
THE CITY OF ROCHELLE
Ogle County, Illinois

RESOLUTION
NO. _____

RESOLUTION AUTHORIZING THE RETENTION OF BHMG ENGINEERS, INC.
FOR ENGINEERING SERVICES FOR A GENERATION PLANNING STUDY

JOHN BEARROWS, Mayor
SUE MESSER, City Clerk

TOM MCDERMOTT
BIL HAYES
DAN MCDERMOTT
KATE SHAW-DICKEY
JOHN GRUBEN
ROSAELIA ARTEAGA

City Council

Published in pamphlet form by authority of the Mayor and City Council of the City of Rochelle
Peterson, Johnson, and Murray Chicago, LLC, City Attorneys
200 W. Adams, Suite 2125 Chicago, IL 60606

**RESOLUTION AUTHORIZING THE RETENTION OF BHMG ENGINEERS, INC.
FOR ENGINEERING SERVICES FOR A GENERATION PLANNING STUDY**

RESOLUTION NO. _____

WHEREAS, Section 7 of Article VII of the 1970 Constitution of the State of Illinois provides that a municipality that is not a home rule unit shall only have the powers granted to them by law and as such the City of Rochelle (“City”), Ogle County, Illinois being a non-home rule unit pursuant to the provisions of said Section 7 of Article VII, and may exercise only the powers expressly granted by law; and

WHEREAS, the Illinois General Assembly granted non-home rule municipalities broad authority to “pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities.” 65 ILCS 5/1-2-1; and

WHEREAS, the City of Rochelle (“City”) operates an electric utility through the Rochelle Municipal Utilities (“RMU”), one of its departments; and

WHEREAS, the RMU is attempting to maximize the use of its facilities, including its on-site generation facilities; and

WHEREAS, BHMG has performed other studies and design work for the RMU and has institutional knowledge of the RMU’s electrical systems; and

WHEREAS, staff has contacted BHMG Engineers, Inc. to prepare a Generation Planning Study and their proposal is attached hereto as Exhibit 1; and

WHEREAS, it has been determined by the Corporate Authorities of the City of Rochelle that it is in the best interest of the City and its residents to accept the proposal of BHMG Engineers, Inc. for professional engineering services to prepare a Generation Planning Study in the amount of \$75,000.00; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ROCHELLE, ILLINOIS as follows:

SECTION ONE: The foregoing Recitals are not mere preparatory language, but are hereby incorporated in this Section 1 as if said Recitals were fully set forth.

SECTION TWO: The City Manager is authorized to accept the proposal of BHMG Engineers, Inc. proposal of BHMG Engineers, Inc. for professional engineering services to prepare a Generation Planning Study in the amount of \$75,000.00, attached hereto as Exhibit 1 and execute all necessary agreements, in a form subject to review and revision as to form by the City Attorney.

SECTION THREE: If any provision of this Resolution or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other

provisions or applications of this Resolution that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Resolution is severable.

SECTION FOUR: Where the conditions imposed by any provisions of this Resolution are more restrictive than comparable provisions imposed elsewhere in any other local law, ordinance, resolution, rule or regulation, the regulations of this Resolution will govern.

SECTION FIVE: The City Clerk shall publish this Resolution in pamphlet form.

SECTION SIX: This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED THIS 27th day of March 2023.

AYES:

NAYS:

ABSENT:

APPROVED THIS 27th day of March, 2023.

MAYOR

ATTEST:

CITY CLERK

EXHIBIT 1



Rochelle Municipal Utilities
Rochelle, IL

Engineering Services
for
Generation Planning Study

Submitted by:
BHM Engineers, Inc.

September 30, 2022





September 30, 2022

Mr. Blake Toliver
Rochelle Municipal Utilities
700 West Second Avenue
PO Box 456
Rochelle, IL 61068

Ref: Proposal for Professional Engineering Services
Generation Planning Study

BHMG is pleased to submit for RMU's consideration our qualifications for professional engineering services relative to the proposed Electric Generation Planning Study.

