

ITEM # 15
DATE: 08-22-23
DEPT: ELECTRIC

COUNCIL ACTION FORM

SUBJECT: EMERSON SURESERVICE SOFTWARE SUPPORT CONTRACT FOR POWER PLANT

BACKGROUND:

This contract is for providing support to the Emerson Ovation control system utilized by equipment in the Power Plant. This system is the main software driving the Distributed Control System (DCS). The system is crucial because it controls almost all the equipment throughout the Power Plant. The support to this system is critical for continued reliability and maintainability.

Emerson Process Management Power & Water Solutions, Inc. (Emerson) is the Original Equipment Manufacturer (OEM) of this system. Emerson has proposed a three-year contract for its SureService software support which includes:

- Expert telephone support for the Ovation system – With thorough knowledge of the Ovation system and troubleshooting skills, the SureService support will work with the plant to gather relevant information to correctly identify the problem and diagnose the situation. They can troubleshoot and determine solutions without interfering with plant operations. After the problem is isolated, the SureService team will suggest corrective action to resolve the situation.
- Ovation Guardian Support – Enables the plant staff to view system-specific data from multiple sources, which can then be analyzed and used to plan future expenditures and improve decision making.
- Software updates with antivirus program – The plant receives the latest tested and approved protective software to guard against viruses, cyber-attacks, and other unwanted intrusions.

These support services offer several benefits, including maintaining efficiency, reducing the Power Plant's operating costs, and providing critical control system support.

Emerson is the most practical and cost-effective vendor to provide this needed service. **Staff is requesting that the City Council waive the City's purchasing policies requiring formal competitive bids because it is the OEM and award a three-year contract to Emerson Process Management Power & Water Solutions, Inc., Tinley Park, IL in the amount of \$107,534**

Emerson proposed a fixed pricing structure for the entire three-year contract period. The pricing is structured as follows, for a total three-year cost of \$107,534:

<u>Year</u>	<u>Amount</u>
1	\$ 34,448
2	\$ 35,826
3	\$ 37,260

The City Council is being asked to approve a three-year agreement, rather than a one-year contract with renewal options. It should be noted that this contract includes a reduced rate of 5% off list price since the agreement is for three years. The agreement contains a non-appropriation clause that allows the City to cancel if funds are not appropriated in future City budgets.

The FY 2023/24 operating budget includes \$65,000 for Support Services.

ALTERNATIVES:

1. Waive the City's purchasing policy requirement for formal bidding procedures and award a three-year contract to Emerson Process Management Power & Water Solutions, Inc., Tinley Park, IL, for the Emerson SureService Contract for the Power Plant in the amount of \$107,534.
2. Do not approve the three-year SureService contract and adopt a "pay as you go" approach for these needed services.

CITY MANAGER'S RECOMMENDED ACTION:

The support to this system is critical for continued reliability and maintainability because it controls almost all of the equipment throughout the Power Plant. In addition, the award of a three-year contract provides Ames with the benefit of fixed pricing, additional savings off of list price, continuity of service, and reduced administrative burden. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.