

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION WAIVING FORMAL BIDDING REQUIREMENTS AND AUTHORIZING PAYMENT TO VOITH HYDRO, INC. FOR THE PURCHASE OF THE REPLACEMENT AND INSTALLATION OF UPGRADES TO THE GOVERNOR SYSTEM OF THE MURRAY HYDROELECTRIC PLANT; AND FOR OTHER PURPOSES.**

WHEREAS, Ark. Code Ann. 14-58-303 requires City purchases exceeding the amount of \$35,000 to follow statutory procedures of local advertisement and opening of sealed bids which may only be waived in exceptional situations where bidding is deemed not feasible or practical; and

WHEREAS, the Murray Hydroelectric Plant (“Hydro Plant”) currently has a governor system that uses equipment that has become difficult to replace and software that is no longer supported; and

WHEREAS, the system is used to maintain the speed and output power of the plant, and must be replaced to keep the facility in working condition; and

WHEREAS, Voith Hydro, Inc., 760 East Berlin Road, York, Pennsylvania 17408, is the original equipment manufacturer and is familiar with the Hydro Plant facility; and

WHEREAS, the Hydro Plant expects the design and acquisition of the new equipment to take nine (9) months (see proposal attached hereto as Exhibit A), and has requested that the City waive bids to begin the project as soon as possible; and

WHEREAS, it is in the best interests of the City and its residents to waive bidding requirements and approve the replacement of the Hydro Plant’s system.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:**

SECTION 1: That formal bidding is hereby waived in connection with the purchase of the replacement and installation of the governor system for the Hydro Plant.

SECTION 2: That One Hundred Forty Two Thousand Four Hundred Thirty Eight and 00/100 Dollars (\$142,438.00) of the cost shall be paid from the 2023 Electric Department budget. Five Hundred Fifty Thousand and 00/100 (\$550,000.00) shall be included in the 2024 Electric Department budget for completion of this project.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

\_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Mayor Terry C. Hartwick

SPONSOR:

Terry C. Hartwick  
Mayor Terry C. Hartwick *ZAT*

ATTEST:

\_\_\_\_\_  
Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields  
Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kt

FILED	<u>11:00</u>	A.M.	_____	P.M.
By	<u>A. Fields</u>			
DATE	<u>9-19-23</u>			
<b>Diane Whitbey, City Clerk and Collector</b>				
<b>North Little Rock, Arkansas</b>				
RECEIVED BY	<u>S. Ussery</u>			



August 17, 2023

City of North Little Rock  
Murray Hydroelectric Lock and Dam  
120 Main Street-72114  
North Little Rock-United States

Attention: Jackie Halsey

Subject: Proposal [VH-00863551-1](#)  
PLC 5 Unit Control Modernization Project

Dear Mr. Halsey,

Voith Hydro, Inc. is pleased to submit the enclosed Proposal to Murray Hydroelectric Lock and Dam for upgrade of Units 1 and 2 existing PLC 5 to the latest hardware supported by Voith.

With this upgrade, the latest Voith software will be incorporated and includes several advancements in control technology such as diagnostics, testing, and software adjustments and modifications. With these improvements along with reducing commissioning and installation time at site, Voith believes that it will ease the path for other projects for you with the same hardware resulting in substantial future savings.

We appreciate the confidence you have placed in Voith over the years, and we look forward to exceeding your expectations with this opportunity.

Sincerely,

**Sanjay Goel**  
Digitally signed by Sanjay  
Goel  
Date: 2023.08.18  
10:20:32-04'00'

**Sanjay Goel**

Manager of Service, Digital & Automation  
Voith Hydro, Inc.  
(469) 401-8462

**Huff, Jeffrey  
Francis**  
Digitally signed by  
Huff, Jeffrey Francis  
Date: 2023.08.18  
10:22:18-04'00'

**Jeffrey F. Huff**

Senior Service Manager  
Voith Hydro, Inc.  
(717) 792-7505

## 1 Scope of Supply

The purpose of this document is to describe and propose the known scope requirements for the modernization upgrade for combined Governor and Unit PLC.

This document describes the equipment supply scope as Voith currently understands City of North Little Rock needs. A control upgrade project would be implemented.

### 1.1 Base Scope

- U1 and U2 will get a new combined Voith Governor and Unit Control system which includes an AB CompactLogix PLC processor.
- Existing unit control panels will be largely retained but obsolete equipment will be replaced according to what is listed in this proposal. Replacement/new equipment will be supplied to upgrade select panel components. Example: new dual power supply system with surge suppressors.
- Using the Voith Standard I/O design as a baseline (separation of different voltage levels), Voith designers will assign the I/O points to the specific PLC I/O channels (within the bounds of the supplied equipment).
- The existing PanelView Plus HMI will be updated with Voith's latest software to work with the new VGC PLC software. The new PLC will communicate via ethernet with the PanelView Plus HMI. The module that converts the current RIO signal to ethernet will be deleted.
- The existing A-B SLC500 and its HMI in the control room will be discarded, and its functions and I/O points will be added to each of the units' new remote I/O.
- A new HMI ME Station will replace the existing monitoring computer in the control room. This will allow **control** and monitoring of both units from the control station.
- New or revised drawings will be done in AutoCAD format per Voith standards. Existing customer PDF drawing files will be redlined or obsoleted. They will not be made into AutoCAD files. Submittals will be in pdf or tiff.
- Voith will make a design trip to site to review proposed designs and installation and clarify open issues.
- Not included is the cost for the remote SCADA interface hardware and design. It is Voith's understanding that the Scada system is no longer used.

