



CITY OF COLUMBIA
AGENDA MEMORANDUM

MEETING DATE: July 19, 2016

DEPARTMENT: Purchasing

FROM: *Sandra Wright, Purchasing Agent*

SUBJECT: Purchase of Panel Modifications for Train 2 DAF PLC

FINANCIAL IMPACT:

ORIGINAL BUDGET: \$99,222.84

CLEAN WATER 2020?: No

This request is for Council to ratify an emergency contract between the City and CITI, LLC (P158525). The original agreement was executed on May 23, 2016 in the amount of \$99,222.84. The emergency contract was issued to update the Train 2 DAF PLC to the ControlLogix platform to avoid a potential violation of the NPDES permit.

We respectfully request City Council's approval to ratify this contract in the amount of \$99,222.84.

CITI, LLC is located in Charlotte, NC

This was charged as follows:

Utilities Metro Wastewater PLT- Radio and Electronic Supplies
5516208- 623700 \$ 99,222.84

ATTACHMENTS:

- Emergency Procurement CITI LLC (PDF)

JUSTIFICATION FOR
EMERGENCY PROCUREMENT

Based upon the following determination, the proposed procurement action described below is being procured pursuant to the authority of Section 1.17 of the City of Columbia Procurement Regulation and the 1976 South Carolina Code of Laws.

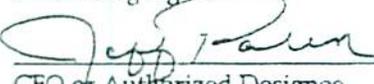
This governmental body proposes to procure Train 2 DAF operating system.

_____ (1)

as an emergency procurement from CITI, LLC _____ (2)

The basis for this emergency determination and the reason no other vendor is suitable is:

Train 2 DAF PLC needs to be updated from PLC5, which is obsolete, to ControlLogix platform to decrease down time due to PLC failures and give a more reliable operating system. The Train 2 DAF allows us to process solids for the entire Train 2 side of the plant. The capacity of this side of the plant has the treatment capacity of 20 MGD and this process allows us to maintain out BOD, TSS, and Ammonia levels, we could potentially violate our NPDES permit with the loss of BOD, TSS, and Ammonia.

<u>May 13, 2016</u> Date	 Department Head	<u>5.16.2016</u> Date
	 Assistant City Manager	<u>5-16-16</u> Date
	 Purchasing Agent	<u>5/16/16</u> Date
	 CFO or Authorized Designee	<u>5/16/2016</u> Date

- Notes: (1) Enter description of goods or services to be procured.
(2) Enter name of emergency contractor.
(3) Enter the determination and basis for emergency procurement

REV. 4/1/2015

This agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become a binding agreement when one or more counterparts have been signed by and delivered to each of the parties. Such delivery may occur by facsimile or email/pdf and any counterparts exchanged in this manner shall be considered originals.

05-18-2016 4:11:05

05-18-2016 11:11:14

POSTED



4030 Yancey Road, Charlotte, NC 28217
P.O. Box 33758, Charlotte, NC 28233
PHONE 704.969.2484 FAX 704.969.2480

WWW.CITI-LLC.COM

May 12, 2016

Mr. Curtis Teets
Metro WWTP Instrumentation, Controls and Electrical Technician
1200 Simmon Tree Lane
Columbia, SC 29201
Phone: (803) 545-0209

Re: City of Columbia - Metro WWTP Train 2 DAF PLC Panel Modifications

Dear Mr. Teets:

In the course of our PLC and SCADA service activities, we have identified an area within the plant that needs to be promptly addressed. The Metro WWTP operations personnel have been experiencing recurring shutdowns of the Train 2 DAF facility control system that is controlled by an obsolete Allen Bradley PLC 5 Programmable Logic Controller. We have to reboot the controller regularly to keep the facility in operation, and when replacement components are needed, they must be purchased from third party sources such as EBay or, at great expense, as remanufactured modules from Allen Bradley.

