



City of Grand Island

Tuesday, September 25, 2012

Council Session

Item G8

**#2012-261 - Approving Job Specific Service Agreement with
Nebraska Public Power District**

Staff Contact: Tim Luchsinger, Jason Eley

Council Agenda Memo

From: Tim Luchsinger, Utilities Director

Meeting: September 25, 2012

Subject: Job Specific Service Agreement with Nebraska Public Power District

Item #'s: G-8

Presenter(s): Tim Luchsinger, Utilities Director

Background

On April 21, 2009, a presentation was made during a Council Study Session summarizing a 115 kV Transmission line route study for a new transmission line to be constructed northwest of the city. During the following City Council meeting on April 28, 2009, Council authorized the Utilities Department to proceed with the necessary engineering, permits and other services required to construct the new transmission line. On October 25, 2011, Council approved the construction contract with IES Industrial to construct the new line. Construction is nearing completion with an anticipated in-service date of November, 2012.

Discussion

Nebraska Public Power District (NPPD) has been heavily involved with the planning and implementation of the new transmission line since it connects to their system. Due to this involvement, NPPD will play a key role in the final steps to energize the new line. These steps include development of relay settings, communications testing, line trip checks and other necessary activities to ensure the correct operation of the new line. In order to perform these functions on behalf of the City, NPPD requires a service agreement. It is recommended that the Service Agreement be signed in order to complete the project in a timely manner.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.

The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Job Specific Service Agreement with Nebraska Public Power District.

Sample Motion

Move to approve the Job Specific Service Agreement with Nebraska Public Power District.

**JOB SPECIFIC SERVICE AGREEMENT
between
CITY OF GRAND ISLAND, NEBRASKA
and
NEBRASKA PUBLIC POWER DISTRICT**

**ARTICLE I
PARTIES**

- 1.1 This Agreement is made and entered into by and between Nebraska Public Power District, a public corporation and political subdivision of the State of Nebraska (NPPD), and the City of Grand Island, Nebraska, (Customer), each sometimes hereinafter referred to singularly as "Party" and collectively as the "Parties."

**ARTICLE II
BACKGROUND**

- 2.1 Customer has requested that NPPD provide relay recommendations, relay settings, drawing review, and relay testing.

**ARTICLE III
SCOPE OF SERVICES**

- 3.1 At Customer's Substation F, NPPD shall perform the following services:
- 3.1.1 Recommend a protection scheme for line 1369 (L1369) to Customer's substation F, which shall include, but not be limited to, support for the recommended relays on L1369, relay setting calculations (L1369 primary relay, and secondary relay), drawing review and on-site engineering support for commissioning, if needed.
 - 3.1.2 Testing of the new relay scheme.
 - 3.1.3 Customer will create all control drawings, wiring of the new relays, and shall be responsible for Customer's fiber work.
 - 3.1.4 The total estimated man-hours and costs associated with NPPD's performance of the services listed under this Section 3.1 are provided in the table below. Such estimates are based on NPPD's best estimates at the time of execution of this Agreement, using NPPD's standard charge rates. NPPD will bill the Customer actual charges for the services

performed under this Agreement in accordance with Section 5, below:

| Substation F | Estimated Hours | Rate | Estimated Total |
|---------------------------------------|------------------------|-------------|------------------------|
| Prot Eng - Relay Recs | 15 | \$ 81.00 | \$ 1,215.00 |
| Prot Eng - Set Relays GI-F L1369 | 120 | \$ 81.00 | \$ 9,720.00 |
| Prot Eng - Trip Check GI-F L1369 | 25 | \$ 81.00 | \$ 2,025.00 |
| Drafting | 4 | \$ 48.00 | \$ 192.00 |
| Prot Eng - Setting Review GI-F L1369 | 20 | \$ 81.00 | \$ 1,620.00 |
| Prot Eng - Trp Chk Review GI-F L1369 | 0 | \$ 81.00 | \$ - |
| Prot Eng - Commission GI-F L1369 | 14 | \$ 81.00 | \$ 1,134.00 |
| Prot Eng - Meetings | 10 | \$ 81.00 | \$ 810.00 |
| Control Eng - Commission GI-F L1369 | 4 | \$ 81.00 | \$ 324.00 |
| Sub Tech - Program & Test Relays | 20 | \$ 85.10 | \$ 1,702.00 |
| Sub Tech - Perform Operation Checkout | 0 | \$ 85.10 | \$ - |
| Sub Tech - Pickup | 30 | \$ 30.00 | \$ 900.00 |
| Engineering - Vehicle | 12 | \$ 30.00 | \$ 360.00 |
| Telecom Eng - Meetings | 4 | \$ 77.00 | \$ 308.00 |
| Project Coordinator | 0 | \$ 92.00 | \$ - |
| Telecom Support - Mirror Bits | 16 | \$ 67.00 | \$ 1,072.00 |
| Subtotal | | | \$ 21,382.00 |
| | | | |
| Adders | | | \$ 11,533.20 |
| | | | |
| Total | | | \$ 32,915.20 |