The success of any project is not determined by the name of the firm or lengthy lists of prior projects, but rather by the individuals doing the work. BHMG's team presented here has demonstrated its ability to perform similar projects, as documented in our proposal.

The caliber of our work is not only reflected in our design work, but also in our careful consideration of other important aspects of the project, such as project coordination and communication. We encourage you to contact our references to discuss our capabilities and performance on similar projects.

We look forward to the opportunity to be of service to Rochelle. If you have any questions, please do not hesitate to contact me.

Sincerely,
BHMG Engineers, Inc.

A handwritten signature in black ink, appearing to read "Jason F. Jackson".

Jason F. Jackson, P.E.
Division Manager

TABLE OF CONTENTS

- Cover Letter
- Capability, Capacity and Qualifications
- Memo of Agreement
- Exhibit A
- Appendix
 - BHMG Rate Sheet
 - BHMG Terms and Conditions

CAPABILITY, CAPACITY AND QUALIFICATIONS

1.1 Overview

A. MISSION STATEMENT

BHMG's mission statement of "Powering long standing relationships through successful projects", is not just a statement, but is how we look at every client and every project. Our teams take ownership of every project, and help make the best decisions, not always the easiest decisions for the utility.

B. COMPANY INFORMATION

BHMG Engineers, Inc. was established in 1972 to provide comprehensive engineering services to local, state, federal and private entities. Today BHMG is a leading provider of utility engineering and consulting services for public power, electric cooperatives and investor-owned utilities, with focus on T&D Substation Design, T&D Line Design, Rate Study, Utility Consulting and Environmental Compliance.

C. ORGANIZATION SIZE

BHMG has currently approximately 64 professionals and support personnel. Among them are fourteen registered professional engineers, including electrical, mechanical and civil/structural engineers.

D. FACILITIES / EQUIPMENT

BHMG utilizes the most current project management and design software. We utilize AutoDesk AutoCAD, Bentley Microstation, Microsoft Project, Power Line Systems PLS-CADD, ESRI Arc Map, WinlGS, Visio, Aspen and ETAP Power System Analysis.

E. OFFICES

BHMG has offices in St. Louis, Missouri, and Collinsville, Illinois. The corporate home is located in the St. Louis office, which is located at 630 Jeffco Blvd, Arnold, MO 63010.

F. PROFESSIONAL LICENSE

BHMG has a Certificate of Authority to provide professional engineering services in the State of Illinois, license number 184004266-0002.

G. COMPANY LEGAL INFORMATION

BHMG is a Missouri corporation headquartered in St. Louis. The legal company name is BHMG Engineers, inc. The company ownership is held by six active engineers at the company. The firm has been in business for 50 years.

1.2 Staffing

A. ORGANIZATION STRUCTURE

BHMG has design teams consisting of project engineers, engineers, designers, drafters, and project coordinators. These teams are led by a project manager, the project managers are not restricted to a single team.

B. PROJECT TEAM

This project will be staffed with the following team, which has specific experience on municipal electric utility projects. Below is the list of the team members, and their resumes are on the next pages.

- a. Project Manager/Principal – Jason Jackson
- b. Electrical Project Engineers – Richard Gu
- c. Power System Engineer – Corey Jasper

2.1 Project Approach

Team Partner

BHMG has a long history of partnering with Municipal Electric Utilities to assist them with system planning as well as project specific design support. Our work with many other municipalities allows us to stay abreast of new trends and challenges being felt by all. This ability to build a long relationship with the client, as our mission statement says, helps us be a critical resource to the utility on day-to-day functions as well as major projects.

Once we are selected on projects we come in and learn the overall electric system, not just this specific project, to understand the benefits of the project and learn how to avoid other failures on previous projects. Also, one major item in the electric utility to maintain a consistent plan for the utility, we have seen many clients struggle with projects as they are considered projects, not a long-term relationship, or understanding of what the client needs. We pride ourselves on ability to partner with the client and confirm a scope of the project which will truly fix the original opportunity, not just complete the project.