Thanks to our familiarity with your facility and the control products used there, we have developed an economical solution to address the problem, prior to the end of this fiscal year, in a manner that will have minimal impact on plant operations. The solution has been itemized in our proposal number C16143 that we provided to you earlier this month.

It is our recommendation that this work be performed promptly to prevent a hardware failure with significant impact on plant operations. As stated in our proposal, we can begin implementation immediately upon your approval, and will coordinate a meeting with you and Metro operations management to plan the conversion.

We thank you for your business and trust in CITI, LLC. We look forward to helping you with this important project.

Regards,

CITI, LLC

Marco Varela
President



CITI PROPOSAL C16143R1

May 12, 2016

Mr. Curtis Teets
 Metro WWTP Instrumentation, Controls and Electrical Technician
 1200 Simmon Tree Lane
 Columbia, SC 29201
 Phone: (803) 545-0209

Re: City of Columbia - Metro WWTP Train 2 DAF PLC Panel Modifications

Dear Mr. Teets:

Thank you for the opportunity to present this proposal. The following tables show a detailed description of the materials and services we offer to furnish.

CITI Scope Summary

Materials	
Qty	Description
1	Lot of materials to convert existing PLC5 family hardware to ControlLogix platform using conversion kits in the Train 2 DAF PLC Panel (PLC-25000) including the following major components: <ul style="list-style-type: none"> - Two racks; - Two power supplies; - One processor; - Two Ethernet communications; - IO modules to accommodate existing signals.

Services	
Qty	Description
1	Submittal for panel modifications in this scope
1	Control panel field modifications to install new hardware
1	PLC application software conversion to match existing control strategy
1	SCADA modifications
1	Generation of control panel drawings
1	Control strategy startup and demonstration testing
1	Operator training session
1	Generation of digital O&M manuals



CITI Price Summary

<i>Total Price for scope of materials =</i>	\$48,713 excluding taxes
<i>Total Price for scope of services =</i>	\$43,160

CITI Clarifications:

1. The scope of this proposal excludes all of the following:
 - PLC redundancy hardware;
 - Operator interface hardware or software programming;
 - Networking hardware;
 - Software licenses or upgrades;
 - Generation of new SCADA graphics;
 - Onsite supervision of equipment installation;
 - Field wiring terminations of power and control wiring at panels, field instruments, and process components;
 - Equipment mounting stands, sensor supports, sunshades, support hardware, etc;
 - Spare parts and tools;
 - Materials not specifically listed in our scope;
 - Field wiring materials;
 - Field process component startup for items supplied by others;
 - Installation of panels and field process components/instruments, field wiring and network cabling.
2. PLC hardware will be upgraded using conversion kits that allow using the wiring arms in the PLC 5 system with the ControlLogix platform IO modules. This should eliminate the need to perform IO checkout and de-terminate and re-terminate signals to new modules.
3. A separate rack will not be provided for the PLC CPU. Only the two remote IO racks will be converted. PLC CPU will be installed in one of the two new IO racks.
4. All field wiring terminations at panels and field instrumentation must be furnished by others. After completion of terminations we will perform startup for the hardware that we supply. We will need for you to have a qualified person present during this testing to assist in verifying that each external connection to the equipment is correctly wired and to assist during the verification of the control loops.
5. We will retain all rights to Intellectual Property developed under this project and will grant you non-transferable rights to its use and modification.
6. No auxiliary devices and materials are included in our scope unless listed above.
7. Materials will be released for manufacture and shipment to the job site upon receipt of the approved submittal and your authorization. After your authorization to release, you must accept deliveries when equipment is available. Materials can be delivered within 6-8 weeks after approval of the submittal.
8. All materials are warranted for 18 months after delivery, 12 months after completion of their respective acceptance testing, or 12 months after the original project completion date, whichever occurs first.
9. Our insurance coverage is: general liability - \$1,000,000/\$2,000,000; auto liability - \$1,000,000; excess liability - \$1,000,000; and workers compensation - \$500,000. If any

CITI, LLC CONDITIONS OF SALE

1. **GENERAL:** Sales by CITI, LLC, (herein CITI) are made solely under the conditions expressly set forth herein. Any proposed changes or exceptions to these conditions, or additional terms and conditions, included or referenced in Purchaser's order or acceptance of this offer, are hereby rejected by CITI, and shall be of no force or effect upon CITI unless expressly accepted in writing by CITI.

