



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Operation and Maintenance Agreement, with Caterpillar Power Generation LLC, for the Operation of the Geneva Generation Facility		
Presenter & Title:	Aaron Holton – Superintendent of Electric Services		
Date:	January 16, 2024		
Please Check Appropriate Box:			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective:			
Estimated Cost: 2024 \$207,740 2025 \$216,650 2026 \$226,100		Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<i>If "Other Funding," please explain how the item will be funded:</i>			
Executive Summary:			
To continue to maximize the savings from BTM (Behind the Meter) operations, staff is recommending using Caterpillar Power Generation Systems for operations and maintenance of GGF during the summer months of 2024, 2025 and 2026.			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Memorandum • Resolution • LTSA OM Offer 23-1001 Rev. A • Amendment 5 to Operation & Maintenance Agreement 			
Voting Requirements:			
<p><i>This motion requires a simple majority of affirmative votes for passage. (City Council Only)</i></p> <p><i>The Mayor may vote on three occasions: (a) when the vote of the alderpersons has resulted in a tie; (b) when one half of the alderpersons elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i></p>			
Recommendation / Suggested Action: <i>(how the item should be listed on agenda)</i>			
Recommend approval of Resolution authorizing execution of Amendment No. 5 to the Operation and Maintenance Agreement, with Caterpillar Power Generation LLC.			



PUBLIC WORKS DEPARTMENT MEMORANDUM

December 18, 2023

Memo To: Mayor Burns and Committee of the Whole

From: Aaron Holton, Superintendent of Electrical Services

Re: Recommendation for approval of operations and maintenance contract with Caterpillar Power Generation Systems

Since the Geneva Generation Facility was completed and brought online in 2005, the City of Geneva has utilized Caterpillar Power Generation Systems to operate and maintain the plant through the summer run season.

This arrangement has proved beneficial to the City of Geneva. Caterpillar has delivered high reliability in its operation of the plant each year. The exceptional reliability has allowed the City of Geneva to realize significant savings for its electric utility customers. The plant performance for the 2023 season equated to \$1.7 Million in savings on capacity and transmission costs for the 2024 billing. The current contract expires May 14, 2024.

In addition to the actual operation of the plant, the City of Geneva also utilizes the factory technicians to maintain the plant, perform upgrades, and scheduled and unscheduled maintenance within the same contract. If necessary, we are also able to avail ourselves of the Caterpillar factory technicians at other times throughout the year under the same terms and conditions.

Staff Recommendations:

Based on the above analysis, it is staff's recommendation to award the Operations and Maintenance Contract to Caterpillar Power Generation Systems for the years 2024, 2025 and 2026

Cc: Rich Babica, Director of Public Works
Jose Ruize, Manager of Electric Operations
Jennifer Hilkemann, Manager of Distribution Construction & Maintenance
Jennifer Shelley, Purchasing & Inventory Coordinator

RESOLUTION NO. 2024-03

**RESOLUTION AUTHORIZING EXECUTION OF
AMENDMENT NO. 5 TO THE OPERATION AND MAINTENANCE AGREEMENT, WITH
CATERPILLAR POWER GENERATION L.L.C.**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the City Administrator is hereby authorized to execute, on behalf of the City of Geneva, Amendment No. 5 to the Operation and Maintenance Agreement (Exhibit A), with Caterpillar Power Generation L.L.C.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this 16th day of January, 2024

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Approved by me this 16th day of January, 2024.

Mayor

ATTEST:

