

MEMORANDUM

TO: MAYOR AND CITY COMMISSION
FROM: CITY ATTORNEY'S OFFICE
DATE: August 6, 2018
RE: **Customer Support Agreement with Siemens Energy, Inc. for McIntosh Unit 5 Digital Control System**

Attached hereto for your consideration is a Customer Support Agreement (CSA) with Siemens Energy, Inc (Siemens) for the Siemens T3000 control system at McIntosh Unit 5. Modern day control systems are complex and include control system architecture comprised of multiple operating systems, network switches, routers, firewalls, database servers, network servers, web-servers and client workstations. Due to the complexity of this system, Lakeland Electric's Control's Group frequently utilizes Siemens hotline technical support. Siemens hotline technical support is vital to maintain plant reliability and operability of Unit 5.

The City's Purchasing Department has approved Siemens as a sole source vendor for purchase of this technical support since Siemens is the original equipment manufacturer of the T3000 control system and the only qualified source for this type of service. This CSA will replace the City's previous Long Term Service Plan approved by the City Commission in 2013, which will expire on September 30, 2018. The proposed CSA will enable Lakeland Electric to have unlimited 24-hr/day phone support, replacement/repair coverage of control system components and malware protection management services.

Upon approval by the City Commission, the term of the CSA will commence on October 1, 2018 and continue through September 30, 2023, with an annual cost of \$138,356. The CSA will be governed by Siemens Proposal dated July 26, 2018 and Siemens Selling Policy 1270 for Instrumentation and Electrical dated August 8, 2013. The total cost of the CSA is \$691,780 and is included in Lakeland Electric's FY19 budget.

It is recommended that the appropriate City officials be authorized to approve this Customer Support Agreement with Siemens.

attachment



City of Lakeland, on behalf of its municipal utility, Lakeland Electric

CD McIntosh Station

Customer Support Agreement (CSA)

Firm Proposal Reference 20180606 02MB Rev 2

Proposal Date: July 26, 2018

The Siemens logo, featuring the word "SIEMENS" in a bold, white, sans-serif font, set against a dark blue background.





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www.siemens.com/energy

Customer Support Agreement Offer

Siemens Energy, Inc. is pleased to present this Customer Support Agreement (CSA) offer. The intent of this CSA is to bundle services that compliment your specific operations and maintenance needs. The details of this offer are summarized below and more general information on CSAs is attached to the end of this offer.

If you have any questions regarding this offer or the CSA, please contact your Service Sales Specialist.

Agreement Duration

<u>Number of Years</u>	<u>Start Date</u>	<u>End Date</u>
5	10/1/2018	9/30/2023

Pricing

1. Price for 5 year CSA: \$691,780.00

Scope Entitlements

See Table 1, Offered Entitlements, for the services specifically included in this offer. Unless otherwise specified, these entitlements are on a per-year basis.

Invoicing Schedule

Siemens shall invoice Buyer in accordance with the milestone payment schedule listed below:

<u>CSA Year</u>	<u>Invoice Date</u>	<u>Multi Year Price for Line Item 1</u>	<u>Start Date</u>	<u>End Date</u>
1	Upon receipt of PO	\$138,356.00	10/1/2018	9/30/2019
2	9/1/2019	\$138,356.00	10/1/2019	9/30/2020
3	9/1/2020	\$138,356.00	10/1/2020	9/30/2021
4	9/1/2021	\$138,356.00	10/1/2021	9/30/2022
5	9/1/2022	\$138,356.00	10/1/2022	9/30/2023



Payment

Payments are due in US Dollars, net forty-five (45) days from date of invoice.

Please address your questions regarding this offer to:

Siemens Energy, Inc.
Attn: Dale Baker
1345 Ridgeland Pkwy, Suite 116
Alpharetta, GA 30004
Email: Dale_Baker@siemens.com
Office: (678) 654-6139

Terms & Conditions of Sale:

The terms and conditions governing the Siemens Scope of Supply as described in this Proposal are set forth in the Selling Policy 1270 for Instrumentation and Electrical / Lakeland Electric. Where there is a contradiction in terms and this proposals, the terms of this proposal shall prevail.

IF THE SELLER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE SELLER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS: KEVIN COOK - DIRECTOR OF COMMUNICATIONS AT: PHONE: 863-834-6264, E-MAIL: KEVIN.COOK@LAKELANDGOV.NET, ADDRESS: ATTN: COMMUNICATIONS DEPARTMENT, 228 S. MASSACHUSETTS AVE., LAKELAND, FLORIDA 33801.

In accordance with Florida Statute §119.0701, the Seller shall keep and maintain public records required by the Purchaser in performance of services pursuant to the contract. Upon request from the Purchaser's custodian of public records, Seller shall provide the Purchaser with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided pursuant to Florida Statute Chapter 119 or as otherwise provided by law. Seller shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Seller does not transfer the records to the Purchaser. Seller shall, upon completion of the contract, transfer, at no cost, to the Purchaser all public records in possession of the Seller or keep and maintain public records required by the Purchaser to perform services pursuant to the contract. If the Seller transfers all public records to the Purchaser upon completion of the contract, the Seller shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Seller keeps and maintains public records upon completion of the contract, the Seller shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Purchaser, upon request from the Purchaser's custodian of public records, in a format that is compatible with the information technology systems of the Purchaser.



The firm offer extended herein is valid until 8/31/2018 unless extended, modified or withdrawn in writing by Siemens.

Although this offer has been compiled with utmost care, there may always be the possibility of inadvertent omissions. Please feel free to contact us in the event of any questions you may have.