This Contract shall bind and inure to the benefit of Purchaser and CITI, as well as their respective successors and assigns; however, neither party may assign this Contract without prior written consent of the other.

Neither party shall be deemed to have waived its rights by failing to enforce any particular provision of this Contract.

If a court invalidates any portion of this Contract, the rest of this Contract shall remain valid and be construed as if not containing the invalidated provision.

North Carolina law shall govern the rights and obligations of the parties.

2. **CREDIT APPROVAL:** If at any time information available on Purchaser's financial condition or credit history, in CITI's judgment, does not justify the terms of payment specified herein, CITI may require full or partial payment in advance, or an acceptable form of payment guarantee such as a bank letter of credit, or other modifications to the terms of payment.

3. **PROPRIETARY INFORMATION:** All information, data, drawings, instruction and operation manuals furnished by CITI with this Contract are proprietary to CITI, submitted in strict confidence, and are to be used by Purchaser solely for the purposes of this Contract, and shall not be reproduced, transmitted, disclosed or used in any other manner without CITI's written authorization.

4. **RISK OF LOSS:** Risk of loss or damage to the Products, or any part thereof, shall pass to Purchaser at the f.o.b. ship point stated herein.

5. **EXCUSABLE DELAY:** CITI shall not be liable for failure to perform or for delay in performance due to fire, flood, or any other act of God; strike or other labor difficulty, including the bankruptcy of any suppliers to CITI, act of any civil or military authority or of Purchaser; riot; embargo; delay in or shortage of transportation facilities; or any other delay beyond CITI's reasonable control. In the event CITI's performance is delayed by any such cause, CITI's schedule for performance shall be extended accordingly. If Purchaser's actions delay CITI's performance, Purchaser shall pay CITI any additional costs incurred by CITI resulting from such delay. If Purchaser delays shipment of Products, or any part thereof, in addition to paying CITI for additional costs incurred, Purchaser shall also pay for the Products or the parts on the date CITI is prepared to make shipment.

6. **TAXES AND LICENSES:** The Purchase Price does not include any licenses or State or local taxes of any kind applicable to the sale, use or delivery of the Products or services covered under this Contract. Purchaser shall pay direct or reimburse CITI for any such license fees or taxes that CITI or CITI's subcontractors or suppliers are required to pay.

7. **INSPECTION BY PURCHASER:** Purchaser may inspect the Products at Purchaser's expense at the point of manufacture, provided that such inspection is arranged and conducted so as not to unreasonably interfere with CITI's or the manufacturer's operations. Purchaser's inspection of the Products and release for shipment shall constitute Purchaser's acceptance of the Products as conforming to the requirements of this Contract.

8. **WARRANTY:** CITI warrants the Products from defects in material and workmanship for a period of one (1) year from date the Products are initially placed in operation, or eighteen (18) months from date the Products are shipped, whichever occurs first, provided that the Products are stored, installed, maintained and operated in accordance to the manufacturers recommendations and are protected from harm or damage including but not limited to fire, water, physical damage, exposure to inclement weather, extreme temperatures, and not subjected to misuse, neglect or accident. Upon prompt written notice of and determination that such defect is covered under the foregoing warranty, CITI's responsibility is limited to correction of the defect by, at CITI's option, repair or replacement of the defective part or parts, f.o.b. factory. CITI will not accept responsibility for incidental or consequential damages. Unless stated elsewhere herein, CITI provides no warranty of product performance or process results. The foregoing warranties are

exclusive and in lieu of all other warranties of any kind, including any implied warranty of merchantability or fitness for a particular purpose.

