

ORDINANCE NO. 09-45 AC CMS

**AN ORDINANCE AUTHORIZING A CONSULTING SERVICES AGREEMENT
BETWEEN OBERLIN MUNICIPAL LIGHT AND POWER SYSTEM AND BLACK &
VEATCH INCORPORATED AND DECLARING AN EMERGENCY**

WHEREAS, Oberlin Municipal Light and Power System requires power supply consulting services for the purpose of developing a twenty (20) year power supply plan; and,

WHEREAS, Oberlin Municipal Light and Power System has selected Black & Veatch, Inc. of Overland Park, Kansas, to provide power supply consulting services as indicated in Exhibit A of the attached consulting services agreement for a cost of \$67,000, plus travel expenses.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That the City Manager is hereby authorized and directed to execute the attached Consulting Services Agreement and its attached **Exhibit A** between the Oberlin Municipal Light and Power System and Black & Veatch, Inc., of Overland Park, Kansas, in an amount not-to-exceed \$70,000.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

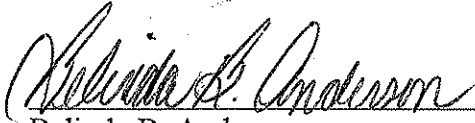
SECTION 3. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual daily operation of a municipal department, to wit:

“to proceed with power supply consulting services at the earliest date possible in order to facilitate forthcoming power supply decisions”

and shall take effect immediately upon passage.

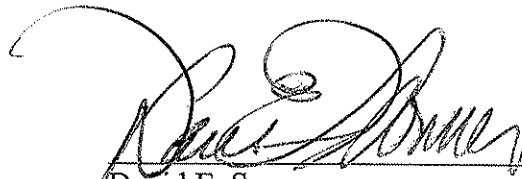
PASSED: 1st Reading - June 1, 2009
 2nd Reading- June 15, 2009
 3rd Reading- July 6, 2009(E)

ATTEST:



Belinda B. Anderson
CLERK OF COUNCIL

POSTED: 7/07/2009



David E. Sonner
PRESIDENT OF COUNCIL

EFFECTIVE DATE: 7/06/2009

CONSULTING SERVICES AGREEMENT

This Agreement, effective July 15, 2009, is between City of Oberlin Municipal Light and Power System ("Client") and BLACK & VEATCH CORPORATION ("Consultant"). Consultant shall perform Services in accordance with written Requests for Services (Requests) issued by Client and agreed to by Consultant during the term of this Agreement, which shall be attached as separate Exhibits A. Consultant shall accept or decline a Request as promptly as practicable under the circumstances.

