



Rochelle Municipal Utilities
Rochelle, IL

Engineering Services for
Peaker Plant Rebuild Supervision

Submitted by:
BHM Engineers, Inc.

March 15, 2021





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Mr. Adam Lanning
Rochelle Municipal Utilities
700 West Second Avenue
PO Box 456
Rochelle, IL 61068

Ref: Proposal for Professional Engineering Services
Peaker Plant Rebuild Proposal

Dear Mr. Lanning,

Thank you for coming to BHMGM for assistance with the supervision of the Peaker Plant generation rebuild process. Our long history with these types of generators will allow us to provide technical and administrative support during this process.

BHMGM will act as the owner's representative and manage and inspect the process of the manufacturer rebuilding the Peaker plant generator.

BHMGM appreciates this opportunity to provide Rochelle with these services. Should any questions arise, please contact me at your convenience.

With regards,
BHMGM Engineers

A handwritten signature in black ink, appearing to read "Jason F. Jackson". The signature is fluid and cursive, written over a light gray rectangular background.

Jason F. Jackson, P.E.
Project Manager

MEMORANDUM OF AGREEMENT

PROJECT DATA

Date: 03/15/2021

Project Name: Rochelle Peaker Plant Rebuild Supervision

Owner's Project Number: _____

BHMG Project Number: 2155

Description of Service: Provide Professional Engineering Services to assist and provide technical support as the owners representative the Peaker Plant Generator Repair.

AGREEMENT DATA

Name: Rochelle Municipal Utilities

Address: 700 West Second Avenue

City: Rochelle, IL 61068

Contacts: Mr. Adam Lanning

Phone: (815) 561-2065

Status: Estimate
 Quotation
 Revision to Original

Fee Basis: Cost Multiplier
 Lump Sum
 Not to Exceed

Dates: Start Upon Authorization

Complete _____

The effective date of this agreement and all services and obligations shall be the date of this agreement. The terms and conditions under which we are providing these services are set out on the reverse side of this page and incorporated herein by reference.

BILLING DATA

Monthly 30 days net
 Other (explain)

The above is intended as a summary of our agreement for the performance of the work described. Please examine it carefully and, if accurate, indicate your approval and acceptance in the space provided below.

BHMG Engineers, Inc.

By: 
Jason F. Jackson, Project Manager

ACCEPTED

The undersigned hereby states that they represent the owner(s) of the above-described project and that the terms and conditions stated above are understood by them and herewith agreed to and accepted. You are hereby authorized and directed to proceed with the work outlined above.

Date _____

Signature: _____

(Print Name & Title)

Exhibit A – Peaker Plant Rebuild Supervision

This Exhibit is attached to and made part of the Memorandum of Agreement dated _____, 2021 between the Rochelle Municipal Utilities, Rochelle, Illinois (Owner) and BHMG Engineers, Inc. (Engineer or BHMG) providing for professional services.

Description of the Project:

The Rochelle Municipal Utilities has elected to proceed with the rebuild of the failed Peaker Plant Generator. BHMG will act as the owners representative and subject matter expert to assist in the supervision of the process.

Scope of Professional Services:

Preliminary Phase:

- Attend kickoff meetings and assist with any contract development.

Equipment Selection & Specifications:

- Provide technical review and assistance with the equipment approval review process.

Construction Phase:

- Construction services:
 - Attend pre-construction meeting with the contractor and client staff.
 - Review and respond to any technical issues identified during construction.
 - Provide onsite visits to resolve any technical issues that cannot be addressed by phone conversation.
 - Provide onsite inspection of the construction.
 - If necessary, review change order requests.

Owner Participation:

The Owner is requested to assist the Engineer by placing at his/her disposal all available information pertinent to the project, and other data which may be useful to the Engineer in the course of the work.

The Owner is requested to designate a person or persons to act as the Owner's representative with respect to the work to be performed under this agreement; and such person or persons should have the authority to transmit instructions, receive information, interpret and define the Owner's policies and decisions pertinent to the work covered by this agreement.

Engineer's Compensation:

Compensation for the engineering services provided in accordance with this agreement shall be a not to exceed amount of following, which will be billed as time and expenses as they are incurred, and the project can be suspended at any time:

- **Total:** **\$25,000.00**

BHMG will submit for payment based on monthly progress of work.

Additional Services of Engineer:

At the request of the Owner, the Engineer can provide additional services, either directly or through its affiliates, at regular hourly rates for such work plus out of pocket expenses. Such work may include items not otherwise provided for by this agreement.

TERMS AND CONDITIONS
BHMG Engineers, Inc.

To assure an understanding of matters related to our mutual responsibilities, these terms and conditions for services are made a part of this agreement for our services:

AMENDMENTS

This agreement may be amended in writing providing both the Owner and Company agree to such modifications.

COMPENSATION FOR SERVICES

The basis for compensation will be as identified in the agreement.

When "Lump Sum" payment is utilized, it shall include all labor and expenses (for the scope of work as defined in the agreement) incurred by the Company and shall not exceed the fixed payment amount without prior authorization of the Owner.

When a "Payroll Costs" payment is utilized it shall be computed by a multiplier factor times payroll cost plus reimbursable expenses.

The "Payroll Costs" means the salaries and wages paid to all personnel engaged directly on the work plus the cost of customary and statutory benefits including social security contributions, unemployment, health, sick leave, vacation, workman's compensation, incentive and holiday pay applicable thereto.

"Reimbursable Expenses" means the actual expenses incurred directly or indirectly in connection with the work including but not limited to the following: Transportation and subsistence, toll telephone calls, telegrams, reproduction or printing, computer time and outside consultants.

The "Multiplier" is a factor for general direct overhead, indirect costs, profit and other costs. The Multiplier factor rate shall be identified in the agreement.

TIME OF PAYMENT

The Company may submit monthly statements for services and expenses based upon the proportion of the actual work completed at the time of billing. Unless provided for otherwise, payments for engineering services will be due and payable thirty (30) calendar days from the issuance of the Company's statement.

LATE PAYMENT

If the Owner fails to make any payment due the Company for services and expenses within the time period specified, a service charge of 1-1/2% per month will be added to the Owners account. This is an annual rate of 18%.

LIMITATION OF LIABILITY

The Owner agrees to limit the Company's liability to the Owner and to all construction contractors and subcontractors where applicable, on this work, for damages to them, due to the Company's negligent acts, errors or omissions, such that the total aggregate liability of the Company to all those named shall not exceed \$50,000 or the Company's total fee for services rendered on this work, whichever is greater.

TERMINATION

This agreement may be terminated by either party upon written notice. Any termination shall only be for good cause such as for legal, unavailability of adequate financing or major changes in the work. In the event of any termination the Company will be paid for all services and expenses rendered to the date of termination on a basis of payroll cost times a multiplier of 2.5 (if not previously provided for) plus reimbursable expenses.

REUSE OF DOCUMENTS

All documents including drawings and specifications furnished by Company pursuant to this Agreement are instruments of his services in respect of the work. They are not intended or represented to be suitable for reuse by Owner or others on extensions of this work, or on any other work. Any reuse without specific written verification or adaptation by Company will be at Owner's sole risk, and without liability of Company, and Owner shall indemnify and hold harmless Company from all claims, damages, losses and expenses including attorneys fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Company to further compensation at rates to be agreed upon by Owner and Company.

ESTIMATES OF COST

Since the Company has no control over the cost of labor, materials or equipment or over a Contractor(s) method of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Costs that may be provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but Company cannot and does not guarantee that proposals, bids or the construction cost will not vary from opinions of probable cost prepared by him. If the Owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.