City Clerk



CATERPILLAR POWER GENERATION SYSTEMS

OFFER

FOR

Operations & Maintenance

**Offer 23-1001
Rev A
1 October 2023**

Customer: City of Geneva

Site Location: 1717 Averill Road, Geneva, Ill 60134

Contract Term: Three (3) Years

O&M

<u>1</u>	<u>INTRODUCTION – CONTRACT MANAGEMENT SERVICES.....</u>	<u>4</u>
1.1	ADDING VALUE.....	4
1.2	GUIDING PRINCIPLES.....	4
1.2.1	Core Values.....	4
1.2.2	Critical Success Factors	5
1.3	CONTINUOUS IMPROVEMENT	6
1.4	EXPERIENCE	6
1.5	TRANSITION & COMMUNICATION.....	7
<u>2</u>	<u>O&M.....</u>	<u>7</u>
2.1	SCOPE OF SERVICES.....	7
2.1.1	Services and Responsibilities of CPGS	7
2.1.2	Services and Responsibilities of Customer	8
2.1.3	Exclusions	8
2.2	CPGS TEAM.....	8
2.2.1	Staff Selection	8
	CPGS utilizes a formal screening process to ensure the best personnel for each service contract. This process selects candidates with applicable experience, who have positive attitudes and a desire to treat customer assets as their own.	8
2.2.2	Training and Qualification	8
2.2.3	Position Accountabilities	9
2.3	MAINTENANCE ACTIVITIES.....	10
2.3.1	Preventative Maintenance	10
2.3.2	Predictive Maintenance	10
2.3.3	Balance of Plant Equipment Maintenance	11
2.3.4	Engine Equipment Repair and Replacement	11
2.3.5	Electrical Equipment Repair and Replacement.....	11
2.4	OPERATIONS ACTIVITIES.....	12
2.4.1	Reporting.....	12
2.4.2	Administrative / EHS / O&M Procedures.....	12
2.5	MOBILIZATION	12
<u>3</u>	<u>COMMERCIAL</u>	<u>12</u>
3.1	SCOPE	12
3.1.1	Equipment	12
3.1.2	Term.....	13
3.1.3	Validity.....	13
3.1.4	Changes to Scope	13
3.1.5	Termination and Cancellation	13
<u>4</u>	<u>PRICING.....</u>	<u>14</u>

EXECUTIVE SUMMARY

Caterpillar Power Generation Systems (“**CPGS**”), a Caterpillar company, is an industry leader in the provision of power systems in its size range. CPGS experience extends to all corners of the globe and covers many different application environments. This experience demonstrates that CPGS provides quality long-term Contract Management Services (“**CMS**”) to equipment owners. CPGS’ Contract Management Services focuses on equipment operation and maintenance services, allowing customers to optimize the long-term economic performance of their assets.

Contract Management Services CMS from CPGS assures reliability, availability and long operating life, and provides single-point responsibility for installation service, parts, repair and replacement, operation and training. Our multi-skilled team optimizes facility operation by continuously improving operation and maintenance practices and fine-tuning equipment performance. This team will have the proper tools, appropriate ongoing training, and empowerment to deliver results. Additionally, CPGS brings proven Operation and Maintenance (“**O&M**”) procedures and a management philosophy that focuses on setting high expectations while properly balancing operating and maintenance demands. All of these capabilities combine to guarantee optimal performance and availability of facility equipment and result in a maximum return on investment due to optimal asset utilization.

In the following pages, CPGS proposes to provide services for City of Geneva at the Geneva Electric Generation facility. The O&M scope provided for this site is listed in Section 2.1 below.

OPERATIONS & MAINTENANCE

1 INTRODUCTION – CONTRACT MANAGEMENT SERVICES

CPGS provides complete operation and maintenance services to customers in Power Generation businesses around the world, and our service contracts are designed to meet the often-unique requirements that owners face in developing cost-effective maintenance strategies for their assets. For more than twenty years we have been providing Contract Management Services ranging in scope from total responsibility for multiple OEM rotating equipment fleets, to complete facility management with a performance based compensation structure.

With a worldwide network of professional and skilled managers, engineers, operators and technicians, CPGS is positioned to support operation and maintenance needs in all types of facilities. Headquartered in Peoria, Illinois, and operating out of worldwide field locations, we are able to provide consistent, proven, and yet specialized care to each service contract customer.

1.1 ADDING VALUE

CPGS has always understood the correlation between optimization of asset performance and cost-effective plant operations. Realizing that the most progressive asset owners want to maximize the total net value of their facilities, CPGS helps to minimize the total life cycle costs of new and existing installations, balancing first-cost against ongoing operating costs. We focus on a balanced approach to maintenance and operations – two functions that often have different and conflicting goals and incentives in a larger organization.

CPGS is committed to adding value to the customer's operation and we have consistently maximized facility availability and reliability, optimized plant performance and reduced risk while emphasizing the highest level of attention to safety, environmental compliance, and training.

