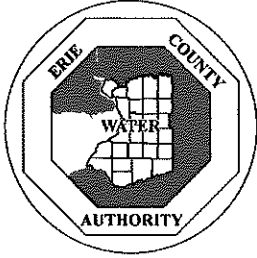



**ERIE COUNTY WATER AUTHORITY**  
**INTEROFFICE MEMORANDUM**



June 20, 2018

To: Commissioners Schad and Carney  
From: Robert J. Lichtenthal, Jr., Deputy Director   
Subject: Hi-Tech Services Contract Extension Proposal

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The Erie County Water Authority has had a business relationship with Hi-Tech Services, Inc. for nearly thirty years. Hi-Tech has developed most if not all of the major information technology systems at the Authority over this time frame and has always provided the Authority with the services it requested. Now, as the Authority has set out on a different course to embrace and utilize mobile technologies, implement commercial off-the-shelf software and shift a number of applications to a cloud hosting environment, the era of the Authority developing and using custom written software applications is winding down.

The current contract with Hi-Tech Services was awarded by the Board in July 2016, effective August 1, 2016, was extended for one year effective August 1, 2017 and is set to expire July 31, 2018. I have received a communication from Ralph L. Giambra, President, Hi-Tech Services expressing an interest in extending the contract for one year under all the same terms and conditions currently in effect. A copy is attached to this memo along with the original contract and the extension request from last year. I have consulted with the IT Department and they are in support of this contract extension.

Over the course of the next year efforts will be made to continue an orderly transition of current systems to the proposed newer platforms. The most important part of this effort will be the development of the necessary API's (application program interface) to integrate legacy systems with the new systems. Hi-Tech's support will also be necessary as the Authority begins the orderly transition to new CIS and ERP platforms in 2019.

If you have any questions or would like further information, please see me. Unless there are any objections I will have a resolution prepared to be presented for the Board's approval at the meeting of July 12, 2018.



Hi-Tech Services  
Suite 102  
5999 South Park  
Hamburg, NY 14075

Mr. Robert Lichtenthal  
Deputy Director/CFO  
Erie County Water Authority  
295 Main Street Room 350  
Buffalo, New York 14203

June 18, 2018

Dear Mr. Lichtenthal,

Please allow this letter to be Hi-Tech Service's official request to exercise the option to extend our contract with The Erie County Water Authority as per items 3.2 and 3.3 of our current contract.

All contract terms and conditions will remain the same, with the exception of contract item 3.2.

This will change contract item 3.2 (**TIME OF PERFORMANCE**) the services described herein shall commence on August 1, 2018 and shall be completed to the satisfaction of the Authority by July 31, 2019.

We are looking forward to working with the Authority for the additional year and all years going forward.

As always we appreciate the opportunity you have awarded us to serve you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ralph L. Giambra".

Ralph L. Giambra  
President



Hi-Tech Services  
Suite 102  
5999 South Park  
Hamburg, NY 14075

Mr. Robert Lichtenthal  
Deputy Director/CFO  
Erie County Water Authority  
295 Main Street Room 350  
Buffalo, New York 14203

April 26, 2017

Dear Mr. Lichtenthal,

Please allow this letter to be Hi-Tech Service's official request to exercise the option to extend our contract with The Erie County Water Authority as per items 3.2 and 3.3 of our current contract.

All contract terms and conditions will remain the same, with the exception of contract item 3.2.

This will change contract item 3.2 (**TIME OF PERFORMANCE**) the services described herein shall commence on August 1, 2017 and shall be completed to the satisfaction of the Authority by July 31, 2018.

We are looking forward to working with the Authority for the additional year and all years going forward.

As always we appreciate the opportunity you have awarded us to serve you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ralph L. Giambra".

Ralph L. Giambra  
President

**PROFESSIONAL SERVICES CONTRACT**

AGREEMENT made this 13<sup>th</sup> day of July, 2016, by and between

**ERIE COUNTY WATER AUTHORITY**  
295 Main Street, Room 350  
Buffalo, New York 14203

hereinafter referred to as the Authority, and

**HI-TECH SERVICES**  
21 Princeton Place  
Suite 201  
Orchard Park, New York 14127

hereinafter referred to as Consultant.