1. Consultant will perform the Services in accordance with the standards of care and diligence normally practiced by recognized consulting companies in performing services of a similar nature. If, during the six-month period following the earlier of termination or completion of the Services under the applicable Request for Service, it is shown there is an error in the Services caused solely by Consultant's failure to meet such standards, and Client has promptly notified Consultant in writing of any such error within that period, Consultant shall perform, at Consultant's cost, such corrective consulting services within the original Request for Service as may be necessary to remedy such error. ***EXCEPT AS PROVIDED IN THIS ARTICLE, CONSULTANT MAKES NO OTHER WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.*** This Article governs, modifies, and supersedes any other terms in this Agreement which may be construed to address warranties or guarantees or the quality of the Services.
2. Reports and other documents which Consultant prepares and delivers to Client pursuant to this Agreement shall become the property of Client when Consultant has been compensated for Services rendered. Nothing contained in this Section shall be construed as limiting or depriving Consultant of its rights to use its basic knowledge and skills to design or carry out other projects or work for itself or others, whether or not such other projects or work are similar to the work to be performed pursuant to this Agreement. Consultant shall have the right to retain and use copies of drawings, documents, and other data furnished or to be furnished by Consultant and any non-confidential information contained therein. At all times, each party shall retain all of its rights in its drawing details, designs, specifications, models, databases, computer software, copyrights, trade and service marks, patents, trade secrets, and any other proprietary property. Rights to intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of Consultant. Client shall not acquire any rights to any of Consultant's, its subcontractors' or vendors' proprietary computer software that may be used in connection with the Services except as expressly provided in the Request or as may be separately agreed. Files delivered in electronic medium may not work on systems and software different than those with which they were originally produced. Consultant makes no warranty as to the compatibility of these files with any other system or software. Because of the potential degradation of electronic medium over time, in the event of a conflict between any specifications, reports, or other documents and electronic files, the original will govern.
3.
 - A. Any documents, including, but not limited to, drawings, specifications, reports, electronic files, and computer software prepared by Consultant pursuant to this Agreement, are instruments of service in respect to the project. They are not intended or represented to be suitable for reuse by Client or others on extensions of the project or on any other project. Any reuse without prior written approval, and verification or adaptation by Consultant for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to Consultant. Client shall defend, indemnify, and hold harmless Consultant from and against all claims, losses, damages, injuries, and expenses, including attorneys' fees, arising out of or resulting from such reuse. Any approval, and verification or adaptation of documents will entitle Consultant to additional compensation at rates customarily charged by Consultant for such services. No report furnished hereunder, nor any information contained therein, or otherwise supplied by Consultant in connection with the Services, shall be released or used by Client in connection with any proxy, proxy statement, proxy soliciting material, prospectus, official statement, offering memorandum, Securities Registration Statement or similar document, nor may Client identify Consultant in any such document by name, without the express, prior written approval of Consultant, except as may be required by law. Client is hereby contracting for, and purchasing, merely a Report from Consultant which contains the sum total of Consultant's Services under this Agreement. Any information shared with the Client prior to release of the Report is superseded by the Report. As such, Client may not rely on emails, drafts, or oral statements made prior to the issuance of the Report.
 - B. Client's distribution of the Final Report to third-parties shall be at its own risk and Client shall defend, indemnify and hold Consultant harmless from and against any and all claims Consultant receives from any such third-party arising from access to Consultant's Report. Client may distribute the Report or excerpts therefrom which Consultant

expressly approves for such distribution in writing, only to third party (ies) from which Client obtains and provides to Consultant a full release and waiver from each third party as to any damages it may have against Consultant relating to Consultant's Report in the form attached hereto as Exhibit B – "Reliance Letter." Client acknowledges that permitting a third-party to obtain access to a report without obtaining and providing Consultant with a Reliance Letter from that third party is a material breach of this Agreement.

C. In addition, Consultant, in its sole discretion, may include the following (or similar) "Legal Notice to Third Parties" in the Report when delivered to Client by Consultant and Client shall include such Legal Notice to Third Parties in any copy of the Report or excerpts.

"This report is intended solely for review by the City of Oberlin Municipal Light and Power System (hereinafter "Client") and any other party who becomes contractually authorized to view this report (hereinafter "Authorized Recipient") by executing a Reliance Letter in the form requested by Black & Veatch Corporation (hereinafter "Black & Veatch"). No other party is authorized to view this report. Such organizations or individuals who are not contractually authorized to view this report shall be referred to herein as "Unauthorized Parties." If any Unauthorized Party desires to be contractually authorized to review this report prepared for Client and thereby become an Authorized Recipient, such Unauthorized Party must notify Black & Veatch Corporation and execute a Reliance Letter.

Without the execution of such Reliance Letter, creating contractual terms and conditions between Black & Veatch and such Unauthorized Party, any access to this report or any of the information enclosed herein is unauthorized and without any risk or liability to Black & Veatch. Reliance on the information herein by any such Unauthorized Parties would be unreasonable and is strictly prohibited. Black & Veatch owes no duty of care to any Unauthorized Parties and none is created by this report.

This report was prepared for Client by Black & Veatch and is based on information not within the control of Black & Veatch. Black & Veatch has assumed that the information, both verbal and written, provided by others is complete and correct; however, Black & Veatch does not guarantee the accuracy of the information, data, or opinions contained herein.