Additionally, CPGS offers complete aftermarket support of our engines through the worldwide Caterpillar support organization to provide complete maintenance, repair and overhaul support with dedicated and experienced technicians.

1.2 GUIDING PRINCIPLES

1.2.1 Core Values

In all aspects our business, we at CPGS adhere to a guiding set of core values:

Operate Ethically

A worldwide code of conduct we adhere to as individuals and as a company. We will hold to a single high standard of integrity everywhere; will not make commitments we don't intend to keep nor promise more than we can reasonably expect to deliver.

2023 Operations and Maintenance Offer LTSA 23-1001(9159309.2)
City of Geneva

Be Dedicated to Quality	Every level of the company is dedicated and accountable for the uncompromising quality and continuous improvement in all our products and services.
Be Value Driven	Our customers expect extraordinary value from CPGS – we are committed to anticipating, meeting, and even exceeding those expectations in everything we do.
Teamwork	We foster and encourage solid teamwork with customers, suppliers, and employees.
Be Socially Responsible	We support and improve the communities where we live and work by providing a safe work place, encouraging and supporting community involvement, improving the environment, and by respecting the value of every individual.

We maintain our core values by communicating what they are and explaining how each applies to the project. We maintain direct and open lines of communication within our organization, as well as with the client, to discuss any issues and resolve any conflicts that may arise. CPGS management emphasizes the importance of our values, and we create a sphere of support for the team members, helping them to understand and adhere to these values.

Because of the close relationship we maintain with our customers, we align customer and CPGS goals and objectives prior to and throughout the Agreement term. We make it a point to respect and support your core values and to incorporate them into our philosophy at the facility.

1.2.2 Critical Success Factors

It is CPGS' belief that all parties should have a complete understanding of each other's responsibilities and expectations. Therefore, not only do we explain to you our core values, but also the critical success factors guiding our actions.

CPGS defines success as: Achieving customer satisfaction through high availability, optimal plant performance and a reduction in costs while maintaining the highest level of safety, environmental compliance, and employee satisfaction.

The critical factors guiding us toward success are to:

- Continually improve the operation to satisfy customer needs
- Assure clear accountabilities.
- Increase communication and strengthen business relationships.
- Provide rewards that foster retention and maximize productivity.
- Increase leadership capability, diversity and multinational experience.
- Achieve performance excellence by focusing on continuous improvement, roles and responsibilities, and work methods to increase process focus.

The following are what we understand to be the business objectives of most customers. We incorporate these objectives and any others into our overall O&M philosophy.

- Adherence to core values
- Excellent EHS performance
- Maximization of uptime
- Minimization of unplanned/unscheduled downtime
- Optimization of engine operation and maintenance performance
- Effective business and cost management
- Innovative technical support
- Structured and effective planning
- Optimization of maintenance activities
- Safeguarding of technical integrity
- Obtainment, retention, and development of high quality personnel
- Continuous Improvement

1.3 CONTINUOUS IMPROVEMENT

CPGS continuously strives to optimize asset performance through continuous improvement and the innovative application of existing and new technologies. We are able to quickly take advantage of Caterpillar product developments and enhancements. We monitor and report any cost reductions, availability increases and/or performance improvements resulting from our continuous improvement efforts.

CPGS is dedicated to developing, reviewing, and maintaining continuous improvement strategies for the optimization of cost effective operation and maintenance. We are able to share knowledge across projects and apply methods, techniques, and improvements throughout the organization. Each project benefits from the collective skills, knowledge and experience gained from by our work and experience at other locations.

1.4 EXPERIENCE

For two decades CPGS has proven its experience and expertise in maintaining engine and associated balance-of-plant equipment. We currently provide Contract Management services for numerous sites, with CPGS personnel having mobilized and executed contracts at both new and existing facilities around the world. *(Supplemental data available upon request.)*

Finally, we believe that our knowledge and experience is one of the key value adders that our CMS can bring to Customers' projects. Customer's benefit from this knowledge and experiences by: utilizing the personnel from existing sites to help mobilize, or sometimes, even staff, the newer facilities. By having access to all applicable procedures created at the existing sites as templates for the new project procedures; having "hands-on" Business Managers that are able to guide the new project and help avoid any problems and/or pitfalls; and developing (and continually improving) training programs to address critical issues.