**WHEREAS**, the Authority desires to contract with the Consultant to render professional services upon the terms and for the consideration hereinafter stated;

**WHEREAS**, the Consultant represents that it is properly qualified to render such services, and

**WHEREAS**, the parties desire to set forth herein the terms and conditions under which the said professional services will be furnished,

**NOW, THEREFORE**, in consideration of mutual promises herein set forth, the parties agree as follows:

1. **QUALIFICATION OF CONSULTANT:**  
The Consultant shall perform its services under this agreement in a skillful and competent manner in accordance with the prevailing standards of the consulting profession. The Consultant will be responsible to the Authority for errors or omissions in the performance of its services and failure to perform thereof.

2. **SCOPE OF SERVICES.** The Consultant shall provide the Authority with computer technical services as the Authority requires, and as more particularly described in Exhibit "A" annexed hereto.
  
- 3.1 **PAYMENT FOR SERVICES.** The Consultant will be paid at an hourly rate and other applicable charges and shall submit monthly invoices to the Authority and its main office of 295 Main Street, Room 350, Buffalo, New York 14203. The job title rates of reimbursement are annexed hereto as Exhibit "B". The Consultant shall keep accurate records and books of account showing all charges, disbursements, or expenses made or incurred by the Consultant in the performance of the service herein. The Authority shall have the right, upon reasonable notice, to audit any time up to three (3) years after payment of its final invoice, the direct cost, expenses and disbursements made or incurred in connection with the services to be performed herein as well as the validity of the representations made and the compensation provisions of this Agreement, and may examine the Consultant's books and records relating to these areas.
  
- 3.2 **TIME OF PERFORMANCE.** The services described herein shall commence on August 1, 2016 and shall be completed to the satisfaction of the Authority by July 31, 2017.
  
- 3.3 **EXTENSION OF CONTRACT.** This Agreement may be renewed at the option of both parties hereto for three additional one (1) year periods on the same terms and conditions provided for herein at a cost mutually agreed upon by both parties and in accordance with industry standards. The Consultant shall provide 90 days written notification to the Erie County Water Authority of the Contract extension prior to the expiration of the initial term of this Contract.
  
- 3.4 **ADDITIONAL REQUIREMENTS.** See Exhibit "C" annexed hereto.
  
4. **SUBCONTRACT AND ASSIGNMENT:** The Consultant may not subcontract or delegate any of the work, services, and/or other obligations of the Consultant without the express written consent of the Authority. The Authority and the Consultant bind themselves and their successors, administrators and assigns to the terms of this Agreement. The Consultant shall not assign, sublet or transfer its interest in the Agreement without the written consent of the Authority.
  
5. **AMENDMENTS:** No modification or variation from the terms of this Agreement shall be effective unless it is in writing and authorized by a resolution of the Board of Commissioners of the Authority and signed by all parties.

6. **RIGHT TO TERMINATE:** The Authority reserves the right to terminate the Consultant's services at any time, without cause, based on seven (7) days written notice. Consultant shall not be entitled to lost profit and shall perform only such services, after notification of termination, as the Authority directs.
  
7. **INDEMNIFICATION:** The Consultant shall indemnify the Authority against any and all claims arising from the services performed by the Consultant herein and shall defend and hold harmless the Authority from and against all claims, suits, actions, costs, counsel fees, expenses, damages, judgments or decrees based upon or arising out of damage to property or injury to persons or other tortuous conduct caused or contributed to it by the Consultant or anyone under its direction or control or on its behalf in the course of its performance under this Agreement. The Consultant further agrees to indemnify, defend and hold harmless the Authority from any and all claims in reference to the services performed by the Consultant hereunder which may infringe on a patent, copyright, trade secret or other proprietary right of any third party.
  