Use of this report, or any information contained therein, by Unauthorized Parties shall constitute a waiver and release of Black & Veatch from and against all claims and liability, including, but not limited to, claims for breach of contract, breach of warranty, strict liability, negligence, negligent misrepresentation, and/or otherwise, and liability for special, incidental, indirect, or consequential damages, in connection with such use. In addition, use of this report, or any information contained therein by Unauthorized Parties, shall constitute agreement to defend and indemnify Black & Veatch from and against any claims and liability, including, but not limited to, liability for special, incidental, indirect, or consequential damages in connection with such use. The benefit of such releases, waivers, or limitations of liability shall extend to the related companies, and subcontractors of any tier of Black & Veatch, and the directors, officers, partners, employees, and agents of all released or indemnified parties.

BLACK & VEATCH SHALL HAVE NO LIABILITY TO UNAUTHORIZED PARTIES FOR ANY LOSSES OR DAMAGES ARISING FROM OR IN ANY WAY RELATED TO THE REPORT AND/OR THE INFORMATION CONTAINED THEREIN. SUCH EXPRESS WAIVER OF LIABILITY BY THE UNAUTHORIZED PARTIES SHALL INCLUDE ALL CLAIMS WHICH THE UNAUTHORIZED PARTIES MAY ALLEGE IN CONNECTION WITH BLACK & VEATCH'S REPORT INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY, NEGLIGENCE, NEGLIGENT MISREPRESENTATION, AND/OR OTHERWISE."

4. Consultant shall maintain in force, during the period that Services are performed, workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services and employer's liability insurance with a limit of \$100,000 each occurrence and in the aggregate. Consultant also shall maintain commercial general liability insurance with a limit of \$1,000,000 per occurrence and in the aggregate; automobile liability insurance with combined single limit of \$1,000,000; and professional liability insurance with per occurrence and aggregate limits of \$1,000,000.
5. Consultant shall indemnify Client against any and all claims, demands and causes of action for bodily injury to or death of persons or for damage to or destruction of property (other than property of Client or construction work in progress, for which Client shall have responsibility) resulting solely from any and all negligent physical acts of Consultant while at Client's facility. The parties waive all claims for property damage, and shall require their insurers to waive subrogation rights against the other party under any applicable policy of property insurance.
6. In performance of the Services, it is acknowledged that Consultant may be supplied with certain information and/or data by Client and/or others, and that Consultant will rely on such information. Therefore, the accuracy of such information is not within Consultant's control and Consultant shall not be liable for its accuracy, nor for its verification

unless otherwise provided in the Request. Since Consultant has no control over the cost of labor, materials, or equipment furnished by others (including Client), or over the resources provided by others to meet project schedules, Consultant's opinion of probable operating and project costs and of project schedules shall be made on the basis of experience and qualifications as a professional consultant. Consultant does not guarantee that proposals, bids, revenues, expenses, and other cash requirements, or actual operating and project costs will not vary from Consultant's estimates or that actual schedules will not vary from Consultant's projected schedules.

