



General Manager  
334 Front Street  
Ketchikan, AK 99901

Phone (907) 228-5603  
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM
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TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: April 27, 2021

RE: **Exempting the Procurement of SCADA Maintenance Support Services from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Open Systems International Inc.**

The motion detailed below was prepared at the request of Electric Division System Engineering Manager Jeremy Bynum, who asked that it be placed before the City Council for consideration at its meeting of May 6, 2021. If adopted, the motion provides for exempting the procurement of annual SCADA maintenance support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of such services from Open Systems International Inc. at a cost not to exceed \$28,596

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such SCADA maintenance support services from competitive bidding/quotation when:

“Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For the purpose of this paragraph, the term ‘incompatibility’ is defined as:

- (A) The inability to interconnect, combine, interchange, or join; or
- (B) That which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements. Any purchase which is to be excluded from competitive bidding by authority of this subparagraph which exceeds \$10,000, must first be approved by the council.”

The rationale for the exemption is detailed in Mr. Bynum's transmittal memorandum and requires no elaboration on the part of this office. I concur with the System Engineering Manager's recommendation.

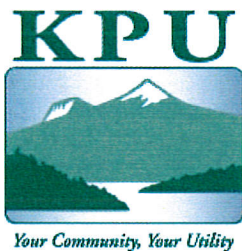
Mr. Bynum will attend the City Council meeting of May 6, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

### **RECOMMENDATION**

Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, it is recommended that the City Council adopt the motion exempting the procurement of annual SCADA maintenance support services for the Electric Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to enter into an agreement for the acquisition of such annual SCADA maintenance support services with Open Systems International Inc. in an amount not to exceed \$28,596; and approving funding from the Electric Division's 2021 Software & Equipment Maintenance Services account (Account No. 635.04).

**Recommended Motion:** Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of annual SCADA maintenance support services for the Electric Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for the acquisition of such annual SCADA maintenance support services with Open Systems International Inc. in an amount not to exceed \$28,596; and approve funding from the Electric Division's 2021 Software & Equipment Maintenance Services account (Account No. 635-04).



Electric Division  
1065 Fair Street  
Ketchikan, AK 99901

Phone: (907) 225-5505  
Fax: (907) 247-0755

## TRANSMITTAL MEMORANDUM

**TO:** Karl Amylon, KPU General Manager  
Lacey Simpson, Assistant KPU General Manager

**FROM:** Jeremy T. Bynum PE, Electric System Engineering Manager

**DATE:** April 26, 2021

**SUBJECT:** SCADA Maintenance Support Renewal

This is a request for Council approval for exemption to competitive bidding for the annual renewal of maintenance support services for the Electric Division's SCADA (Supervisory control and Data Acquisition) network. The SCADA control platform is an Open Systems International (OSI) product; it is specialized software and firmware that links remote terminals, servers, and workstations to form the KPU SCADA network.

The exemption to competitive bidding in accordance with KMC 3.12.050(a) is required because this improvement can only be provided by a single provider and to prevent incompatibility with existing systems.

Due to the proprietary nature of the OSI SCADA control platform, licensing and support is limited to OSI. The support product, OSI monarch<sup>TM</sup> Support Program, has an annual cost of \$28,596.00.

Funding for this expenditure is included in the approved 2021 Electric Division Operating Budget; Software and Equipment Maintenance Account 635.04.

**Recommendation:** It is recommended that the City Council authorize the exemption to competitive bidding for the annual renewal of the OSI monarch<sup>TM</sup> Support Program in the amount of \$28,596.00; approving funding from the 2021 Electric Division Operating Budget; Software and Equipment Maintenance Account 635.04.

Attachment: 20210426 Council - OSI Monarch Renewal.pdf

Cc: Andy Donato, Electric Division Manager  
Mark Adams, Electric Division Operations Manager  
Diane Bixby, Administrative Assistant



## QUOTATION

Quote Number: 27855  
Reference: KPU2021-Q01

**Quote To:**

Ketchikan Public Utilities  
2930 Tongass Avenue  
Ketchikan AK 99901-5742  
USA

**OSI Sales Contact:**

Name: Dave Moe  
Phone: (763) 404-4215  
Email: Dave.Moe@osii.com

**Date:**

4/12/2021

**Valid Until:**

6/11/2021

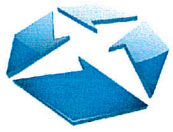
**Attention:**

Jeremy Bynum  
(907) 228-1847  
jeremyb1@city.ketchikan.ak.us

**Quote Description:**

2021 monarch™ Support Renewal

Description	Qty	Unit Cost	Unit	Extended Cost	
<b>Base Quote</b>					
<b>monarch™ Support</b>					
monarch™ Support - Gold	1	28,596.00	EA	US\$	28,596.00
Support Period: 18-Jul-21 to 17-Jul-22					
- Technical Support					
- 24x7					
- Help Desk					
- 80 Incidents					
- Webinar Training					
- License Assurance					
<b>monarch™ Support Subtotal:</b>				US\$	28,596.00
		<b>Total: US\$ 28,596.00</b>			