8. **CONFIDENTIAL INFORMATION:** In order to assist the Consultant in the performance of this Agreement, the Authority may provide the Consultant with confidential information including, but not limited to information relative to the services to be performed. All information received by the Consultant in any fashion and under any conditions resulting from the rendering of the services in consideration of this agreement, are considered confidential. The Consultant shall hold in confidence and not disclose to any person or any entity, any information regarding information learned during the performing of services including but not limited to information relative to the services to be performed.

The Consultant shall use at least the same degree of care to protect and prevent unauthorized disclosure of any confidential information as it would use to protect and prevent unauthorized disclosure of its own proprietary information. The Consultant shall use confidential information only in the performance of this Agreement. No other use of the confidential information whether for the consultant's benefit or for the benefit of others shall be permitted.

In no event is the Consultant authorized to disclose confidential information without the prior written approval of the Authority. The terms of this paragraph shall be binding during and subsequent to the termination of this agreement.

9. **INSURANCE:** The Consultant shall secure and maintain such insurance as will protect itself from claims under the Workers Compensation Act; claims for damages because of bodily injury, including personal injury, sickness or disease, or death of any of its employees or of any person other than its employees; and from claims for damages because of injury to or destruction of property including loss of use resulting therefrom in the amounts indicated on Exhibit "D". The Consultant shall provide and maintain insurance that will provide coverage for claims arising out of the

negligent performance of its services. The Consultant shall provide Certificates of Insurance certifying the coverage required by this provision.

10. **COPYRIGHTS, TRADEMARKS, AND LICENSING:** All materials produced under this Agreement, whether produced by the Consultant alone or with others, and whether or not produced during regular working hours, shall be considered work made for hire and the property of the Authority. The Consultant shall, during and subsequent to the terms of this Agreement, assign to the Authority, without further consideration, all right, title and interest in all material produced under this Agreement. All material produced under this Agreement shall be and remain the property of the Authority whether or not registered.
11. **NEW YORK LAW AND JURISDICTION:** Notwithstanding any other provision of this Agreement, any dispute concerning any question of fact or law arising under this Agreement which is not disposed of by agreement between the Consultant and the Authority shall be governed, interpreted and decided by a Court of competent jurisdiction of the State of New York in accordance with the laws of the State of New York.
12. **CONFLICTS OF INTEREST:** The Consultant represents that it has advised the Authority in writing prior to the date of signing this Agreement of any relationships with third parties, including competitors of the Authority, which would present a conflict of interest with the rendering of the services, or which would prevent the Consultant from carrying out the terms of this Agreement or which would present a significant opportunity for the disclosure of confidential information. The Consultant will advise the Authority of any such relationships that arise during the term of this Agreement. The Authority shall then have the option to terminate the Agreement without further liability of the Consultant, except to pay for services actually rendered.
13. **ADDITIONAL CONDITIONS:** The Consultant and the Authority acknowledge that there may be additional conditions, terms and provisions which shall apply specifically to the services to be performed. The parties agree to negotiate in good faith to agree upon such additional terms.
14. **ENTIRE AGREEMENT:** This Agreement constitutes the entire understanding of the parties and no representations or agreements, oral or written, made prior to its execution shall vary or modify the terms herein. This Agreement supersedes all prior contemporaneous communications, representations, or agreements, whether oral or written with respect to the subject matter hereof and has been induced by no representations, statements or agreements other than those herein expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound thereby.

15. **INDEPENDENT STATUS:** Nothing contained in the Agreement shall be construed to render either the Authority or the Consultant a partner, employee or agent of the other, nor shall either party have authority to bind the other in any manner, other than as set forth in this Agreement, it being intended that the Consultant shall remain an independent contractor responsible for its own actions. The Consultant is retained by the Authority only for the purpose and to the extent set forth in this Agreement.

Neither the Consultant nor its employees shall be considered under the provisions of this Agreement or otherwise as having an employee, servant or agency status or as being entitled to participate in any plans, arrangements or distributions of the Authority.

