

MEMORANDUM

TO: MAYOR AND CITY COMMISSION

FROM: CITY ATTORNEY'S OFFICE

DATE: July 20, 2020

RE: Change Order #1 and Task Order #1 with Power Cost, Inc. for Perpetual Software License and General Consulting Services

Attached hereto for your consideration is a proposed Change Order #1 and corresponding Task Order #1 to the Perpetual Software License and General Consulting Agreement between Power Cost, Inc. (PCI) and the City of Lakeland, together with the Orlando Utilities Commission (OUC) and the Florida Municipal Power Agency (FMPPA), collectively referred to as the Florida Municipal Power Pool (FMPP). In 2005, FMPP members jointly purchased GenTrader software from Power Costs, Inc. (PCI) under a Perpetual Software License and General Consulting Agreement for production cost modeling and economic forecasting of generation resources to meet load requirements. In 2017, the FMPP executed a new agreement to purchase hosted PCI software to be used by the power pool in computing hourly energy transactions and monthly allocations between its members.

Upon approval by the City Commission, Change Order #1 will add licenses, support and hosting for the PCI Asset Optimization Suite, comprising PCI GenPortal and Similar-Day Load Forecasting. The new software will consolidate applications, thereby eliminating the need for multiple software applications to interface with existing PCI software and various other software needed to automate data input/outputs for hourly transactions, energy scheduling and required transmission reservations. The new software will provide greater value to FMPP and the individual pool members. Change Order #1 will include the perpetual license for PCI GenPortal and extend the term for all support and hosting services to December 31, 2025.

Upon approval of Change Order #1 by the power pool members, a corresponding Task Order #1 will be issued for the configuration and deployment of PCI GenPortal, which is scheduled to begin in September 2020 and be completed by November 2021. The cost of Change Order #1 for the software licenses, support and hosting services through December 2025 is \$865,555. The cost of configuration and deployment associated with Task Order #1 is \$605,000. The total project cost is \$1,470,555, which will be split equally by the three (3) pool members. As such, the City's share of the total project cost is \$490,185. For budgeting purposes, the City's share for fiscal years 2020 and 2021 are \$18,000 (software licenses, support and hosting) and \$246,500 (configuration

and deployment). The proposed cost of the first two (2) years of software licenses, support and hosting, as well as the total cost of configuration and deployment associated with Task Order #1 is included in Lakeland Electric's FY-20 budget. Additional funding for software licenses, support and hosting in years 2022 through 2025 are \$79,750, \$47,685, \$48,639, and \$49,611 respectively, and will be subject to City Commission approval in subsequent budget years.

It is recommended that the City Commission approve Change Order #1 and Task Order #1 with PCI for software and consulting services and authorize the appropriate City officials to execute these documents on behalf of the City.

Attachments

Change Order No. 1

TO

**SOFTWARE LICENSE AND GENERAL
CONSULTING AGREEMENT**

Dated September 10, 2017

BETWEEN

Power Costs, Inc.

AND

**Orlando Utilities Commission & City of Lakeland and
Florida Municipal Power Agency (All-Requirements
Power Supply Project)**

This Change Order is entered into as of _____ (“Effective Date”) by and between Power Costs, Inc. (“Licensor”) and Florida Municipal Power Pool (“FMPP”) pursuant to the terms and provisions of the Perpetual Software License and General Consulting Agreement (the “Agreement”) dated September 10, 2017 between Power Costs, Inc. and Orlando Utilities Commission, City of Lakeland and Florida Municipal Power Agency (All-Requirements Power Supply Project). FMPP was created by interlocal agreement between Orlando Utilities Commission, City of Lakeland, and Florida Municipal Power Agency. For the purpose of this Change Order, FMPP is acting as agent for the three member systems.

The purpose of this Change Order is to add licenses, Support, and Hosting for the PCI Asset Optimization Suite, comprising PCI GenPortal and Similar-Day Load Forecasting. To accomplish this purpose, the following change are made:

Changes to Exhibit A – License Fees and Payment Terms:

1. Add the following items to Section I – **Licensed Software:**

- PCI GenPortal (8 Named Users)
 - PCI GenBase
 - PCI OASIS Interface
 - PCI Data Position Manager

- PCI Similar-Day Load Forecasting Software (8 Named Users)

The Perpetual License Fee for the new PCI modules is documented in Attachment A.

2. Add the following items to Section II – **Update and Support Services Fees:**

The PCI Update and Support Service Fees for the new PCI modules are documented in Attachment A

3. Add the following items to Section III – **Hosted Services Fees:**

The PCI Hosted Service Fees for the new PCI modules are documented in Attachment A

Changes to Exhibit C – System Functional Specifications:

1. Add the PCI GenPortal Functional Specification.

The parties have caused this Change Order to be executed and delivered and warrant that their respective signatories are authorized to execute and deliver this Change Order as of its Effective Date. Unless otherwise specified herein, all other description, term, condition, and Notes of the Original Agreement.

