

RESOLUTION NO. 2014- 73

A RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH DIRECT LINE TO COMPLIANCE INC., HOUSTON, TX, FOR FINALIZING AUDIT SUPPORT FOR NERC COMPLIANCE WITH VINELAND MUNICIPAL ELECTRIC UTILITY'S ASSOCIATED 693 RELIABILITY STANDARDS.

WHEREAS, there exists a need for Professional Services for finalizing audit support for the 2014 audit with Reliability First Corporation for NERC Compliance with Vineland Municipal Electric Utility's associated 693 Reliability Standards; and

WHEREAS, the City of Vineland has a need to acquire such professional services as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, the purchasing agent has determined and certified in writing that the value of said services will exceed \$17,500.00; and

WHEREAS, Direct Line to Compliance, Inc., Houston, TX has submitted a proposal indicating they will provide the professional services in the amount not to exceed \$30,000.00 for a period of one year from date of award; and

WHEREAS, Direct Line to Compliance, Inc. has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that Direct Line to Compliance, Inc. has not made any reportable contributions to a political or candidate committee in the City of Vineland in the previous one year and that the contract will prohibit Direct Line to Compliance, Inc. from making any reportable contributions through the term of the contract to a political or candidate committee in the City of Vineland; and

WHEREAS, the availability of funds for said Professional Services Contract to be awarded herein have been certified by the City Comptroller; and

WHEREAS, the Local Public Contract Law (N.J.S.A. 40A:11-1, et seq) requires that the Resolution authorizing the award of contract for Professional Services without competitive bidding and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vineland as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute a Non-Fair and Open Agreement pursuant to N.J.S.A. 19:44A-20.5 with Direct Line to Compliance, Inc., Houston, TX, for Professional Services for finalizing Audit Support for NERC Compliance with Vineland Municipal Electric Utility's associated 693 Reliability Standards in an amount not to exceed \$30,000.00.
2. That this Agreement is awarded without competitive bidding as a Professional Services in accordance with N.J.S.A. 40A:11-5(1)(a) of the Local Public Contracts Law because said services to be rendered or performed require knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction distinguished from general academic instruction or apprenticeship and training.
3. That the Business Disclosure Entity Certification, the Political Contribution Disclosure Form and the Determination of Value be placed on file with the Resolution.
4. That a Notice of this action shall be printed once in the Daily Journal.

Adopted:

President of Council

ATTEST:

City Clerk



MEMORANDUM

January 23, 2014

TO: William Lutz
Business Administrator

FROM: Robert A. Napier, Asst. Superintendent/Distribution *Robert A. Napier*

SUBJECT: Request for Professional Services Contract for NERC Compliance

Vineland Municipal Electric Utility requests that a Professional Services contract be awarded to Direct Line to Compliance, Inc., 9555 W. San Houston Parkway South Ste. 333, Houston Texas, 77099 not to exceed \$30,000.00

The purpose of this contract is for finalizing audit support for our 2014 audit with Reliability First Corporation. This audit is for NERC Compliance with VMEU's associated 693 Reliability Standards. Direct Line to Compliance has been supporting VMEU since May 2009 and has been our consultant from the beginning of our audit dating 11-19-13 with an ending date of 2-28-14.

This is a non-fair and open award and professional services request. The Pay to Play paperwork should be submitted to Purchaser.

Please make the Resolution authorizing the Director of Law to make any minor changes to the contract as needed after Council approval.

APPROVAL:

Joseph A. Isabella

Joseph A. Isabella
Director of Electric Utility

Rick Tonetta

Rick Tonetta, Esq.
Director of Law

RAN:kc

cc: H. A. Maloney

**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS
UNDER 40A:11-5 EXCEPTIONS
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

January 23, 2014

(DATE)

1. Service (detailed description): Professional services Contract for NERC Compliance

2. Amount to be Awarded: \$ 30,000.00

- Encumber Total Award
- Encumber by Supplemental Release

3. Amount Budgeted: \$ 30,000.00

4. Budgeted: By Ordinance No. _____
Or Grant: Title & Year _____

5. **Account Number to be Charged: 002-0-54-90-9006-2-7023411

6. Contract Period: 1 year from award

7. Date To Be Awarded: February 11, 2014

8. Recommended Vendor and Address: Direct Line to Compliance, Inc.
4555 W. Sam Houston Pkwy. South Ste. 333
Houston, TX 77099

9. Justification for Vendor Recommendation:(attach additional information for Council review)
Direct Line to Compliance has been supporting VMEU from the beginning of
our compliance audit starting 11-19-13 with an ending date of 2-28-14.