OSI

## QUOTATION

Quote Number: 27855

Reference: KPU2021-Q01

**Customer Address Info:**

**Bill To:**

Ketchikan Public Utilities  
2930 Tongass Avenue  
Ketchikan AK 99901-5742  
USA

**Ship To:**

Ketchikan Public Utilities  
2930 Tongass Avenue  
Ketchikan AK 99901-5742  
USA

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**Payment Terms:**

**Net 30 Days**

**Milestone Payment Details:**

100% Upon Quote Acceptance

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**Special Terms and Conditions:**

1. An invoice for the quoted renewal will be provided, at the current level of service, if OSI does not receive notice of service cancellation at least two weeks prior to the expiration date of the current contract.





## Standard Terms and Conditions

1. All quoted prices are in US Dollars (\$), unless otherwise stated.
2. Travel and associated administrative costs are not included in this quote, and will be billed as incurred, unless otherwise stated.
3. Customer shall pay all applicable shipping and tariffs, unless otherwise stated.
4. Quoted price does not include applicable taxes, unless otherwise stated.
5. OSI will schedule all work upon receipt of the Customer's written acceptance, subject to OSI's resource availability.
6. Training, if applicable, will be provided at OSI's facility, unless otherwise stated.
7. Training Units may be used for up to 18 months from the date of purchase; any remaining unused Units will expire thereafter. One Training Unit is equivalent to one student attending one day of instruction for OSI University courses in Minneapolis (including Web-U courses).
8. Customer shall provide all relevant system information required for the work as needed (i.e. databases, displays, reports, IP addresses, networking information, RTU channel information, etc.) and shall be responsible for all delays caused by Customer's failure to do so in a timely manner.
9. Customer will have dedicated personnel available to assist OSI in the work, unless otherwise stated.
10. All third-party hardware purchased as part of this quote carries a standard OEM warranty, unless otherwise stated. All OSI hardware purchased as part of this quote carries a one-year warranty against defects from date of delivery, unless otherwise stated.
11. OSI does not guarantee that third-party goods will be available at time of quote acceptance. If third-party goods are not available, upon Customer's authorization, OSI will provide suitable replacements and bill any resulting cost differences to the Customer. Failure to timely authorize replacements may result in delays and/or need to re-quote.
12. When applicable, Customers subscribing to Gold or above Support Plans may be entitled to new software version updates without charge. With the exception of Diamond Plan subscribers, the Customer will be responsible to pay for any engineering services required to implement the software upgrades.
13. Unless otherwise agreed and quoted, Customer is responsible for all preparations for OSI's installation of software, hardware or services and any post-installation compatibility testing and compliance issues.
14. Customer will provide adequate environmental and power conditions onsite, unless otherwise stated.
15. Cutover is defined as the quoted functionality being operational with no outstanding critical incidents.
16. Any Quote(s) for system upgrade services require(s) that at the time of actual implementation Customer has a valid premium monarch™ Support plan which includes software upgrade privileges and that the system size or scope does not change dramatically between the issuance of the quote and implementation of the service.
17. Customer Furnished Hardware and Software: Customer shall provide all required third-party equipment and software ("CFE") for the Project except for the OSI-provided equipment identified in this quote. Customer shall be responsible to timely deliver all CFE to OSI in compliance with the mutually agreed upon Project Schedule for integration with the OSI software. Customer shall pay all shipping and insurance costs both to and from OSI and shall be responsible for all CFE warranties.
18. Export Controls:
  - 18.1. Customer represents: It is not a citizen, national, or resident of, and is not under control of, the government of Cuba, Iran, Sudan, Libya, North Korea, Syria, nor any country to which the United States has prohibited export and that it is not listed on the United States Department of Treasury lists of Specially Designated Nationals, Specially Designated Terrorists, and Specially Designated Narcotic Traffickers, nor is it listed on the United States Department of Commerce Table of Denial Orders.
  - 18.2. Customer agrees that it will not export or re-export the Product(s), directly or indirectly, to the above mentioned countries nor to citizens, nationals or residents of those countries nor to any entity so listed on any of the above mentioned lists.
  - 18.3. Customer agrees that it will not use the Product(s) for, and will not allow the Product(s) to be used for the development, design, manufacture or production of nuclear, chemical or biological weapons of mass destruction.
  - 18.4. The requirements of 18.2 and 18.3 above apply to all Product(s) purchased or licensed to Customer from OSI, whether included in this quote or purchased or licensed previously.

Notice: OSI's quote is based upon Customer's acceptance of all applicable Terms and Conditions. Requests for additions to, deletions of, or different Terms and Conditions, may require a revised quote and/or additional costs or schedule delays.