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September 9, 2015  
Project No. 12255-012  
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Rochelle Municipal Utilities  
Expansion of the Caron Road Substation

Addition of 15kV Medium Voltage Vacuum Type Breakers to Existing Switchgear Bus 5 & 6  
Sargent & Lundy Letter of Recommendation

Mr. Jason Bird  
Superintendent Electric Operations  
Rochelle Municipal Utilities  
700 West 2<sup>nd</sup> Ave  
Rochelle, IL. 61068

Dear Mr. Bird,

This letter summarizes Sargent & Lundy, L.L.C.'s (S&L) evaluation of the proposals submitted by Siemens, in response to an S&L inquiry to provide material and installation of 15kV Medium Voltage Vacuum Type Breakers in cubicles of existing switchgear Bus 5 and Bus 6.

#### **Scope of Supply**

An inquiry was made to Siemens to provide the material and services to convert two (2) spare upper cubicles in the existing 15kV Medium Voltage Switchgear to cubicles with Vacuum Type Breakers. One cubicle is in existing Bus 5 and the second cubicle is in existing Bus 6. These breakers would not have any automatic control nor be equipped with current transformers. The breakers would act as disconnecting and isolating means for the bus tie cables to the new switchgear to be installed.

The Scope of Supply includes the design, manufacture, and delivery F.O.B. to the site for two (2) upper cubicle conversion kits with two (2) 15kV vacuum circuit breakers and one (1) breaker lifting cart (to remove/install breaker in upper cubicle). Control switches, indicating lamps and wiring material are included in the proposal.

In addition to the material proposal, Siemens was requested to provide installation services for each cubicle conversion. The conversions would be performed in separate consecutive weeks to allow for bus isolation and load transfer.

#### **Material Proposal Evaluation**

The material proposal price is \$71,302.00 with an estimated delivery time of 12 to 14 weeks.

#### **Compliance to the Inquiry**

Siemens has included all material necessary to convert the cubicles to circuit breaker operation. A breaker removal cart has also been included to support installation/removal of the breaker from the upper cubicle.

#### **Installation Services Proposal Evaluation**

The installation services proposal price is \$44,845.00 and includes installation and testing.

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Compliance to the Inquiry

Siemens has included the installation and testing for conversion of each cubicle. The conversions would occur in separate consecutive weeks. Siemens will supply the testing equipment and will include testing of the bus connections.

Terms and Conditions:

For the material proposal Siemens has agreed to work with the T&C's that were approved with the new switchgear contract, with minor revisions to the terms of payment (100% upon receipt on site), elimination of Liquidated Damages, and Freight terms to FOB site.

The installation services will be covered under RMU's General Conditions for Erected Materials and Equipment, and Labor Contracts (Form 305) and the Special Conditions information. Their minor comments will be resolved during contract negotiations.

Recommendations:

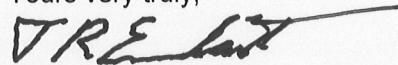
In summary, Sargent & Lundy's evaluations of the proposals included review of the scope, cost, and delivery of the Siemens proposals. Based on our review, we are providing the following recommendations.

For the material proposal, we recommend that Siemens be awarded the contract in the amount of \$71,302.00. As Siemens is the original manufacturer of the Bus 5 and Bus 6 switchgear they can provide the necessary material for the cubicle conversion and bus connection.

For the installation services proposal, we recommend that Siemens be awarded the contract in the amount of \$44,845.00. Use of Siemens technicians will support an efficient and accurate installation of the circuit breakers. They will perform the necessary testing to verify proper installation.

If you have any questions or want to discuss this matter, please call Michelle Hack at (312) 269-6950 or John O'Neill at (312) 269-3349.

Yours very truly,



Thomas R. Eisenbart  
Project Director

JGO/TRE:dg  
cc: M. L. Hack  
cc: J. O'Neill  
cc: R. Mrozek