1.5 TRANSITION & COMMUNICATION

CPGS understands that every project situation is unique – whether it is a new or existing facility, whether there exist O&M technicians and/or operators, or whether the equipment is located in extreme or ideal conditions. Regardless of the situation, we believe success depends upon a smooth transition into the Agreement and continuous communication.

CPGS facilitates a smooth integration into each project by fully investigating the work site and conditions prior to our permanent presence and execution of the Agreement. This includes gaining a complete understanding of the equipment, work environment, other on-site personnel, and any extenuating circumstances or potential challenges. We work with all involved parties to develop and implement a mobilization plan, incorporating everyone's interests as much as possible in order to ensure consensus and teamwork. This helps to reduce surprises and to encourage full co-operation and support.

As projects go into full operating mode, CPGS strives to maintain clear and open communications with the customer so that our operations and the customers' operations become integrated and coordinated.

2 O&M

2.1 SCOPE OF SERVICES

During the term of the proposed O&M Agreement, CPGS will assume responsibility for providing all the necessary labor, supervision, professional and technical assistance, equipment, inspection, testing, and transportation required for proper completion of the scope of services defined below.

2.1.1 *Services and Responsibilities of CPGS*

Per the scope of the O&M Agreement, it is CPGS' responsibility to provide:

On-site staffing of one (1) field engineer for a consecutive three-month period during facility peak operations starting 15 June 2024 and ending 14 September 2024, starting 15 June 2025 and ending 14 September 2025, and starting 15 June 2026 and ending 14 September 2026.

During the three (3) month peak operations period in each year, the field engineer will be responsible for the operations and maintenance per the position accountabilities listed in section 2.2.3 for the covered equipment defined in section 3.1.1.

During the three (3) month peak operations period in each year, overtime will be minimized as much as possible by flexible working hours for the CPGS field engineer to match the run schedule.

During the three (3) month peak operations period in each year, CPGS will be responsible for contracted labor up to Five Thousand UD Dollars (\$5,000) in the case the on-site field engineer needs assistance in troubleshooting. The need for the contracted labor will be at CPGS' sole discretion.

2.1.2 Services and Responsibilities of Customer

During Agreement execution it is the customer's responsibility to:

- Maintain permits
- Contract emissions testing
- Maintain facility and grounds
- Perform radiator cleaning and maintenance
- Purchase parts and material identified by the CPGS field engineer
- Provide lineman electrical support within two (2) hours of request for troubleshooting purposes

2.1.3 Exclusions

The services, materials, and facilities listed below are not currently covered by this agreement.

- Any spare parts required for the maintenance of any equipment
- Any additional labor as required to perform any major maintenance items beyond the scope of normal operations
- Transportation, taxes and import duties on replacement parts or equipment
- Maintenance of underground piping
- Hazardous waste disposal
- Additional training due to government, local, or federal changes
- Equipment not specified on the balance of facility listing

2.2 CPGS TEAM

CPGS offers a specialized technical and professional staff to meet the needs of the service contract. Additionally, all contracts are supported by CMS business development and area management functions.

During operation, CPGS personnel will staff the facility as defined to meet the customer's anticipated operational requirements.

2.2.1 Staff Selection

CPGS utilizes a formal screening process to ensure the best personnel for each service contract. This process selects candidates with applicable experience, who have positive attitudes and a desire to treat customer assets as their own.

2.2.2 Training and Qualification

CPGS trains and develops the individuals in order to form the most effective, multi-skilled O&M personnel.

2.2.3 Position Accountabilities

The local member of the O&M team will be the CPGS Field Engineer as outlined above.

The CPGS Field Engineer is CPGS' representative for all technical matters. All commercial matters will be addressed with the designated CPGS Contracts Manager. The Field Engineer is responsible for operations and maintenance tasks and scheduling the day-to-day operations and maintenance tasks as well as collateral duties. The Field Engineer will be employed and present at site for a normal forty (40) hour work week to meet reasonable operating requirements. Based on receiving a twelve (12) hour advanced notice of operating hours, the Field Engineer's work schedule will be flexible to closely reflect the operating schedule and minimize overtime. In addition, the field engineer will be on call twenty-four (24) hours per day for all emergencies and facility outages.

