

**Date:** March 7, 2016

**To:** THE TRUSTEES

**From:** THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** **Procurement (Services) Contracts –  
St. Lawrence Robert Moses Switchyard  
Automation Monitoring and Control –  
Long-Term Service Agreement – Contract Award**

SUMMARY

The Trustees are requested to award a multi-year single-source services (“Services”) contract to Siemens Industries, Inc., of Wendell, NC (“Siemens”). The award will be for a term of up to five years and not-to-exceed the amount of \$837,666 for Services to be provided. The Services include operation and maintenance support, ensuring compliance with the North American Electric Reliability Corporation Critical Infrastructure Protection (“NERC CIP”) cyber security standards, and training associated with the Switchyard Automation Monitoring and Control (“SAMAC”) system installed by Siemens in 2009 at the Robert Moses Switchyard, Massena, NY.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year. In accordance with the Authority’s Expenditure Authorization Procedures, single/sole source requisitions for personal services contracts over \$500,000 also require the Trustees’ approval, as well as concurrence by the Vice President of Procurement.

The Transmission Life Extension and Modernization (T-LEM) is a multiyear program that will upgrade the Authority’s existing transmission system to maintain availability, increase reliability, and ensure regulatory compliance. The Program encompasses the Authority’s transmission assets in the Central, Northern, and Western regions and has been divided into several projects. The Program is estimated to cost \$726 million and includes:

- Upgrades, refurbishments, and replacements associated with switchyards and substations
- Transmission line structures or towers and associated hardware, including tower painting
- Replacement of the submarine cable on PV-20
- Work along rights-of-way, including access roads

At their December 18, 2012 meeting, the Trustees approved the Transmission Life Extension Program at the estimated cost of \$726 million. At this meeting, the Trustees also authorized capital expenditures in the amount of \$65.5 million for Phase 1 of the STL Breaker and Relay Replacement project.

In 2009, NYPA procured a turnkey Siemens SAMAC system for the Robert Moses switchyard in Massena, NY. This Smart Grid based system utilizes the IEC 61850 protocol in addition to proprietary Siemens software. Commissioning of the system began in 2013.

## DISCUSSION

Siemens will provide support to design, modify and/or test the SAMAC software, relays, network equipment, and a password management system (Crossbow). In addition, Siemens will provide hardware and software upgrades/patches, commissioning support, and, on an annual basis, O&M training and a system audit to assist the Authority in meeting the NERC CIP cyber security requirements. Additionally, the development of a condition-based monitoring system for the SAMAC project to meet NERC Standard PRC-005 reporting for maintenance intervals is included as an optional item.

Siemens is in the best position to provide the required engineering, programming, and commissioning support services for the SAMAC platform as it owns the proprietary SAMAC software, is the design engineer of record, and is responsible for design modifications to the system.

The issuance of up to a five-year contract in an amount not to exceed \$837,666 is warranted for both cost and efficiency considerations. An assigned matter may extend longer than a year and require consistency in service, thus it is more efficient to award a long-term contract. All of the contracts will allow the Authority, in its sole discretion, to terminate services without liability other than paying for acceptable services rendered to the effective date of termination.

## FISCAL INFORMATION

This project will be funded through the T-LEM program, approved by the Trustees at their meeting on December 18, 2012, and the Authority's operating fund.

## RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Project Management, the Vice President – Engineering, the Vice President – Procurement, the Project Manager and the Regional Manager – Northern New York recommend that the Trustees approve the award of a five-year contract to Siemens Industry, Inc., in the amount of \$837,666, to provide Operation and Maintenance services, North American Electric Reliability Corporation Critical Infrastructure Protection (“NERC CIP”) cyber security compliance support, and training associated with the Switchyard Automation Monitoring and Control (“SAMAC”) system installed at the Robert Moses Switchyard located in Massena, NY.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones  
President and Chief Executive Officer

## RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, approval is hereby granted to award a five-year contract to Siemens Industry, Inc. in the amount of \$837,666 to provide Operation and Maintenance Support, assistance with the North American Electric Reliability Corporation Critical Infrastructure Protection ("NERC CIP") cyber security compliance, and training associated with the Switchyard Automation Monitoring and Control ("SAMAC") system installed at the Robert Moses Switchyard located in Massena, NY, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

**Contractor**

Siemens Industries, Inc.  
Wendell, NC

**Contract Approval**

\$837,666

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.