- Supply of new upgraded gate and blade HPU pilot manifolds for each unit.
- Supply of new HPU control oil filter with clogging indication each unit.
- Voith has included the supply of new PLC components as outlined above to be installed by the City of North Little Rock

## 1.2 Optional Scope

### Unit Start/Stop Sequence Control Hardwire Conversion Option:

Removal/Replacement of existing hardwire, timers and relays in Unit Start/Stop Sequence Control with new remote I/O. The unit benchboard Annunciator and Sequence light box will be deleted.

Devices will be wired directly to new remote I/O input & output points:

#### Benefits

- Reduce failure points.
- Simplify wiring to just I/O points and their field devices.
- Dramatically reduce downtime by shortening troubleshooting times.
- Added alarm points will increase diagnostics capabilities.

## 1.3 Engineering Deliverables

Voith to provide or revise the following documents:

- Updating I/O and Alarm list (1 set of drawings for both units)
- Updating Schematic drawing of Unit and Governor Control
- Governor Panel arrangement drawing (1 set of drawing for both units)
- Redline existing customer unit control drawings
- Operation Maintenance Manual

## 2 Clarifications and Exclusions

- Customer to provide the latest copies of the backup along with any changes that needs be done in the new upgraded software.
- Voith will make a design trip to site to review proposed designs and installation before a final bill of material is supplied.
- Unless otherwise noted in the specification document materials and painting (if applicable) will be as per manufacturer standard.
- Loop drawings are not included.
- Seismic verification and seismic calculations are not included.
- Non-hazardous area classification shall apply.
- Commissioning and Installation schedule is assumed to be 6 days per week 10 hours per day.
- PE stamping of equipment or design drawing is not included.
- Customer to provide crane support as needed.
- All LOTO, Dewatering, material abatement and disposal will be the customers responsibility.
- Anything not explicitly stated in the scope of work should be assumed not included.

## 3 Price:

ITEM	COMPONENTS	PRICE
1	Base Scope: Unit's 1 & 2 VGC PLC 5 Controls Modernization replacement, including the obsolete SLC500 controller. Supply of new upgraded HPU Manifolds each unit. (Two manifolds per unit gate and blade)	\$ 383,651
2	Commissioning of option 1 new equipment (estimated 4-6 days 1st unit, 3-4 days 2 <sup>nd</sup> unit)	T&M (~ \$ 60,031)
3	Optional Scope: Unit Start/Stop Sequence Control Hardwire Conversion Option (Removal/Replacement of hardwire and relay Start/Stop Sequence Control with remote I/O)	\$ 110,848
4	Commissioning of optional items in the same visit as main items (additional 1-2 days per unit without travel)	T&M (~ \$ 15,222)

## 4 Taxes:

- None included.

## 5 Schedule and Terms of Delivery:

- INCOTERMS 2010 – DAP (Shipping included in price)
- 9 months from the date of award for equipment supply to site (Depending on the material availability)

## 6 Terms of Payment:

- 25% at issue of PO to Voith
- 25% completion of engineering deliverables
- 25% upon receipt of hardware and system components at site
- 25% after completion commissioning activities
- Net 30 days.
- If at any time in VH's judgment Purchaser may be or may become unable or unwilling to meet the terms specified, VH may require satisfactory assurances or full or partial payment as a condition to commencing or continuing manufacture or making shipment; and may, if shipment has been made, recover the product(s) from the carrier, pending receipt of such assurances.
- If at any time in VH's judgment Purchaser may be or may become unable or unwilling to meet the terms specified, VH may require satisfactory assurances or full or partial payment as a condition to commencing or continuing manufacture or making shipment; and may, if shipment has been made, recover the product(s) from the carrier, pending receipt of such assurances.

## 7 Other Terms:

- This offer is valid for 30 days from the date of the offer.
- This document and any other documents specially referred to as being a part hereof, constitute the entire contract on the subject matter, and it shall not be modified except in writing signed by both parties.
- Notwithstanding anything else to the contrary herein, Voith's ability to perform may be impacted or delayed by the COVID-19 pandemic and Voith shall not be responsible for such impacts or delays. We hereby expressly reserve the right to make adjustments as necessary, such as to schedule and price.
- Notwithstanding anything else to the contrary herein, Voith's ability to procure portions of the goods and otherwise perform the work hereunder may be impacted or delayed by the current and future supply shortages, unpredictable price changes and shipping uncertainties, and Voith shall not be responsible for such impacts or delays. Voith hereby expressly reserves the right to adjust as necessary, such as to schedule and price.
- THIS CONTRACT INCLUDES THE GENERAL PROVISIONS ENCLOSED HEREIN.