Major responsibilities and accountabilities for the CPGS personnel are:

FIELD ENGINEER

This position provides advice for the safe, continuous, profitable, and cost effective operation and maintenance of the equipment. This person, while assigned on site:

- Serves as the primary customer contact for technical correspondence.
- Completes all facility reporting such as production, downtime, maintenance, trending/performance, and financial reporting.
- Ensures regulatory compliance (code issues on maintenance, license requirements, and permitting).
- Oversees inventory utilization and management; determines on-site spares definition, quantity levels, and purchasing requirements.
- Establishes all necessary operating and maintenance procedures and materials management in order to meet performance objectives.
- Manages requests for outside services through established customer procedures.
- Assists customer in directing maintenance scheduling, taking into account contractual obligations, customer requirements, and personnel utilization within business plan, budget, and financial constraints.
- Recommends any necessary facility modifications with minimal impact on revenue and within budget constraints.
- Ensures all facility malfunction reporting is communicated to the customer, regulatory agency, or utility.
- Reviews any deviation of individual equipment performance from standards (corrected for site conditions) and approves corrective action plan.

2023 Operations and Maintenance Offer LTSA 23-1001(9159309.2)

City of Geneva

- Coordinates all operational activities of the power plant. Compiles data and prepares daily power plant report. Maintains power plant operations while not compromising safety or environmental demands.
- Has the ability to operate, maintain, troubleshoot and repair both engine and balance of facility equipment to ensure high facility availability; can service, diagnose and repair electrical/mechanical systems.
- Will maintain the electrical equipment in a high standard of availability at a reasonable cost and minimal down time. Will monitor and service electrical maintenance requirements in accordance with company policy, manufacturer's recommendations and in a safe manner. Ensures that necessary parts are available and submits material requisitions when required.
- Assists in compiling data for production, emissions, and other periodic reports.
- Plans and schedules all maintenance activities, major outage activities, and emergency repairs. Allocates manpower, tooling, contractors and special equipment.

2.3 MAINTENANCE ACTIVITIES

CPGS includes the following products and services in the maintenance portion of its contract:

- Preventative and corrective maintenance
- Predictive maintenance
- Engine and BOP equipment repair

2.3.1 *Preventative Maintenance*

Preventative maintenance tasks are completed based on annual maintenance plans as recommended by Caterpillar. Condition monitoring techniques will also be utilized to continuously diagnose engine condition. Whenever needed, maintenance will be performed (as allowed by operations scheduling) to correct problems and optimize engine performance. During Agreement execution, CGPS will provide timely recommendations for all maintenance tasks necessary based on running hour or condition basis. Planned maintenance activities can be performed sooner or later based on a condition evaluation.

2.3.2 *Predictive Maintenance*

Predictive maintenance will be provided in the form of Performance Analysis, Lube Oil Analysis, and Trending to ensure the health of the engines.

2.3.3 Balance of Plant Equipment Maintenance

As part of the preventative and predictive maintenance, CPGS will provide the following for specific BOP equipment (as applicable per contract):

- Lube oil sampling for analysis
- Cooling water sampling for analysis

2.3.4 Engine Equipment Repair and Replacement

CPGS will support the defined Engines. Repair policies and procedures are developed with the intent to support the customer in maintaining performance, reliability and operating life that was originally designed into the equipment.

The major repair process is divided into four phases:

- Disassemble and clean
- Inspect and Measure
- Restore and Replace
- Reassemble and Test

Each phase in the process is directed toward providing an engine that meets the same quality and performance standards as designed.

2.3.5 Electrical Equipment Repair and Replacement

CPGS will support the defined electrical equipment and controls. Repair policies and procedures are developed with the intent to support the customer in maintaining performance, reliability and operating life that was originally designed into the equipment.

The major repair process is divided into four phases:

- Disassemble and clean
- Inspect and Measure
- Restore and Replace
- Reassemble and Test

Each phase in the process is directed toward providing an engine that meets the same quality and performance standards as designed.

2.4 OPERATIONS ACTIVITIES

2.4.1 Reporting

CPGS works with the customer to produce and record data needed to evaluate system performance.