- Non-Fair & Open (Pay-to-Play documents required)
- Fair & Open: How was RFP advertised? _____

10. Evaluation Performed by: Robert A. Napier *Robert A. Napier*

11. Approved by: *[Signature]*

12. Attachments:

- Awarding Proposal
- Other: Memo

- Send copies to:
Purchasing Division
Business Administration

** If more than one account #, provide break down

City of Vineland
Internal Compliance Program
ColorCodeIT™ Solution



Presented by:

Monica Brown
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Michael Adeeko
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Presented to:

Robert Napier
Assistant Superintendent Distribution
Vineland Municipal Electric Utility
rnapiere@vinelandcity.org
(856) 794-4000 x4304

Kathy Caignon
Asst. Administrative Analyst/NERC Compliance
City of Vineland Municipal Electric Utility
Engineering Division
415 N. West Avenue
PO Box 1508
City of Vineland, NJ 08362-1508

856-794-4000 ext. 4278
856-405-4623 fax

October 25, 2013

CONFIDENTIAL

Company Overview

Direct Line to Compliance, Inc., (DL₂C) is a consulting firm and NERC approved provider, with the only NERC approved course which contains a compliance methodology for translating Reliability and CIP standards. Service offerings include: NERC Compliance training, Gap Analysis, project management, staff augmentation, and audit readiness preparation within the eight regions.

FERC Internal Compliance Program Overview

The Federal Energy Regulatory Commission (FERC), the sanctioning body for violations of requirements associated with the reliability standards, has stated on numerous occasions that it expects to see a "culture of compliance" in place and in force for each registered entity.

These factors are: (1) the role of senior management in fostering compliance; (2) effective preventive measures to ensure compliance; (3) prompt detection, cessation, and reporting of violations; and (4) remediation efforts.

Some finer points of the internal compliance program are also laid out in FERC's Policy Statement on Compliance

- Provide sufficient funding for the administration of compliance programs by the Compliance Officer
- Promote compliance by identifying measurable performance targets
- Tie regulatory compliance to personnel assessments and compensation, including compensation of management
- Provide for disciplinary consequences for infractions of Commission requirements
- Provide frequent mandatory training programs, including relevant real world examples and a list of prohibited activities

FERC's Policy Statement on Compliance (Continued)

- Implement an internal Hotline through which personnel may anonymously report suspected compliance issues
- Implement a comprehensive compliance audit program, including the tracking and review of any incidents of noncompliance, with submission of the results to senior management and the Board.

Scope, Project Approach and Methodology

The DL₂C Color-Coded Compliance System™ is a unique and innovative method of reading NERC compliance standards. The system eliminates confusion as it returns to the fundamentals of audit by the strict interpretation of compliance standards and focuses on a results-based approach. The results from this system yield hard numbers, which give long-awaited core metrics to an internal compliance program.

NERC auditors have become increasingly aware of the DL₂C method, allowing them to more accurately evaluate the evidence presented by the NERC registered entity. Awareness on both sides of the audit puts the participants on the same page and eliminates the frustration of possible violations that come from unexpected questions the auditor may ask.

To sum it all up, the DL₂C Color-Coded Compliance System counts the exact number of elements which constitute a complete set of evidence requirement by requirement. The system quantifies the complete evidence submission for all standards, Reliability and CIP, as recently presented to NERC auditors who indicated an excellent comprehension of the method.

**ColorCodeIT™ Software Library and
Internal Compliance Program
Management Solutions
(ICPMS)**

The **ColorCodeIT™** Library is a web-based membership site which delivers an on-demand repository of dissected NERC Compliance Standards which are kept current to all FERC approvals, and prepared according to the audit-proven DL2C Algorithm.

Preloaded Color Coding for use in the City of Vineland Internal Compliance Program. This provides the entire library of NERC Standards in the color-coded-format/approach matrices which provide hard numbers of directives, evidence, attributes, and supporting evidence needed for compliance, a unique feature in the market.

Subscription Pricing:

\$8,000 **DL2C ColorCodeIT™ Library**

- **Provides the entire library of NERC Standards** in the color-coded-format, consisting of the approach matrices which provide hard numbers of directives, evidence, attributes, and supporting evidence needed for compliance, a unique feature in the market
- **Annual subscription license** for up to twenty (20) named users

20+ additional users (\$ 500 per user license)

ColorCodeIt™
Internal Compliance Program
Management System
(ICPMS)

The **ColorCodeIT™** Internal Compliance Program Management System (**ICPMS**) is Dashboard-inspired software that gives you real-time coordination and updates on your NERC compliance status, based on undisputed metrics derived from the NERC compliance standards themselves.