## Standard Terms and Conditions for Mixed Services and Goods

**LIMITED WARRANTY:** VH warrants that any services provided under the Order are performed in a professional and workmanlike manner and that any goods provided under the Order are free from material defects in materials and workmanship. Such services warranty lasts for 3 months after performance of the services. Such goods warranty lasts for the earlier of 12 months from the first date of operation of the goods or 18 months from the date of shipment of the goods. If any goods or services ("Work") fail to conform to the above warranties, VH shall, at its option, reperform that portion of the services, or repair or replace the goods, which failed to conform to the warranty, or adjust the purchase price. Such reperformance, repair, replacement, or price adjustment shall be VH's sole obligation and Purchaser's exclusive remedy for nonconforming Work and shall be conditioned upon VH's receipt of written notice of any nonconformity within 10 days after Purchaser noticed or should have noticed the nonconformity. Purchaser is responsible for all costs for removal and reinstallation in connection with the foregoing remedies. **THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND VH EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. VH MAKES NO PERFORMANCE GUARANTEES.**

**DELAYS:** VH shall not be in breach of contract or liable for any damages or losses as a result of any delay or failure to perform due to any act of God, war, embargo, rebellion, terrorism, strike, or any cause beyond VH's reasonable control (a "force majeure event"). If any force majeure event delays VH's performance under the Order for more than 30 consecutive days or 90 days in the aggregate, either party may cancel the Order without liability to the other.

If VH fails to complete or deliver any Work by any guaranteed date (provided that, in the event a Substantial Completion Date is established for the Work, by the Substantial Completion Date only (and not by any earlier milestone dates) and each unit shall be subject to liquidated damages based on one date only) for reasons solely within VH's control, then VH shall pay to Purchaser, as liquidated damages and not as a penalty, 0.5% of the price payable under the Order for each week of such delayed Work beyond such guaranteed date or Substantial Completion Date; provided, however, that in no event (a) shall an unexcused delay in Work not substantially necessary for start-up of Purchaser equipment give rise to liquidated damages, nor (b) shall such liquidated damages exceed 5% of the price payable under the Order for such delayed Work. Purchaser and VH agree that in light of the difficulty in ascertaining the actual damages arising from an unexcused delay, the above liquidated damages constitute a fair and adequate remedy for Purchaser, and shall be Purchaser's sole and exclusive remedy for such delay. Purchaser may

not terminate or cancel the Order for any delay unless and until the liquidated damages cap set forth above is reached and VH has failed to continue efforts to diligently complete the Work.

**General Indemnification:** Any indemnity by VH shall be limited to claims against Purchaser from third parties for bodily injury, wrongful death, or property damage and only to the extent caused by the negligence or intentional misconduct of VH or those in VH's control. In no event shall VH be liable to Purchaser or any third party for the fault, intentional misconduct, negligence, or acts or omissions of Purchaser or any third party. VH shall have the exclusive control of the defense of any claim covered by the above indemnity, including but not limited to settlement negotiations. Purchaser shall provide VH with prompt written notice of any such litigation or claim.

**NO INTELLECTUAL PROPERTY RIGHTS:** VH does not transfer any intellectual property rights to Purchaser under the Order (nor grant Purchaser any right to use any intellectual property other than for purposes expressly agreed to by VH), and any and all proprietary and intellectual property provided or disclosed to Purchaser by VH shall be treated by Purchaser as confidential.

**TERMINATION FEE:** If Purchaser terminates the Order for convenience, Purchaser shall be liable to VH for any and all costs incurred and the value of all work performed by VH up to the point of termination including work in progress, third party cancellation fees, any direct costs, overhead, loss of profit, administrative fees, and any other costs and damages available to VH under applicable law.

**LIMITATIONS OF LIABILITY:** **VH'S LIABILITY FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THIS ORDER, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM THE DESIGN, DEVELOPMENT, MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR, OR USE OF ANY GOODS COVERED BY OR FURNISHED UNDER THIS ORDER SHALL IN NO CASE EXCEED THE ORDER PRICE ALLOCABLE TO THE GOODS, OR PART THEREOF, OR SERVICE WHICH GIVES RISE TO THE CLAIM. NOTWITHSTANDING ANYTHING IN THIS ORDER TO THE CONTRARY, VH WILL NOT BE LIABLE FOR ANY SPECIAL DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES, OR LOSS OF USE OF ANY PROPERTY OR CAPITAL OF PURCHASER OR ANY THIRD PARTY, EVEN IF THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED TO VH IN ADVANCE OR COULD HAVE BEEN REASONABLY FORESEEN BY VH. THESE EXCLUSIONS OF TYPES OF DAMAGES AND LIMITATION ON THE AMOUNT OF DAMAGES SHALL APPLY REGARDLESS OF THE THEORY OF LIABILITY, WHETHER BASED ON**



# VOITH

**CONTRACT, INDEMNITY, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY. THESE EXCLUSIONS OF DAMAGES SHALL BE DEEMED INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THE TERMS OF THE ORDER.**