



AUTOMATIC SYSTEMS CO.

Friday, July 23, 2018

Mr. Jon Haukaas
City of Blaine
10801 Town Square Drive Northeast
Blaine, MN 55449

SUBJECT: City of Blaine SCADA System Integration Services – Phase 1

Dear Jon,

Thank you for your July 19th, 2018 proposal request to provide Professional Services/Integration Services for the City of Blaine’s Supervisory Control and Data Acquisition (SCADA) system. The following proposal outlines our scope and pricing for Phase 1 including Water Treatment Plant No. 1, Water Treatment Plant No. 2, Water Treatment Plant No. 3, Tower No. 1, Tower No. 3, Tower No. 4, Public Works Building, twenty-nine (29) lift stations and eleven (11) well pump houses:

A Hardware Design Review including:

- Provide review of Barr’s hardware design at each milestone.
- Provide input on design philosophy, processor selection, network interfaces, operator interface terminals, uninterruptible power supplies and component selection.
- Review the findings of the Radio Path Study and radio component selection.

B SCADA Software Evaluation

- Provide information on available applicable products from both manufacturers (Wonderware and Rockwell).
- Provide initial and life cycle costs for each product.
- Interface with vendors as required.
- Summarize costs, features and results of product comparisons and make recommendations.

C SCADA Ancillary Software

- Provide information on Data Historian products, Reporting Generating products, Alarm Notification products, Maintenance products, Lab Data Analysis products.
- Provide initial and life cycle costs for each product.
- Interface with vendors as required.
- Research requirements to capture and integrate existing historical data into the new SCADA software.
- Summarize costs and features of available ancillary software.

MANUFACTURERS REPRESENTATIVES

- MAIN OFFICE P.O. BOX 120359
- BRANCH OFFICE P.O. BOX 787
- BRANCH OFFICE

SYSTEMS INTEGRATION

- ST. PAUL, MINNESOTA 55112 PHONE 651-631-9005
- AMES, IOWA 50010 PHONE 515-232-4770
- CHICAGO, ILLINOIS PHONE 815-927-3386

INSTRUMENTATION

- FAX (651) 631-0027
- FAX (515) 232-0795
- FAX (651) 631-0027

D SCADA Computer Hardware and SCADA Network Configuration

- Provide SCADA computer hardware recommendations and requirements.
- Provide network hardware recommendations and best practice hardware configurations.

E Existing SCADA Program Review

- Gather existing programs including visiting each site and uploading the current programs.
- Archive all programs.
- Review existing program routines with Barr and the City. Site specific written control descriptions will be developed as part of Phase 2.

F Graphic Screens

- ASC will present sample Graphic Screens for:
 - Water Plants
 - Public Works
 - Towers
 - Wells
 - Booster Station
 - Lift Stations
 - Overviews
 - Alarm notification
 - Alarm history
 - System Health Status
- Develop standard screen layouts, colors, banners, trends & menus

G Historical Data and Reporting

- Review existing reports and define preliminary requirements
- Review existing historical data and define preliminary requirements
- Review existing historical trending and define preliminary requirements
- Develop standards for historical data collection and reporting

H Meetings

- Attend up to ten (10) project meetings with Barr Engineering and the City. Up to two (2) representatives from ASC at each meeting.

I Scheduling

- Assist Barr with scheduling and construction sequencing.

J Additional Phase 1 Scope Items

- Interface with the City’s IT department to ensure security and network design concerns are addressed

Your, not to exceed price for Items A through J is..... **\$177,690.00**

The above price is based on the following rates and assumptions:

- 334 Hours at an Engineering rate of \$165.00 per hour**
- 446 Hours at a Programmer rate of \$165.00 per hour**
- 192 Hours at a Project Manager rate of \$165.00 per hour**
- 80 Hours at a Technician rate of \$125.00 per hour**
- 86 Hours at an office staff rate of \$85.00 per hour**

K Additional Insurance Coverage

- Automatic Systems currently carries \$1,000,000 of Errors and Omissions insurance. As defined in the Request for Qualifications submittal, we can obtain the additional insurance required to meet the \$2,000,000 limit defined in Addendum No. 2 at an additional cost to the City.

