hardware Maintenance On As Needed Basis for SCADA System at Water Treatment Plant and Water Distribution Center including Associated Remote Sites

**TO:** City Council, all members, and Council Solicitor

**FROM:** Edward J. Boscola, PE, Director of Water and Sewer Resources

**DATE:** January 7, 2015

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On behalf of the Administration, pursuant to City Ordinances, Article 121.05, I request City Council's approval of the following recommendation of the referenced contract award or price increase.

- Check Type of Contract or Change:

The contract is for over \$50,000 and required to be bid under the Third Class City Code. We have advertised the above referenced project and received qualified bids. We recommend award of the contract to the bidder identified and for the reasons stated below.

The recommendation is for a price increase of 10% or more for an existing contract over \$50,000 that was previously bid and awarded under the Third Class City Code.

The contract is for the engagement of professional services. We have received and reviewed four (4) proposals for professional services in connection with above referenced project. We recommend award of the contract to Emerson Process Management Power & Water Solutions.

- Is the contract appropriation or price increase included in this year's budget?  yes  no

2015 Water Fund Operating Budget.

- Identify contract funding sources (general fund, grants, loans, etc.....):

Account #20016-42047 – Water Filtration – Department Contracts  
Account #20019-42047 – Water Control – Department Contracts

- The name and address of the recommended Professional Service Provider are:

Emerson Process Management Power & Water Solutions, Inc.  
200 Beta Drive  
Pittsburgh, PA 15238

- Term of contract or estimated completion date, subject to standard extensions:

The contract shall run from January 1, 2015 to December 31, 2015

- Description of project or scope of services to be provided:

SCADA Application Software and Hardware Maintenance Support Services at Water Treatment Plant and Water Distribution Center including Associated Remote Sites - Includes on-site diagnostic support services for controller parts, field instruments and panel devices and assistance with hardware repairs and/or acquisition of replacement components. Includes on-site and off-site support for software troubleshooting, system tuning and calibration, systems application training, software installation and correcting software related malfunctions of RTU's, workstations, and servers.

Includes 40 hours off-site services and 40 hours on-site services, plus time and expense for services in excess of 80 hours on an as-needed basis.

- State the actual or estimated price to the City or the proposed Department budget allowance for the initial term; and state payment rate per unit of service if applicable:

All services shall be contracted on an annual basis, starting in 2015. The Request for Proposals included individual annual costs for the next five years (2015, 2016, 2017, 2018 and 2019). The escalation in hourly rate and expenses will not exceed 3% per year. The City shall have the option to renew the annual services contract following the first year of services.

2015 Total - \$14,610

2015 Support Services for Hardware and Application Software On As Needed Basis – For services described above in excess of 80 hours.

Engineer – Standard Time - \$149.00 per hour

Expenses – Cost + 10%

- Number of renewal term options and duration of each renewal, if any:

The number of renewal terms is four (4) one (1) year renewal term options after 2015 and the duration of renewal is one (1) renewal per calendar year.

- Maximum dollar value of all renewals provided for beyond the original term as if all renewals were exercised:

The maximum dollar value for renewals 2, 3, 4, & 5 for calendar years 2016, 2017, 2018 and 2019 based upon the escalation in hourly rate and expenses not exceeding 3% per year is \$62,931.00. The actual cost may increase based on the number of hours of support services needed by the City in excess of 80 hours per year.

- Reasons for recommendation of Administration and Council approval of contract:
  - Four (4) proposals were received from various consultants ranging in cost from \$50,910.00 to \$108,085.00 for the 5-year contract period. The proposers were ranked based on six (6) criteria and the third and fourth ranked proposals were not considered as their proposals did not meet the needs of the City. The remaining 2 proposers were interviewed and Emerson Process Management Power and Water Solutions was determined to have the best overall proposal. Emerson was asked to provide the City with their best prices possible and the City received a 7% reduction in the hourly rate from the RFP offer and a 64% reduction in on-site expenses from the RFP offer for a total five year cost of \$77,541.
  - Emerson Process Management and their predecessor firms, Bristol Babcock and Remote Automation Solutions have provided these services annually to the City since 1994 at the Water Treatment Plant and since 2002 at Water Distribution Center including Associated Remote Sites.
  - Emerson agreed to an escalation increase not to exceed 3% per year.

Please approve this recommendation by passing the accompanying resolution. A vote of final approval is requested at the first City Council agenda listing of this matter.

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By:   
Department Head

Copies To: Mayor  
Director of Administration  
Director of Budget and Finance  
Law Bureau  
Purchasing Bureau  
Controller

Attachment: proposed resolution

RESOLUTION NO. \_\_\_\_\_

Authorization for Contract or Amendment under Article 121.05(a)

BE IT RESOLVED by the Council of the City of Bethlehem that the Mayor and the Controller and/or such other City officials as deemed appropriate by the City Solicitor, are hereby authorized to execute a Contract or Amendment and such other agreements and documents as are deemed by the City Solicitor to be necessary and/or related thereto, with the following named contractor, for the uses and purposes indicated in the supporting Recommendation of Award of Bid or Contract dated January 1, 2015:

1. Name of Contractor: Emerson Process Management Power & Water Solutions, Inc.
2. Project or Contract Reference: 2015 Application Software Support, SCADA Hardware Maintenance Support and Additional Support Services for Application Software and Hardware Maintenance On As Needed Basis for SCADA System at Water Treatment Plant and Water Distribution Center including Associated Remote Sites

Sponsored by \_\_\_\_\_

\_\_\_\_\_

ADOPTED by Council this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
City Clerk