Reports can include:

- System Performance
- Water consumed
- Maintenance
- Electrical Production
- System Review
- Lube Oil consumed
- Availability
- Fuels consumed
- Repair and replacements

2.4.2 Administrative / EHS / O&M Procedures

CPGS personnel will adhere to Caterpillar standard administrative, operations and maintenance, environmental, health, and safety procedures as well as customer required procedures as applicable and agreed upon in order to successfully administer the contract services.

2.5 MOBILIZATION

CPGS will begin to mobilize two (2) days prior to the start of the plant peak operations period estimated to be on June 15, 2024.

3 COMMERCIAL

3.1 SCOPE

3.1.1 Equipment

The following lists the type of equipment included in this operations and maintenance contract. The addition of equipment not shown below will alter the quoted monthly fee. CPGS reserves the right to make pricing adjustments after complete review of all facility equipment lists.

Included Equipment

Caterpillar five (5) G16CM34 engines
 Combined modules
 Generators

2023 Operations and Maintenance Offer LTSA 23-1001(9159309.2)
 City of Geneva

Fuel modules
Start Air Compressors
Ventilation equipment
Exhaust systems
Control systems
MCC's
LDB's
ECM's
Switchgear PLC's and Control Logic

Excluded Equipment

12.47-34.5 kVA Transformer
Building structural
Building cosmetic
Switchgear other than PLC and Control Logic
Radiators
Substation

3.1.2 Term

The term of this offer is based on a three (3) year agreement, beginning on the Effective Date of the Agreement estimated to be May 15, 2024.

3.1.3 Validity

This offer is valid for four months from time of issue. After that time, CPGS will work with the customer to re-evaluate data and cost.

3.1.4 Changes to Scope

The prices quoted in this Offer are based on our understanding of the operation parameters, scope and condition of the equipment at the time of Offer submission. CPGS may conduct a preliminary inspection of the site and equipment in order to assess scope and conditions. CPGS will work with the customer to review any changes in scope of services or equipment and the agreement may be modified to include these changes.

3.1.5 Termination and Cancellation

For early termination not due to default by CPGS of the June 15-September 14 of any included year under the O&M agreement, the month of termination would be charged at the full Fixed Fee if received after the 15th of the month preceding the month of termination plus any accrued variable expenses.

If notice is given before the 15th of the month preceding termination (more than two weeks), a sum not-to-exceed eight percent (8%) of the remaining value of the Agreement would be charged plus any accrued variable expenses.

4 PRICING

CPGS will supply personnel and provide normal operations and maintenance activities as defined. Major repairs / overhauls, and replacement parts necessary to efficiently and safely perform the maintenance of the Geneva Generation facility will be quoted outside the agreement to the City of Geneva on a time and material basis.

The term of the agreement is three (3) years, starting from the Effective Date estimated to be May 15, 2024.

Individual engine running hours are assumed to be not greater than 300 hours per year. Total running hours are projected to be less than four thousand five hundred (4,500) with all engines combined throughout the term of the Agreement.

(NOTE: The program schedule and pricing provided here are based upon the scope as it is defined in this Offer and are shown in 2023 dollars unless otherwise noted. Any scope changes may be subject to pricing revision.)

A monthly fee will be charged as outlined below:

Fixed Fee: each month a flat base fee of Forty Nine Thousand Five Hundred US Dollars (\$49,500) (“Fixed Fee”) will be charged during the three (3) month peak operation period. This fee is fixed except for annual adjustments based on the US Bureau of Labor Statistics Index, US Consumer Price Index (CPI) - All Urban Consumers, US City Average, Not Seasonally Adjusted. All Items issued by the Bureau of Labor Statistics of the United States Department of Labor commencing on the 1st of May following the commencement date. If this index is not yet published at the time of adjustment, the most recently published index shall be applied. The annual adjustment will not exceed six percent (6%) for any given year during the term of this Agreement. For additional days outside the defined peak operating times, a prorated daily rate will be applied. The estimated daily fee will be One Thousand Four Hundred US Dollars (\$1400). Additional days outside the peak operating times will be mutually agreed upon prior to execution between the City of Geneva Superintendent of Electrical Services and the CPGS Contract Services Manager.