Your price for item K is..... **\$10,660.00 annually**

Notes:

1. ASC will invoice hourly plus expenses on a monthly basis.
2. Our standard terms and conditions are attached.
3. Water Treatment Plant No. 4 will be scoped separately as part of Phase 2.
4. Wells 11 & 14 bid in the fall of 2018 will be scoped separately as part of Phase 2.

Thank you very much for the opportunity of providing you with the above proposal, should you wish to proceed with an order please sign on the space provided below and return a copy to this office. We would also be happy to review and execute a copy of the City’s Professional Services Agreement if so desired.

We look forward to hearing from you, should you have any questions please don’t hesitate to give me a call.

Sincerely,



Lane Stewart
Automatic Systems Company

Items Accepted: _____

Accepted by: _____

Name (Print): _____

Title: _____

Date: _____

Accepted by: _____

Name (Print): _____

Title: _____

Date: _____

TERMS AND CONDITIONS

1. We request that our company's quotation be executed by you. However, your purchase order referencing our quotation by number and date will be sufficient so long as it does not create an unfair advantage to either purchaser (sometimes referred to as buyer you) or Automatic Systems Company (sometimes referred to as our company we, our, us). The order will be subject to written acceptance by our company's Contracts Officer at Ames, Iowa.
2. Prices are based on direct factory shipments, or as noted.
3. If quantities vary from those indicated we reserve the right to revise our prices.
4. Quoted shipping dates, unless otherwise stated, are from the date of receipt at the office of the Principal, of required complete technical data and/or approved drawings. Any changes requested by the Purchaser will be made only at the purchaser's expense.
5. Where a quantity of material is quoted according to our takeoff, such quantity is believed to be accurate but cannot be guaranteed.
6. If an item quoted is not approved by the Consulting Engineer we assume no responsibility to furnish the item manufactured by others.
7. All orders are subject to approval of the purchaser's credit by the Principals involved.
8. Our Warranty on equipment and material covered herein is limited to that which is extended by the Manufacturer involved. We shall not be responsible for any damage arising directly or indirectly from installation or use of this equipment. Unless stated otherwise the manufacturer warrants for a period of one (1) year from the date of startup not to exceed 18 mo. from date of shipment, that the equipment listed (excluding expendable components such as fuses grease oil or water seals, packing, light bulbs, etc.) will be free from defects in material and workmanship. The Manufacturers sole obligation in the event of breach of such warranty shall be the repair or replacement of the defective item at no charge to Purchaser, except for labor costs for repair or removal of the defective item and installation of any replacement item and transportation charges for delivery of the replacement and return of the defective item. The Manufacturer shall have no obligation to provide maintenance or make repairs or replacements through normal wear and tear or necessitated in whole or in part by catastrophe, fault or negligence of the user, improper or unauthorized use of the equipment by the user, or by causes external to the equipment, such as, but not limited to, power failure or air conditioning failure. Replaced parts shall become the property of the manufacturer.

DISCLAIMER OF WARRANTY AND LIMITATION OF REMEDIES: Purchaser understands and agrees as follows:

- (a) The express warranties set forth in this agreement are in lieu of all other warranties, express or implied, including without limitation, any warranties of merchantability or fitness for a particular purpose, and all such other warranties are hereby disclaimed and excluded by Automatic Systems Co.
 - (b) Automatic Systems Co. shall not be liable for any loss or damage caused by delay in furnishing equipment, products, services or any other performance under or pursuant to this agreement.
 - (c) The sole and exclusive remedies for breach of any and all warranties for Automatic Systems Company's liability of any kind (including liability for negligence) with respect to the equipment, products and services covered by this agreement and all other performance by Automatic Systems Co. under or pursuant to this agreement shall be limited to the remedy provided above.
 - (d) In no event shall Automatic Systems Company's liability of any kind include any special, incidental or consequential damages, even if Automatic Systems Company shall have been advised of the possibility of such potential loss or damage.
9. Any preliminary drawings and illustrative materials herewith show general arrangement and approximate dimensions only. Certified drawings will be submitted after receipt of order if required.
 10. No returns for credit will be allowed without specific permission by the Principal involved before such return shipment is made.
 11. Any material and/or equipment held at the Purchaser's request from the date of the invoice will be stored at the Purchaser's expense unless otherwise agreed upon. Invoice will be rendered, as of the date equipment is ready for shipment.
 12. Unless specifically stated herein, all material and/or equipment shall be installed and placed in service by and at the expense and under the exclusive responsibility of the Purchaser.
 13. Purchaser shall be responsible for care, maintenance and protection of material and/or equipment after delivery. Purchaser agrees to provide and maintain adequate insurance for equipment and/or materials covered herein against loss or damage by fire, explosion or other causes during the time between shipment and final payment in an amount fully protecting Vendor.
 14. All agreements are contingent upon strikes, accidents or other causes beyond our control.
 15. Please note that our proposal does not include any sales or other required taxes or permits. The applicable tax will be charged to you at the time of invoicing. If you are exempt on this job, you will need to provide us with your exemption certificate. You agree to reimburse our company for any taxes we must pay on your behalf. You are responsible for obtaining permits in connection with the sale or installation of our equipment.

16. Our proposal includes the equipment we offer to furnish you at the prices stated and these prices will remain firm when you execute our proposal (or send us your purchase order referencing our proposal) within 30 days from the date of our proposal and we receive the final approved drawings within 30 days after we mail the shop drawing booklets. The price could change if you should require a change in the design of the product or require changes in the components we have quoted. We will issue the necessary change orders to either decrease or increase the price and said change orders will be deemed accepted and assented to you if within a reasonable time the terms of the change order have not been objected to in writing by you to us, it being agreed upon that a reasonable time for objection is 20 days from the date thereof. We of course want to reserve the right to correct typing and clerical errors in our price or proposal.
17. Unless we agree otherwise this transaction will be handled on a credit basis and is for business or commercial purposes. On this basis there must be agreements on certain terms and conditions so there will be no misunderstanding at a later date, therefore you and our company agree to the following such Terms and Conditions:
 - (a) We will retain title to and a secured interest in the equipment described in the proposal until we are paid in full. You and our company agree and it is our mutual intention that the equipment proposed and described in our quote is now and shall retain personal property and shall not become a fixture or part of a fixture until we have been paid in full. In effect, you and our company are agreeing to waive any other possible definition of the equipment so proposed and described for the purpose of this credit transaction that would invalidate your and our stated intention, and so that no unfair advantage will be gained by any third person or entity should our company not be paid for any reason.
 - (b) Payment, subject to continuing approval of credit, is due in full and payable 30 days from the date of invoice or date of shipment, which ever comes first unless startup service is required prior to the expiration of the 30 days in which case payment is due in full prior to startup, with no retainage allowed! Our company will invoice you, as the equipment you ordered is ready to be shipped, which may be within the estimated shipment period quoted to you or after such period. You agree to pay in full all invoices within the time specified above in this sub-paragraph. Your payment to us will not be dependent or contingent upon receipt of payment by you from any other party. Any balance remaining due 31 days beyond the invoice date will be subject to a 1.5 percent monthly service fee until paid. Should we have to engage an attorney to collect the balance due us, including the service fee, you agree to reimburse us for all collection costs including reasonable attorney's fees.
 - (c) Once manufacture of the equipment has begun, you will be notified of the tentative shipment date. Once the equipment is ready to be shipped, we or the manufacturer may, at our option, agree to store the equipment should you not be ready for delivery, but this will not postpone your duty to pay the invoice(s) as they become due according to the terms of this contract. Should our company find it necessary to store such equipment for said reason you hereby agree to pay a storage fee at the rate of 1.5% of the contract price per month in addition to your duty to pay invoice(s). Please note that your return of the final approved drawings will constitute your notice to us to proceed with the manufacturing of the equipment.
 - (d) Our company will not be liable for any damages sustained by you resulting from our company's or any supplier's failure to perform or delay in performing any obligation, if such failure(s) or delay(s) is/are caused directly or indirectly by circumstances or events beyond our control. Some examples include invasion, insurrection, riot, fire, flooding, strikes, etc. A more common example of such circumstances of events would be the failure of a truck or supplier to meet delivery schedules. You agree to waive any right to incidental or consequential damages as stated in our company's warranty, and as further agreed herein. You further agree that our company will not be responsible for any "backcharges" or costs unless and until you first obtain our company's written approval before you sustain such "backcharges" or costs.
 - (e) You agree that if our equipment is installed or repaired by others, you will not seek to hold us responsible for any damage and injury, which may result from such installation or repair, directly or indirectly. In addition, our company will not be responsible for damage to your property or any other property, real or personal, caused by malfunction of our equipment whether or not it is installed by others or by our company.
 - (f) In order for our company to insure delivery, it is agreed by you and by our company that you provide us with an access road to and from the job site, which road is capable of supporting trucks loaded to 75,000 pounds and with a 14 foot height clearance. Should the job site or such road not be suitable for such use and our purposes, you will reimburse us for any delays at the hourly labor rate and demurrage rate current at that time. You will also be responsible for unloading the equipment, unless we are responsible for the erection of the equipment.
 - (g) The responsibility for protection of the equipment will be yours after it is delivered to the job site. Damage to the equipment after delivery, which is caused by vandalism, the elements or otherwise will be your responsibility and not that of our company.
 - (h) For your added protection, we are providing you with a warranty on our equipment which is made part of our proposal, and which is made a part of this agreement by reference.
 - (i) Except as otherwise contained in the Quotation, this Contract after acceptance by you is not subject to cancellation by Buyer except prior to shipment and then only by the payment to us an amount equal to the cost of labor and materials used plus 10% of quoted sales price as liquidating damages, which the Buyer hereby agrees to pay. Orders for custom equipment (non-standard or non-stocked equipment), or designed equipment are not cancelable by you.