7. Client may, with or without cause, terminate the Services at any time upon 10 working days written notice to Consultant. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination and through demobilization and neither party shall be entitled to any other compensation or damages from the other. At all times, each party shall retain all of its rights in its drawing details, designs, specifications, databases, computer software, copyrights, trade and service marks, patents, trade secrets, and any other proprietary property.
8. Client may audit and inspect Consultant's records and accounts covering fees and reimbursable costs for a period of six months following the completion of Consultant's Services. The purpose of any such audit shall be only for verification of such costs. Consultant shall not be required to keep records of or provide access to those of its costs expressed as fixed rates, a lump sum, or as a percentage of other costs.
9.
 - A. Neither party shall be liable to the other party for loss of profits or revenue; loss of use; loss of opportunity; loss of goodwill; cost of substitute facilities, goods or services; cost of capital; cost of replacement power; governmental and regulatory sanctions; and claims of customers for such damages; or for any special, consequential, incidental, indirect or exemplary damages whether a claim for any such loss arises out of breach of contract, warranty, tort (including negligence), strict liability, indemnity, or another theory. Except for an obligation to make payments, neither party shall be in default to the extent any nonperformance is caused by a circumstance beyond such party's reasonable control. The warranties, obligations, liabilities and remedies of the parties, as provided herein, are exclusive and in lieu of any others available at law or in equity. To the fullest extent permitted by law, Client hereby acknowledges and agrees that Consultant's total aggregate liability under this Agreement shall not exceed the compensation received by Consultant under the applicable Exhibit A, and Client hereby waives any right to seek or collect damages in excess thereof under any legal theory, including without limitation breach of contract, breach of express or implied warranties, strict liability, negligence, negligent misrepresentation and/or otherwise.
 - B. Client acknowledges and agrees that it is not reasonably feasible for Consultant to conduct a comprehensive investigation and make definitive determinations for the compensation provided for herein and without thorough verification of the information upon which the Services were performed, and therefore Consultant can offer no assurances that any facts, observations, analysis, opinions or other matters contained in the Report will be accurate, either at the time the Report is issued or at any other time. Therefore, Client acknowledges and agrees that neither it nor anyone else may rely on the Report for any matter, including without limitation making any decision to participate or invest monies in any matter discussed in the Report. To the greatest extent permitted by law, Client hereby releases Consultant from, and agrees to defend, indemnify and hold harmless Consultant from and against, any claim by any person, including without limitation Authorized Recipients and Unauthorized Parties (as defined in Article 3 above), arising from or relating to any purported reliance on the Report.
 - C. To the fullest extent allowed by law, releases from, and limitations of liability shall apply notwithstanding the breach of contract, tort including negligence, strict liability or other theory of legal liability of the party released or whose liability is limited. Consultant may subcontract portions of the Services to its related entities.
10. During the term of this Agreement, and for a period of six months following any termination or expiration hereof, Client agrees that it will not, hire, or solicit any employee of Consultant who performed services hereunder, to become employees or independent contractors of Client or such other person or entity, excluding employees who are responding to a general solicitation for employment advertised by Client. If Client does hire a Consultant employee as prohibited herein, Client shall be liable to Consultant for 60% of such employee's first-year salary (including any signing bonuses or reimbursable relocation costs). Client shall be obligated to disclose such amounts to Consultant and Consultant shall immediately invoice Client for such amount to be paid by Client within 10 business days of receipt of Consultant's invoice. Failure to pay such amount when due shall be considered a breach of this Agreement by Client and entitle Consultant to any and all remedies available under this contract, at law or in equity.
11. Client understands that Consultant will not provide legal or tax advice or opinions, and Client will seek such advice and opinions from its attorneys and tax advisors.

This Agreement and the attached Exhibits constitute the entire Agreement. No other representations of any kind, oral or otherwise, shall have any effect. This Agreement shall be governed by the laws of the state of Missouri, notwithstanding the operation of any conflict or choice of law statutes or decisional law to the contrary.

CLIENT

BLACK & VEATCH CORPORATION

By: *Eric Norenberg*
By: Eric Norenberg
(Printed) City Manager

By: *Peggy Lee Howe*
By: Vice President
(Printed)

Title: _____

Title: PEGGY LEE HOWE

Approved to Form: *Eric Severs*
Eric Severs, Law Director

Legal
Approved *JPS*
Reviewed _____
Date 7-24-09

PM
Approved *CSK*
Date 7/24/09

EXHIBIT A
REQUEST FOR SERVICES

CONSULTING SERVICES AGREEMENT

Between

City of Oberlin Municipal Light and Power System ("Client")

And

Black & Veatch Corporation ("Consultant")

Pursuant to the terms and conditions of the Consulting Services Agreement executed and made effective as of the 15th day of July, 2009, between City of Oberlin Municipal Light and Power System ("Client") and Black & Veatch Corporation ("Consultant"), Client hereby requests Consultant perform and Consultant agrees to perform the following Services:

Effective Date: This Exhibit A will be effective on July 15, 2009.

