

ITEM #:	<u>22</u>
DATE:	<u>06-23-26</u>
DEPT:	<u>ELEC</u>

## COUNCIL ACTION FORM

**SUBJECT: POWER PLANT SCADA SYSTEM SUPPORT SERVICE**

**BACKGROUND:**

Electric Services uses a Supervisory Control and Data Acquisition (SCADA) System to monitor status and to control power flows, electric generation, interconnections to neighboring utilities, distribution, and transmission. Data from the SCADA is also used as the basis for billing energy transactions.

The existing SCADA system was installed in 2000 and has had routine software updates about every two years. In 2008, 2015, and 2020, the hardware, operating system, and software were all upgraded. The SCADA system was supplied and is supported by Open Systems International, Inc. (OSI) from Medina, MN, and the software is based on Microsoft “.NET” technology.

Advancements have continued to be made to the software to meet changing industry standards and regulations. The City has historically entered into a support services agreement with OSI to keep pace with those changes and to provide maintenance services at a reasonable price. In the last three years, the Power Plant has been operating under a contract with OSI that provided required software upgrades and a support service plan.

**Staff will be pursuing a replacement SCADA system during FY 2026/27.** The City Council approved the use of savings from the Combustion Turbine Controls Upgrade Capital Improvement Project to pursue a replacement SCADA system at the May 26, 2026, meeting. Staff has issued an RFP to secure engineering services for the development of specifications describing the replacement system. **Until the replacement SCADA system is ready for use, the existing system must continue to be used.**

**Because the support for the existing SCADA system can only be provided by OSI, staff is requesting that the City Council waive the City’s Purchasing Policies requirement for formal competitive bids, and award a contract to Open Systems International, Inc., of Medina, MN in the amount of \$73,196 for a one-year commitment while replacement systems are pursued.**

The FY 2026/27 operating budget includes \$90,000 for SCADA system services, repairs, and training.

**ALTERNATIVES:**

1. Waive the City's Purchasing Policy requirement for formal bidding procedures and award a one-year contract to Open Systems International, Inc., Medina, MN, for the Monarch Support for a one-year term for SCADA in the amount of \$73,196.
2. Do not award.

**CITY MANAGER'S RECOMMENDED ACTION:**

**Regulatory authorities require the Electric Utility to maintain a functional SCADA system. In addition, it is in the City's best interest to maintain the SCADA system with the most up-to-date software, and to do this in a timely and cost-effective manner. The most effective way to maintain the SCADA system is to continue a Support Plan with the existing SCADA software supplier while a new system is designed and put into place.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1.