

MEMORANDUM OF AGREEMENT

PROJECT DATA

Date: January 6, 2016

Project Name: Caterpillar Power Module Control System Upgrade, Units 16, 17, and 18

Owner's Project Number: N/A

BHMG Project Number: _____

Description of Service See Exhibit A, attached

AGREEMENT DATA

Name: Rochelle Municipal Utilities - Generation

Address: 333 Lincoln Highway

City: Rochelle, IL 61062

Phone: (815)561-2050

Contact: Dan Westin, Director Utilities Business Management and Energy Production

Status: Estimate
 Quotation

Dates: Start: January 2016

Complete: June 2016

The terms and conditions under which we are providing these services shall apply. Such terms and conditions are set out on the reverse side of this page and incorporated herein by reference.

BILLING DATA

Monthly 30 days net
 Other (explain)

Fee Basis: Cost Multiplier
 Lump Sum \$349,200.00
 Other

The above is intended as a summary of our agreement for the performance of the work described. Please examine it carefully and, if accurate, indicate your approval and acceptance in the space provided below.

BHMG Engineers, Inc.

By 

Lukas Pirok, P.E., Vice-President

ACCEPTED

The undersigned hereby states that they represent the owner(s) of the above described project and that the terms and conditions stated above are understood by them and herewith agreed to and accepted. You are hereby authorized and directed to proceed with the work outlined above.

Date _____

Signature _____

(Print Name & Title)

Exhibit A

This Exhibit is attached to and made part of the Memorandum of Agreement dated January 6, 2016 between the Rochelle Municipal Utilities (RMU), Rochelle, Illinois (Owner) and BHMG Engineers, Inc. (Engineer or BHMG) providing for professional services.

Description of the Project:

Rochelle Municipal Utilities has agreed to purchase three additional Caterpillar 3516B power modules equipped with the original CAT control systems. The CAT controls will be upgraded to allow remote starting, monitoring, and synchronizing of each unit from the Diesel Plant and the control building as well as control of the generator breakers from the Diesel Plant and the new control building. Each generator will be upgraded with a Woodward easYgen generator control system.

Scope of Professional Services:

Engineer will provide the following services for this Project:

- Design a control system for the three additional CAT generators (Units 16,17, and 18) that incorporates a digital voltage regulator, Woodward easYgen controls for parallel control, Schweitzer microprocessor-based relays, and necessary switches and relays to make a functional control system that allows the CAT generators to be operated locally at the control building and remotely at the Diesel Plant.
- Rework existing control panels in each of the power modules by removing protective relays, displays, and control devices as required to interface with the new controls, including installing cover plates or new doors as required.
- Design, procure, and install three complete control panels in the control building. The panels will house the easYgen modules, protective relays, switches, displays, touchscreens, PLC, and communication equipment.
- Design and install utility and tiebreaker controls related to operation of the generators.
- Prepare record drawings and documentation of the control system upgrade.
- Provide one day of on-site training

Owner Participation:

The Owner is requested to assist the Engineer by placing at his/her disposal all available information pertinent to the control drawings, relay settings, and other data which may be useful to the Engineer in the course of the work.

The Owner is requested to designate a person or persons to act as the Owner's representative with respect to the work to be performed under this agreement; and such person or persons should have the authority to transmit instructions, receive information, interpret and define the Owner's policies and decisions pertinent to the work covered by this agreement.

The Owner shall provide the conduits from each power module to the control building based on the drawings provided by the Engineer.

Engineer's Compensation:

Compensation for the design, procurement, installation, commissioning, and training for the controls system upgrade in accordance with the Memorandum of Agreement shall be a fixed fee of \$349,200.00, including all material and out of pocket/actual expenses incurred by BHMG. The Engineer shall submit monthly payment requests based on the project progress.

Additional Services of Engineer:

At the request of the Owner, the Engineer can provide additional services, either directly or through its affiliates, at regular hourly rates for such work plus out of pocket expenses. Such work may include items not otherwise provided for by this agreement.

TERMS AND CONDITIONS
BHMG Engineers, Inc.

To assure an understanding of matters related to our mutual responsibilities, these terms and conditions for services are made a part of this agreement for our services:

AMENDMENTS

This agreement may be amended in writing providing both the Owner and Company agree to such modifications.

COMPENSATION FOR SERVICES

The basis for compensation will be as identified in the agreement.

When "Lump Sum" payment is utilized, it shall include all labor and expenses (for the scope of work as defined in the agreement) incurred by the Company and shall not exceed the fixed payment amount without prior authorization of the Owner.

When a "Payroll Costs" payment is utilized it shall be computed by a multiplier factor times payroll cost plus reimbursable expenses.

The "Payroll Costs" means the salaries and wages paid to all personnel engaged directly on the work plus the cost of customary and statutory benefits including social security contributions, unemployment, health, sick leave, vacation, workman's compensation, incentive and holiday pay applicable thereto.

"Reimbursable Expenses" means the actual expenses incurred directly or indirectly in connection with the work including but not limited to the following: Transportation and subsistence, toll telephone calls, telegrams, reproduction or printing, computer time and outside consultants.

The "Multiplier" is a factor for general direct overhead, indirect costs, profit and other costs. The Multiplier factor rate shall be identified in the agreement.

TIME OF PAYMENT

The Company may submit monthly statements for services and expenses based upon the proportion of the actual work completed at the time of billing. Unless provided for otherwise, payments for engineering services will be due and payable thirty (30) calendar days from the issuance of the Company's statement.

LATE PAYMENT

If the Owner fails to make any payment due the Company for services and expenses within the time period specified, a service charge of 1-1/2% per month will be added to the Owners account. This is an annual rate of 18%.

LIMITATION OF LIABILITY

The Owner agrees to limit the Company's liability to the Owner and to all construction contractors and subcontractors where applicable, on this work, for damages to them, due to the Company's negligent acts, errors or omissions, such that the total aggregate liability of the Company to all those named shall not exceed \$50,000 or the Company's total fee for services rendered on this work, whichever is greater.

TERMINATION

This agreement may be terminated by either party upon written notice. Any termination shall only be for good cause such as for legal, unavailability of adequate financing or major changes in the work. In the event of any termination the Company will be paid for all services and expenses rendered to the date of termination on a basis of payroll cost times a multiplier of 2.5 (if not previously provided for) plus reimbursable expenses.

REUSE OF DOCUMENTS

All documents including drawings and specifications furnished by Company pursuant to this Agreement are instruments of his services in respect of the work. They are not intended or represented to be suitable for reuse by Owner or others on extensions of this work, or on any other work. Any reuse without specific written verification or adaptation by Company will be at Owner's sole risk, and without liability of Company, and Owner shall indemnify and hold harmless Company from all claims, damages, losses and expenses including attorneys fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Company to further compensation at rates to be agreed upon by Owner and Company.

ESTIMATES OF COST

Since the Company has no control over the cost of labor, materials or equipment or over a Contractor(s) method of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Costs that may be provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but Company cannot and does not guarantee that proposals, bids or the construction cost will not vary from opinions of probable cost prepared by him. If the Owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.