Variable Fees: In the event CPGS employees are required to work hours beyond 8/day and 40/week, such work will be charged at Two Hundred US Dollars (\$200) / hour. Travel expenses will be billed per the agreed upon values below and not subject to exchange rate adjustment.

Accommodations	\$150/night
Per diem	\$90/day
Rental Car	\$80/day
Airline Flights	At cost, but not to exceed Six Thousand US Dollars (\$6,000) during the term of Agreement.

Mobilization Fee: A mobilization fee will not be charged unless an interruption in the period of plant staffing is requested by and for the convenience of the City of Geneva. Should an interruption in service be requested, the fee schedule outlined in Article 3.1.5 above will apply.

ALL OFFERS ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE CPGS CONTRACT MANAGEMENT SERVICES AGREEMENT.

**AMENDMENT NO. 5
TO THE
OPERATION AND MAINTENANCE AGREEMENT**

This Amendment No. 5 (the “**Amendment**”) to the Operation and Maintenance Agreement, dated on April 2, 2012, (the “**Agreement**”) is made effective as of May 14, 2024 by and between Caterpillar Power Generation Systems, L.L.C., a Delaware limited liability company (“**CPGS**”) and City of Geneva, an Illinois Municipal Corporation, (“**Customer**”). CP GS and Customer are sometimes referred to herein collectively as the “Parties” and individually as a “Party”.

WHEREAS, the Parties entered into the Agreement for CP GS to perform operation and maintenance services with the respect to Customer’s electric power generation facility (“**Facility**”) located at the project site (“**Project Site**”);

WHEREAS, the Parties amended the Agreement effective May 14, 2015 to extend the Agreement to expire May 14, 2018 (“**Amendment No. 1**”);

WHEREAS, the Parties amended the Agreement effective May 15, 2018 to extend the Agreement to expire May 14, 2021 (“**Amendment No. 2**”);

WHEREAS, the Parties amended the Agreement effective May 15, 2021 to extend the Agreement to expire May 14, 2024 (“**Amendment No. 3**”);

WHEREAS, the Parties amended the Agreement effective February 15, 2022 to revise certain provisions in the Agreement (“**Amendment No. 4**”);

WHEREAS, the Parties have agreed to make additions, changes and replacements to certain sections to the Agreement; and

NOW, THEREFORE, for valuable consideration, the Parties hereby agree to amend the Agreement as follows:

1. The Included Equipment that are the subject matter of this Amendment are set forth at Section 3.1.1 of the Offer (as defined in the Agreement) which is attached as Exhibit A to the Amendment.
2. Section 2, will be deleted in its entirety and replaced with the following:

*“2. The Term of this Agreement will commence on the Effective Date and terminate on May 14, 2027. The Fixed Fee shall be \$49,500.00 USD per month which will be charged during the period from June 15 through September 14 of each calendar year (“**Peak Period**”). For additional days outside the Peak Period, a prorated daily rate of \$1400 USD will be applied upon mutual agreement. In the event the CP GS Maintenance Manager is required to work hours beyond 8 hours per day or 40 hours per week, such work will be charged at \$200 USD per hour. Travel expenses will be billed per the agreed upon values below and not subject to exchange rate adjustment.*

The travel costs shall be increased to the values listed below:

- Accommodations \$150/night
- Per Diem \$90/day
- Rental Car \$80/day
- Airline Flights At cost, but not to exceed \$6,000 during the term of the Agreement."

3. Section 3, Performance Assessments and Performance Bonuses, of the Agreement shall be deleted in its entirety.

4. Section 4(d), shall be deleted in its entirety and replaced with the following:

"d. The Fixed Fee Adjustment in any year shall not exceed six percent (6%) annually, up or down, and shall be communicated and invoiced to Customer in writing."

5. All capitalized terms used herein but not defined shall have their respective meanings set forth in the Agreement.

6. This Amendment may be executed in one or more counterparts (individually by means of facsimile or other electronic transmission), each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

7. Except as expressly amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

CATERPILLAR POWER GENERATION SYSTEMS, L.L.C.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CITY OF GENEVA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
OPERATIONS & MAINTNENACE OFFER