In providing the services under this Agreement, the Consultant represents and warrants that it has complied with all applicable federal, state and local laws particularly with respect to licenses, withholdings, reporting and payment of taxes. The Consultant agrees to furnish copies of documentation to the Authority evidencing its compliance with such laws. The Consultant further represents and warrants that any income accruing to the Consultant and its employees from the Agreement shall be reported as such to the appropriate taxation authorities.

16. **COMPLIANCE:** The Consultant agrees that the Agreement herein shall be in compliance with and governed by the provisions of Section 2875, 2876 and 2878 of the Public Authorities Law of the State of New York. The Consultant further affirms under the penalties of perjury that there was no collusion in the proposal submitted herein to ECWA which forms the basis of the within Agreement.
17. **GRATUITIES:** The Consultant prohibits its employees from using their positions for personal financial gain, or from accepting any personal advantage from anyone under circumstance which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their official duties. The Consultant or its employees shall not, under circumstances which might be reasonably interpreted as an attempt to influence the recipients in the conduct of their duties, extend any gratuity or special favor to employees of the Authority.
18. **NOTICE:** Any notices required by this Agreement or otherwise shall be delivered by United States Postal mail or personal delivery upon the addresses hereinbefore stated. Any change in such addresses shall be required to be in writing to the other party and acknowledged as such.
19. **SEVERABILITY:** If any provision of this agreement shall be held invalid or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to make it valid and enforceable, and the validity and enforceability of all other provisions of this agreement shall not be affected thereafter.



20. **TERMINATION:** The Authority reserves the right to terminate this contract in the event it is found that the Certification filed by the Consultant in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, the Authority may exercise its termination right by providing written notification to the Consultant in accordance with the written notification terms of this contract.

**ERIE COUNTY WATER AUTHORITY**

By Earl L. Jann  
Earl L. Jann, Chairman

**HI-TECH SERVICES**

By Ralph L. Giambra  
Ralph L. Giambra, President

STATE OF NEW YORK )  
COUNTY OF ERIE ) ss:

On the 13<sup>th</sup> day of July, in the year 2016, before me personally came Earl L. Jann, to me known, who, being by me duly sworn, did depose and say that he resides at West Falls, New York, that he is the Chairman of the Erie County Water Authority described in the above instrument; and that he signed his name thereto by order of the Board of Commissioners of said Authority.

Patricia Fabozzi  
Notary Public

STATE OF NEW YORK )  
COUNTY OF ERIE ) ss:

PATRICIA FABOZZI #4957586  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires October 16, 2017

On the 9<sup>th</sup> day of July, in the year 2016, before me personally came Ralph L. Giambra, to me known, who, being by me duly sworn, did depose and say that he/ resides at 928 Grove St, Angola, New York 14006, that he is the President of the Corporation described in the above instrument; and that he signed his name thereto by order of the Board of Directors of said Corporation.

SANDRA D. PIROG  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires 11/23/2018

Sandra D. Pirog  
Notary Public

**EXHIBIT "A"**  
**DESCRIPTION OF SERVICES**

**1. Senior Solution Provider**

This individual provides application development expertise in public utilities information management systems such as Public Service Commission compliant general ledger, payroll, customer billing, preventive maintenance, work orders, meter reading and/or customer service applications. Must have experience working with users as part of a project team, examining business processes and work flows, defining user and application requirements within an AS/400 and Windows environments, defining ILE RPG program specifications, writing programs and documentation, conducting integrated system testing, user training, implementation, and post-implementation follow-up. Must have thorough knowledge of ILE RJPG, TCP/IP networking, ILE CL, SQL, Query and using application programming interfaces relating to AS/400 integrated file system, IBM Firewall for AS400, IBM's Content Manager VisualInfo and OnDemand (report archiving). Must have 10 years or more application design and RPG programming experience in an AS/400 environment. Responsibilities include assisting and training Authority staff in public utility application design, programming, AS/400 operation, APAR initiation, PTF installation, backup, and recovery and implementation.

Approximately 1400 hours per year of consulting and support are required.