ARTICLE IV SCHEDULE

- 4.1 The Parties agree that the work described herein shall be completed by December 3, 2012.

ARTICLE V BILLING FOR SERVICES

- 5.1 For all services provided to Customer by NPPD under this Agreement, NPPD will, as soon as practicable after services have been provided, bill Customer in accordance with NPPD's standard charge rates.

- 5.2 Except as otherwise mutually agreed by the Parties, all bills for services provided to Customer by NPPD shall be due within 30 days after rendering by NPPD.
- 5.3 If Customer disputes all or any portion of a billing for services provided by NPPD under this Agreement, Customer shall notify its Account Manager or management at NPPD as soon as possible for resolution of the dispute.

ARTICLE VI PERSONNEL AND SUPPORT

- 6.1 NPPD will furnish equipment and trained personnel for the performance of the services provided under this Agreement. To allow NPPD personnel to familiarize themselves with Customer's electric facilities for safety considerations and to expedite NPPD's response time, Customer agrees to furnish copies of all available maps, diagrams, schedules and other similar material relating to applicable Customer-owned facilities.
- 6.2 Such services will be provided in accordance with current applicable NPPD procedures, standards and specifications and in accordance with the National Electrical Safety Code.
- 6.3 Customer will coordinate all switching and clearance points with NPPD personnel to provide NPPD Technicians and the Customers electrical system the greatest protection from an unplanned event.

ARTICLE VII MATERIALS AND SUPPLIES

- 7.1 To the extent possible, NPPD will utilize Customer's materials and supplies to provide the services. Customer and NPPD will make arrangements for NPPD to access Customer's materials and supplies. If Customer's stock is unavailable or inappropriate to meet the needs in providing the services, NPPD will use materials and supplies from NPPD's own stock, if available and appropriate. Customer agrees to pay NPPD's actual costs for material and supplies (plus appropriate adders). The cost for such materials and supplies taken from NPPD's stock shall be itemized on the invoice for services submitted to Customer for payment.
- 7.2 If appropriate materials and supplies are not available from the stock of Customer or NPPD, Customer or NPPD will procure the necessary materials and supplies. If NPPD procures the materials and supplies, Customer will be billed for all such materials and supplies (plus appropriate adders) required to perform the services. The cost for such materials and supplies shall be itemized on the invoice for services submitted to Customer for payment.

ARTICLE VIII INSURANCE

- 8.1 During the term of this Agreement, NPPD will maintain general liability (including contractual coverage), automobile liability and workers' compensation insurance in accordance with NPPD's current coverage standards.
- 8.2 Subject to the availability, limits and scope of the insurance coverage referenced herein, NPPD will hold Customer harmless from loss, (excluding liability of Customer to pay workers' compensation benefits), resulting from legal liability imposed upon Customer for bodily injury or death of members of the public and property damage arising out of NPPD's negligent actions while performing work under this Agreement.
- 8.3 This Section 8, and the obligation to obtain and maintain insurance coverage, is not intended to, and shall not be construed to, create any liability to members of the public in excess of that provided by law.
- 8.4 At NPPD's sole discretion, NPPD may self-insure all or any portion of the insurance required under this Section 8.