MEMORANDUM OF AGREEMENT

PROJECT DATA

Date: 09/30/2022

Project Name: Rochelle Electric Generation Planning Study

Owner's Project Number: _____

BHMG Project Number: 3071

Description of Service: Provide Professional Engineering Services to develop an electric generation planning study, as further described in Exhibit A attached.

AGREEMENT DATA

Name: Rochelle Municipal Utilities

Address: 700 West Second Avenue

City: Rochelle, IL 61068

Contacts: Blake Toliver

Phone: 815-561-2065

Status: ☐ Estimate
☒ Quotation
☐ Revision to Original

Fee Basis: ☐ Cost Multiplier
☐ Lump Sum
☒ Not to Exceed

Dates: Start Upon Authorization

Complete

The effective date of this agreement and all services and obligations shall be the date of this agreement. The terms and conditions under which we are providing these services are set out on the reverse side of this page and incorporated herein by reference.

BILLING DATA

☒ Monthly 30 days net
☐ Other (explain)

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: 
Jason F. Jackson, Division Manager

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 – Rochelle Generation Planning Study

This Exhibit is attached to and made part of the Memorandum of Agreement dated _____, 2022 between the Rochelle Municipal Utilities (Owner) and BHMGE Engineers, Inc. (Engineer or BHMGE) providing for professional services.

Description of the Project:

BHMGE Engineers will perform a generation planning study on the city's Electric System. The study will investigate the existing fleet and the viability of any additional generation. BHMGE will provide the coordination some analysis but will heavily leverage the data from IMPA and other existing partners for RMU. The overall study is summarized below:

Load Existing Generation Heat Rates:

- a. Evaluate the existing generators' heat rates and overall fuel input costs for each unit operation. The existing heat rate studies will be leveraged, and the new Cat generators will be added to this report and summarized, along with current fuel costs for hourly fuel input costs.

Generation Market Review:

- a. Coordinate with IMPA for the current and proposed market conditions. Leverage knowledge from IMPA and summarize in current report. Detail each generation value stream from PJM.

System Evaluation:

- a. Evaluate the City's generation system and provide comments, observations, and recommendations in line with the established system planning and design criteria.

Investigate the Day Ahead Market:

- a. Assist with the coordination of IMPA and RMU on the benefits and risk of the DA market and ways of generating revenue.

Generation Long Term Planning:

- a. Coordinate with existing partners to develop financial information to determine model to assist in future planning for generation. Evaluate the proposed generation percentage mix with growing load in system. Evaluate renewable BTM generation options.

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.

Engineer's Compensation:

Compensation for the engineering services provide in accordance with this agreement shall be a cost multiplier fee basis amount of following, which will be billed as time and expenses as they are incurred, and the project can be suspended at any time:

- **Engineering Analysis:** **\$75,000.00**

BHMG will submit for payment based on monthly progress of work.

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.

APPENDIX



BHM Engineers Rate Table

March 7, 2022 - December 31, 2022

Classification	Hourly Rate
Project Manager IV	\$206.16
Project Manager III	\$200.82
Project Manager II	\$182.25
Project Manager I	\$173.94
Engineer IV	\$195.42
Engineer III	\$184.67
Engineer II	\$169.65
Engineer I	\$157.84
Environmental Engineer III	\$155.00
Environmental Engineer II	\$137.50
Environmental Engineer I	\$112.50
Engineer Associate/ Intern	\$103.67
Project Scheduler II	\$119.38
Project Scheduler I	\$108.44
CADD Drafter II	\$137.28
CADD Drafter I	\$123.49

* Out of pocket/actual expenses will be in addition to the rates listed above

* Rates are reviewed annually

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.

STATE OF ILLINOIS)
)
COUNTY OF OGLE) SS.

CERTIFICATE

I, Sue Messer, City Clerk of the City of Rochelle, County of Ogle and State of Illinois, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. _____,
“RESOLUTION AUTHORIZING THE RETENTION OF BHMG ENGINEERS, INC. FOR
ENGINEERING SERVICES FOR A GENERATION PLANNING STUDY” which was
adopted by the Mayor and City Council of the City of Rochelle on March 23, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of
the City of Rochelle this 27th day of March, 2023.

CITY CLERK