Any products repaired or replaced under this warranty will be warranted for the remainder of the original warranty period. CITI shall have no responsibility for the condition of primed or finish painted surfaces after the Products leave their point of manufacture.

Field touch-up of shop primed or painted surfaces is normal and shall be at Purchaser's expense. Any touch-up or repainting required to shop primed or painted surfaces, for reasons other than improper or incorrect application in the shop, shall be Purchaser's responsibility.

Purchaser shall be responsible for unpacking and inspecting all shipped Products and noting any damage on the shipper's bill of lading. Any damage must be reported to CITI within 48 hours of receipt of shipment by Purchaser.

9. **PAYMENT TERMS:** CITI's payment terms are Net 30 days from date of CITI invoice. If Purchaser is late in paying the Purchase Price or any partial payment due under this Contract, or otherwise breaches this Contract, CITI shall be entitled to interest at 1½% per month on the overdue amount, and on its damages, calculated from the date of default in payment or other breach, plus court costs, reasonable attorneys' fees and other expenses incurred in any effort to collect.

No retainage on the equipment, products, services, or any part thereof, is allowed unless prior approval by CITI. Retainage must be released upon acceptance by the Purchaser, beneficial usage or within 180 days after delivery, whichever occurs first.

10. **BACKCHARGES:** CITI shall not be liable for any charges incurred by Purchaser for work, repairs, replacements or alterations to the Products, without CITI's prior written authorization, and any adverse consequences resulting from such unauthorized work shall be Purchaser's full responsibility.

11. **LIMITATION OF LIABILITY:** CITI shall not be liable to purchaser for any special, indirect, incidental or consequential damages arising from CITI's obligations under this contract, whether such damages are based upon breach of contract, breach of warranty, tort, strict liability or otherwise. In any event, CITI's liability to purchaser shall not exceed the purchase price of the products or parts of the products on which such liability is based.

12. **CANCELLATION BY PURCHASER:** If Purchaser cancels this Contract or refuses to accept delivery of the Products, Purchaser shall be liable to CITI for reasonable cancellation charges, including loss of anticipated profits, administrative costs, commissions to sales representatives, costs incurred by CITI for all work performed or in process up to the time of cancellation or refusal to accept delivery, cancellation charges from CITI's suppliers or subcontractors, and any other expenses incurred by CITI in connection with Purchaser's cancellation or refusal to accept delivery.

13. **DEFAULT BY PURCHASER:** Without incurring any liability or waiving any claim for damages CITI may have against Purchaser, CITI may refuse to make or delay making delivery, and/or withhold any service, and/or ship C.O.D., and/or apply payments to open balances at CITI discretion, if:

(a) Purchaser breaches this or any contract with CITI, or; (b) CITI fails to receive payment within 30 days from date of invoice, or; (c) CITI becomes aware of facts which, in its judgment, render Purchaser's financial condition unsatisfactory or cast doubt on Purchaser's willingness or ability to pay for the Products and/or services, or; (d) Purchaser engages in or consents to liquidation, commission of any act of insolvency, appointment of a receiver of assets or assignment for the benefit of creditors, or if Purchaser becomes the subject of any bankruptcy or insolvency proceeding.

Rev 4/26/13



- additional coverage or endorsements are required, the charges for additions to our policy will be charged to you as an extra expense at actual cost times a multiplier of 1.1.
10. The purchase order for our scope of supply is subject to the attached CITI, LLC "Conditions of Sale". Shipping is FOB factory, freight cost allowed. No taxes are included in our price. Payment terms for this project are net 30 days after the date of each progress invoice. Materials that are delivered or approved for storage in our facility will be billed complete at time of delivery/storage. Services will be billed on a percentage completed.
 11. This proposal is valid for 30 days.

We appreciate this opportunity and look forward to working with you on this and future projects. Please do not hesitate to contact me if you have any questions.

Sincerely,

CITI, LLC

Mario Gonzalez

Attachment: CITI, LLC Conditions of Sale