ARTICLE IX LIMITED WARRANTY PROVISIONS (GOODS AND/OR SERVICES)

- 9.1 **Goods.** NPPD warrants that the goods furnished in connection with the work provided under this Agreement, if any, are free of all liens and encumbrances, are free of defects in material and workmanship, and conform to the specifications provided in writing by NPPD, if any. The foregoing warranty does not extend to any products or components, which are not of NPPD's manufacture, but NPPD assigns and transfers to Customer any and all warranties which NPPD may have received from the manufacturers of such items. If NPPD is requested to assist with material warranties, normal NPPD fees and adders will be applied to time spent dealing with material warranty issues.
- 9.2 **Services.** NPPD agrees that the services performed under this Agreement will meet the standards of care, skill, and diligence exercised by NPPD in the performance of such services with respect to NPPD facilities and operations. In the event any services fail to meet said standards, after such failure is promptly reported to NPPD, NPPD's sole obligation and liability to Customer shall be to re-perform the failed services.
- 9.3 The foregoing provisions are the sole warranty for the goods and/or services provided under the Agreement. AS TO ALL GOODS PROVIDED HEREUNDER, IF ANY, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY.

ARTICLE X INDEMNIFICATION

- 10.1 Customer agrees to indemnify, defend, and save harmless NPPD or its representatives, agents, or employees from and against all claims, demands, suits, actions, payments, and judgments arising out of NPPD's performance of work under this Agreement, and for any claims arising out of Customer's failure or refusal to implement NPPD's written or oral instructions, if any, except that Customer shall not indemnify, defend, and save harmless NPPD or its representatives, agents, or employees for any negligent act or omission of NPPD or its representatives, agents or employees.

ARTICLE XI LIMITATION OF LIABILITY

- 11.1 In no event shall NPPD be liable under any provision of this Agreement for special, incidental or consequential damages, including, but not limited to, loss of profits, loss of revenue, loss of use of any property, cost of capital, cost of purchased power, cost of substitute equipment, facilities or services, downtime costs, or claims of Customer for such damages, even if NPPD is expressly informed of the same.
- 11.2 NPPD's sole liability under this Agreement, whether based on contract, tort, or any other legal theory, shall be limited to the re-performance of the work performed under this Agreement, in accordance with Section 9.2 of this Agreement.

ARTICLE XII SEVERABILITY

- 12.1 In providing services pursuant to this Agreement, NPPD agrees not to violate NPPD's policies, procedures or standards. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

ARTICLE XIII UNCONTROLLABLE FORCES

- 13.1 NPPD shall not be liable for loss or damage from any failures to perform any of its contractual obligations under this Agreement because of Uncontrollable Forces, which are circumstances beyond NPPD's control, or because an emergency situation arises which affects NPPD's ability to provide services to Customer under this Agreement, and NPPD shall be temporarily relieved of its obligations under this Agreement and shall have a reasonable period of time after termination of the Uncontrollable Force or emergency situation to resume

performance. NPPD shall notify Customer of the temporary suspension of such services and shall submit to the Customer a revised performance schedule.

**ARTICLE XIV
GOVERNING LAW**

- 14.1 This Agreement is deemed to have been effectively entered into in the State of Nebraska and it shall be interpreted and controlled by the laws of said State. The Parties agree that any action arising out of or related to this Agreement brought by Customer against NPPD shall be brought only in the federal or state courts in the State of Nebraska.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized representatives on the date noted below.

CITY OF GRAND ISLAND, NEBRASKA

NEBRASKA PUBLIC POWER DISTRICT

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RESOLUTION 2012-261

WHEREAS, on October 25, 2011, City Council approved the construction of a new transmission line northwest of the City; and

WHEREAS, construction is nearing completion with an anticipated in-service date of November, 2012; and

WHEREAS, because this line connects to their system, Nebraska Public Power District's (NPPD) has been very involvement in this project, and will play a key role in the final steps to energize the new line; and

WHEREAS, in order to perform these final steps on behalf of the City, NPPD requires a Service Agreement; and

WHEREAS, the Legal Department has reviewed and approved this agreement, and it is recommended that this Service Agreement be signed in order to complete the project in a timely manner.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Job Specific Agreement with NPPD presented at this meeting is hereby approved, and that the Mayor is authorized to sign the agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 25, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

| | |
|---------------------|-----------------|
| Approved as to Form | ☐ _____ |
| September 21, 2012 | ☐ City Attorney |