July 25, 2018

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- (j) We both agree that this contract contains the complete and final agreement between us and may not be modified, supplemented, explained, or waived by parole evidence, your purchase order, course of dealing, or any other way, except where made in writing and signed by you and our company's authorized officer.

18. Since we will close this agreement upon acceptance of it by our Contract's Officer in Ames, Iowa, it is understood by you and our company that the laws of the State of Iowa will govern the Contract. Default and our remedies thereafter are defined and outlined below.

You shall be in default under the contract upon the happening of any one or more of the following:

- (a) Default in the payment or performance of any obligation you have under this contract; or
- (b) Any statement of a material fact, made in writing by you to our company, which proves to be untrue; or
- (c) Any omission, from any statement made in writing by you to our company, of any material fact which is necessary in order to make such statements not misleading; or
- (d) Any event, or change of condition, which impairs your ability to pay or perform your obligation under this contract; or
- (e) Any event or condition which reasonably justifies our company in deeming itself insecure.

Upon default by you, and at any time thereafter, our company shall have, at its option, the right to exercise any one or more of the following remedies:

- (a) Prior to delivery of the equipment described in this Contract, to refuse to deliver such equipment to you or your agent; or
- (b) Exercise any remedy available to our company under the Uniform Commercial Code or under any other laws of the jurisdiction where such remedy is sought to be exercised; or
- (c) Enter the real estate upon which such equipment is stored or installed and take possession of such equipment and remove the same, without demand and other legal process; or
- (d) Demand that you shall assemble such equipment and make it available to our company at a place reasonable convenient to you and our company and thereupon you shall comply with such demand at your expense; or
- (e) Retain all sums received by our company as payment from you made prior to any repossession referred to in subparagraph (c) above; or
- (f) Void all warranties and refuse service and start-up; or
- (g) Sell such equipment at public or private sale, with our without notice, at a fair price.