IN WITNESS WHEREOF, the Parties have caused this to be executed by their duly authorized agents as of the date written below.

LICENSEES

LICENSOR

Orlando Utilities Commission

Power Costs, Inc.

Signature: _____

Signature: _____

Name:

Name: Sandy B. Ho

Title:

Title: Chief Financial Officer

Date: _____

Date: _____

City of Lakeland

By: _____

H. William Mutz, Mayor

Attest:

By: _____

Kelly S. Koos, City Clerk

Approved as to form and correctness:

By: _____

Palmer C. Davis, City Attorney

Florida Municipal Power Agency

Signature: _____

Name:

Title:

Date: _____



PCI Task Order #1: Deploying PCI GenPortal for FMPP

This Task Order is entered into as of _____ (“Effective Date”) by and between Power Costs, Inc. (“Licensor”) and Florida Municipal Power Pool (“FMPP”) pursuant to the terms and provisions of the Perpetual Software License and General Consulting Agreement (the “Agreement”) dated September 10, 2017 between Power Costs, Inc. and Orlando Utilities Commission, City of Lakeland and Florida Municipal Power Agency (All-Requirements Power Supply Project). FMPP was created by interlocal agreement between Orlando Utilities Commission, City of Lakeland, and Florida Municipal Power Agency. For the purpose of this Change Order, FMPP is acting as agent for the three member systems.

Project Scope

The key objective for Task Order is to configure and deploy PCI GenPortal for Florida Municipal Power Pool (FMPP) to automate GenTrader functions and support reporting needs for the Pool and its 3 members: Orlando Utilities Commission (OUC), Lakeland Electric (Lakeland), and Florida Municipal Power Agency (FMPPA). FMPP operates around 32 units totaling 4,500 MW and serves loads in 19 cities in the state of Florida.

The PCI GenPortal system will replace the in-house developed tools (MS Excel spreadsheets, MS Access database, and VBA code), which are currently used to generate input data and process output results for Short Term GenTrader studies.

PCI GenPortal will be installed on AWS hosted servers.

Note that:

- Attachment A summarizes the PCI deployment costs and travel costs.
- Attachment B summarizes the PCI T&M rates that will be used in this task order to deploy PCI GenPortal at FMPP.
- Attachment C provides the statement of work (SOW), which describes the project scope, deliverables, and schedule for deploying the PCI GenPortal system at FMPP.
- Attachment D provides the scoping document, which describes how PCI GenPortal will be configured to meet FMPP business needs.

PCI Deployment Costs

- PCI estimated deployment costs are documented in Attachment A for the base deployment.
- The deployment budget quoted above reflects PCI’s best estimates to configure PCI GenPortal based on the FMPP business requirements that are defined in the PCI Scoping Document. The project budget will be managed by both FMPP and PCI project managers to ensure compliance.



- If a change of scope is identified, written approval will be requested and documented with a Change Order to the SLA and/or a Task Order as needed. If PCI anticipates that a certain task will exceed PCI estimated hours in this SOW, PCI will immediately notify the FMPP project manager and request for permission to continue the work in excess of the budgeted hours specified in the SOW.
- PCI will track progress and hours spent on each task on a weekly basis and provide regular status update to Client.

PCI Travel Costs

- Estimated travel costs are documented in Attachment A.
- All PCI travel and other out-of-pocket expenses will be invoiced at cost with back-up receipts. PCI travel must be approved in advance by FMPP project manager.
- If there is budget left from travel, the excess travel budget can be used for labor.

Invoicing

Invoices for PCI Deployment fees and travel fees will be issued on a monthly basis as the work progresses. All PCI services are provided on a time and materials basis based on PCI rates published in Attachment B.



To show their agreement to these terms, Client and Vendor, acting through their duly authorized representatives, have signed and delivered this Task Order on the dates specified below.

THUS DONE AND EXECUTED by the following duly authorized representatives of the parties:

Orlando Utilities Commission

By: _____

Name: _____

Title: _____

Date: _____

PCI

By: _____

Name: _____

Title: _____

Date: _____

City of Lakeland

By: _____

H. William Mutz

Attest:

By: _____

Kelly S. Koos, City Clerk

Approved as to form and correctness:

By: _____

Palmer C. Davis, City Attorney

Florida Municipal Power Agency

By: _____

Name: _____

Title: _____

Date: _____



Attachment A
PCI Deployment & Travel Costs



Attachment B
PCI Consulting Services Rates



Attachment C

Statement of Work

Insert: "Statement of Work to Deploy PCI GenPortal at FMPP to Automate GenTrader Runs"



Attachment D

Scoping Document

Insert: "PCI Scoping Document for Deploying PCI GenPortal at FMPP"