A. Requested Services:

In consultation with the City of Oberlin's Municipal Light and Power System (OMLPS), Consultant will perform a twenty (20) year power supply study to determine a recommended power supply portfolio plan considering cost, reliability, risk, feasibility and environmental impacts.

Task 1: Load Forecast

- Review and analyze historical loads and growth trends in demand and energy for OMLPS
- Review the most recent demand and energy forecasts for OMLPS
- If necessary, modify the most recent load forecast of demand and energy to account for changes in current economic environment.

Task 2: Demand Side Management Evaluation

- Consultant will review the Demand Side Management (DSM) study prepared for OMLPS by another consultant and discuss programs that may prove cost effective for potential savings.
- Estimate a reasonable level of capacity and energy savings to assume as a scenario in the power supply study.
- Assess the potential energy and capacity savings from DSM, and incorporate the DSM savings into the load and energy forecast.

Task 3: Summarize Existing Resources and Develop Capacity Balance

- Consultant will summarize the existing owned resources, PPAs, and other resources available to meet OMLPS's needs between 2009 and 2012, and by year over the 20 year study period.
- Based on OMLPS's resources and forecast demand (with and without DSM savings), Consultant will estimate the remaining capacity requirements by year over the 20 year study period.

Task 4: Analyze Potential Resources Available

- Consultant understands that OMLPS would like to pursue carbon neutral and/or renewable resources with the goal of phasing out fossil-fuel based electricity out of the OMLPS's power portfolio during the study period, if possible. Consultant will develop general, high level (not site specific) cost and performance estimates for the following technologies in Ohio: Solar PV, wind, and landfill gas. Consultant will characterize the expected energy cost of these types of resources whether or not they are available to OMLPS.
- Consultant will evaluate the cost of potential purchase power agreement (market-based power) alternatives provided to OMLPS by American Municipal Power – Ohio (AMP-Ohio), and identify a reasonable cost portfolio of these alternatives.
- Consultant will evaluate information on additional hydro capacity and energy purchases that may be available to OMLPS from the AMP-Ohio portfolio in 2014 and beyond, provided details of these purchases are known during the study schedule.

- Consultant will evaluate information available on additional wind purchases that may be available to the OMLPS
- Consultant will evaluate information available on landfill gas purchases that may be available to OMLPS.
- Consultant will evaluate different portfolios of future available resources and compare the total system cost of these on a net present value basis as well as a levelized cost over the study period, including a case with all future capacity and energy needs served with market power purchases. Risk analyses would then be performed on the portfolios to determine the impact of changing base case assumptions and portfolio mixes.

Task 5: Emissions Profile

- Using energy data provided by OMLPS, Consultant will estimate recent annual emissions and forecast emissions for each portfolio considered including SO₂, NO_x and CO₂. Where market purchases are involved a composite - emission rate for the market will be assumed.

Task 6: Regional Transmission Organization Impacts

- Consultant will characterize potential impacts from regional transmission organization Midwest Independent Transmission System Operator (MISO) capacity markets.
- To the extent possible, Consultant will quantify the potential costs from these impacts for each power portfolio considered.
- Consultant will analyze the effects of new or planned transmission projects on power supply opportunities in Ohio.

Task 7: Recommend a Power Supply Plan

- Based on the analyses above and in consultation with OMLPS, Consultant will make recommendations to OMLPS considering cost, reliability, risk, feasibility, and environmental impacts.

Task 8: Report

- Consultant will document the analyses in a draft and final report. Consultant will participate in a presentation to the Public Utilities Commission and City Council to present the findings from the study. It is assumed that these presentations will occur concurrently for purposes of the estimated price.

B. Commencement Date:

The commencement date will be the effective date of this Exhibit A.