The site licensed version of the **ColorCodeIT™ ICPMS** affords our clients the option of a one-time purchase of software for life, with the option to purchase plans for all available upgrades and technical support.

The Perpetual Solution of CCI is the CIP compliant option, and requires a server, specifications will be delivered at a later time. The client-user receives an installation and deployment guide which describes exactly how to perform the installation as downloaded from our site on the internet. Technicians will be on hand to assist remotely. All files in the database will be able to reside behind the ESP or in other network protected areas.

DL₂C ColorCodeIT™ software Deliverables:

- Uses **Color-Coded Compliance System™** data
- Dashboard showing NERC Compliance completion percentages in hard numbers
- Email prompting to ensure continuous NERC Compliance at 100%
- Time Reduction spent on NERC Compliance to 30 minutes twice a week once properly setup
- Preloaded Color Coding manages the entire NERC Internal Compliance Program
- Preloaded Color Coding provides the entire library of NERC Standards in the color-coded-format/approach matrices which provide hard numbers of directives, evidence, attributes, and supporting evidence needed for compliance, a unique feature in the market.

- No delays. Immediately ready and configured to your specific needs.
- Current Evidence Updates ensure that you have the most current translation of NERC requirements as they relate to your unique evidence (links are updated and maintained by DL₂C).
- Approach Templates streamline your compliance efforts: Templates are preconfigured to gaps and improvements recognized during the Gap Assessment
- Audit Packaging for instant preparation of offsite/onsite submissions to the Regional Entities
- Auditably compliant (AC) evidence results from the implementation of the software, accessibility and proves compliance culture
- "Results-Based" Audit goes hand-in-hand with NERC preparation

Software Training, Consulting and Support:

To ensure you are gaining the maximum value from your software investment, DL₂C provides results-focused professional services.

Methodology Roadmaps:

- **ColorCodeIt™** contains the DL₂C NERC compliance project management template
- DL₂C consultants will support you to develop templates specific to your business needs.

Software Training:

- To accelerate your team's learning process, software training can be delivered either "web-based," or as an onsite workshop at your location, for an extra charge. Onsite, Hands-On Training Workshops: A senior trainer will facilitate "Train-the-Trainer" level instruction, with interactive exercises. Online training provides an ideal venue for company-specific discussions that optimize value at a lower cost.

Sustaining Support:

- A 24-Hour, 7-days per week active web-ticket support system.

Perpetual license for up to twenty (20) named users

DL₂C ColorCodeIT™ Module 2

\$65,000 ICPMS (Internal Compliance Program Management System) configuration

- **Provisioning** your software instance
- **Configuring** your company's hierarchy, custom fields, and pull-downs
- **Facilitating** the creation of your first project execution roadmap with City of Vineland references and tools
- **Web-based training:** A senior DL₂C trainer will facilitate "train-the trainer" level instruction:
 - Administration (2+ hours)
 - Projects, Reports (2 hours)

Annual Service and Support Package

\$20,000 Platinum (Best Value)

- Robust package including NERC change data updates, software updates
- 72 hours software training
- Monthly DL₂C Compliance data entry review (12 Annually)
- Three day on-site workshop (Expenses included)
- Unlimited navigation assistance for up to 10 users

FEES, AUTHORIZATION, AND ACCEPTANCE

The basis for our fees will be the actual time expended by City Of Vineland staff at the following rates, plus reasonable out-of-pocket expenses.

DL2C Recommended Budget Estimate

Program Integration Training	N/C
ColorCodeIT Library (\$10,000 budget discount over 2 years)	\$ 8,000
ColorCodeIT ICPMS - ½ Payment 2014 & ½ Payment 2015	\$ 32,500
<u>ColorCodeIT Support Package</u>	<u>\$ 20,000</u>
Total 2014 P.O. Estimate	\$ 65,000

PAYMENT TERMS

Project work will begin upon issuance of an approved purchase order. Payment is due for services rendered by wire transfer or check within 30 days.

APPROVALS / ACCEPTANCE

The signatures below indicate acceptance by Direct Line to Compliance and City of Vineland of the services proposed. Once approved, an agreed upon date will be scheduled to begin work.

<p>Direct Line to Compliance:</p> <p>_____</p> <p>Accepted by: Michael Adeeko Managing Partner Printed Name</p> <p>X _____</p> <p>Accepted by Signature:</p> <p>_____</p> <p>Date:</p>	<p>City of Vineland:</p> <p>_____</p> <p>Accepted by: Robert Napier Assistant Superintendent Distribution Printed Name</p> <p>X _____</p> <p>Accepted by Signature:</p> <p>_____</p> <p>Date:</p>
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