



**Rochelle Municipal Utilities**  
Rochelle, IL

Engineering Services  
for  
**Generation Planning Study**

Submitted by:  
**BHMG Engineers, Inc.**

September 30, 2022





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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", written in a cursive style.

Jason F. Jackson, P.E.  
Division Manager

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## **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, WinIGS, 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

<b>Classification</b>	<b>Hourly Rate</b>
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.