C. Billing Basis:

Consultant will complete the scope of work for an estimated price of \$67,000 plus travel related expenses. Consultant has assumed one trip to present the power supply results. The following schedule of hourly billing rates will be applicable for this Exhibit A. Travel related expenses would be billed on a reimbursable basis at cost.

Clerical/Administrative Support	\$85.00
Analyst	\$120.00
Senior Analyst/Environmental	\$150.00
Consultant/ Senior Engineer	\$170.00
Manager	\$200.00
Principal Consultant	\$230.00
Director	\$260.00
Managing Director	\$315.00
Vice President	\$325.00

Note: Billing rates are subject to adjustment annually on January 1.

Consultant will invoice monthly for fees and expenses. Invoices are due upon receipt.

D. Estimated Cost of the Services:

The estimated cost of the services is \$67,000, plus reimbursement of reasonable travel expenses at cost.

E. Estimated Completion Date:

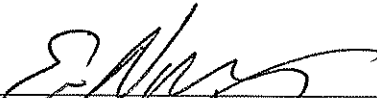
Consultant will work to complete a draft report within 90 days of execution of the consulting services agreement. Consultant understands that OMLPS would like to have all services completed by year end. Consultant has assumed that all documentation will be provided within a reasonable time after execution of this Exhibit A.

- F. Monthly Billing: Commencing on or about the first day of the calendar month following execution of this Agreement, and monthly thereafter, Consultant shall furnish Client with an invoice covering the Reimbursable Costs and Fee for services provided during the previous month and any interest due under this Agreement. Invoices may be submitted electronically by email to sdupee@omlps.org. In such event, the electronic copy of the invoice will be considered the official invoice and will not be followed by a hard copy invoice. Notwithstanding any other provision of the above-referenced Agreement, or this Exhibit A, Consultant is under no obligation to submit any deliverable if any invoice is more than 45 days outstanding.
- G. Method of Payment: Payments to be made to Consultant under this Agreement shall be electronically transferred either by ACH, specifically in CCD+ or CTX format, or wire transfer to the bank account and in accordance with the bank instructions identified in Consultant's most recent invoice in immediately available funds no later than the payment due date. Invoice number and project name shall be referenced in the bank wire reference fields or the ACH addenda information.
- H. Disputes: In the event Client disputes any invoice item, Client shall give Consultant written notice of such disputed item within 10 days after receipt of such invoice and shall pay to Consultant the undisputed portion of the invoice according to the provisions hereof. If Client fails to pay any invoiced amounts when due, interest will accrue on each unpaid amount at the rate of eighteen percent per annum, or the maximum amount allowed by law if less, from the date due until paid according to the provisions of this Agreement. Interest shall not be charged on any disputed invoice item which is finally resolved in Client's favor. Payment of interest shall not excuse or cure any default or delay in payment of amounts due. In the event Consultant refers this Agreement to a third party for collection or enforcement of its terms, Consultant shall be entitled to reimbursement for all costs and expenses incurred, including a reasonable attorneys' fee. In the event that Client has an unpaid invoice over 50 days past due, Consultant may, in addition to all other remedies available at law and equity, terminate this Request for Services.

This Request for Services and the above-referenced Agreement constitute the complete understanding of the parties with respect to the Services specified herein. Terms and conditions contained in purchase orders, work orders, or other documents issued by Client with respect to the Services shall be of no force and effect.

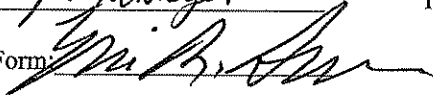
IN WITNESS WHEREOF, the parties have executed this Request for Services.

**CITY OF OBERLIN MUNICIPAL
LIGHT AND POWER SYSTEM**

By: 

By: Eric Aorenberg
(Printed)

Title: City Manager

Approved to Form: 

Eric Severs, Law Director

BLACK & VEATCH CORPORATION

By: 

By: PEGGY LEE HOWE
(Printed)

Title: Vice President

Legal
Approved Jpy
Reviewed
Date 7-24-09

PM
Approved CJK
Date 7/24/09