**2. Business Analyst and Network Specialist**

This individual provides systems analysis, system design, network support and RPG programming skills in public utilities information management systems. Must have experience defining user and application requirements, writing ILE RPG online and batch programs, conducting integrated system testing, training users, and implementing systems. Must have thorough knowledge of ILE RPG, ILE CL, SQL, Query, and using application programming interfaces relating to IBM's Content Manager VisualInfo and OnDemand (report archiving). Must have 7 years or more application design and RPG programming experience in an AS/400 environment and 4 years' experience with TCP/IP networking in a Windows/2003 environment with specific experience configuring and maintaining IBM and Cisco routers and fire walls and monitoring and alarming using the SolarWinds package. Responsibilities include assisting and training Authority staff in public utility application design, programming, and implementation.

Approximately 1000 hours per year of consulting and support are required.

**3. Web Designer and Developer**

This individual provides web page analysis and design skills using HTML and CGI programming. Must have experience configuring and maintaining IBM's OS/400 HTTP server, SMTP server, POP mail server, and linking SQL tables to CGI web pages. Thorough knowledge of TCP/IP networking, HTML and SQL required.

Approximately 200 hours per year of consulting and support are required.

**4. Web Maintenance (Minor)**

This individual provides web page analysis and design skills using HTML and CGI programming to a lesser degree. Must have experience with IBM's OS/400 HTTP server, SMTP server, POP mail server, and linking SQL tables to CGI web pages.

Approximately 50 hours per year of consulting and support are required

**EXHIBIT "B" 2016  
COMPENSATION SCHEDULE**

**Year 1**

- |    |   |                  |
|----|---|------------------|
| 1. | Senior Programmer Analyst               | \$92.00 per hour |
| 2. | Business Analyst and Network Specialist | \$82.00 per hour |
| 3. | Web Designer and Developer              | \$77.00 Per hour |
| 4. | Web Maintenance (Minor)                 | \$50.00 Per Hour |

**Year 2**

- |    |   |                  |
|----|---|------------------|
| 1. | Senior Programmer Analyst               | \$94.00 per hour |
| 2. | Business Analyst and Network Specialist | \$84.00 per hour |
| 3. | Web Designer and Developer              | \$79.00 Per hour |
| 4. | Web Maintenance (Minor)                 | \$51.00 Per Hour |

**Year 3**

- |    |   |                  |
|----|---|------------------|
| 1. | Senior Programmer Analyst               | \$96.00 per hour |
| 2. | Business Analyst and Network Specialist | \$86.00 per hour |
| 3. | Web Designer and Developer              | \$80.00 Per hour |
| 4. | Web Maintenance (Minor)                 | \$52.00 Per Hour |

**EXHIBIT "C"**  
**ADDITIONAL REQUIREMENTS**

1. Hi-Tech shall work on premises at ECWA facilities, or at the Hi-Tech offices.
2. Hi-Tech shall supply ECWA with cellular telephone numbers of Hi-Tech personnel assigned to the contract.
3. Hi-Tech shall complete any reasonable task assigned as well as supply additional staff, as required.
4. All tasks and activities undertaken under the contract shall be identified and quantified prior to executing the work and invoicing ECWA. Hi-Tech will provide a written level of effort, in the form of an email or memo to the Contract Administrator identified by ECWA, necessary to complete tasks identified in the scope. The task assignment process is documented as follows:
  - a. ECWA staff identify a function, tasks or parcel of work. This will be provided in a written format (a memo or email) to Hi-Tech by the Contract Administrator.
  - b. Hi-Tech will provide an estimate of hours by rate to complete the work
  - c. The Contract Administrator will review the proposed estimate. If approved, the Contract Administrator will direct Hi-Tech to complete the work. The work will be identified as P-AAA where AAA is the project number incremented from 001 to 999.
  - d. Hi-Tech will complete the work within the estimate. When it is evident that the task requires an increase of effort greater than 10% of the estimate, the estimate will be re-submitted to the Contract Administrator for review. If additional time is expended after it was evident that the estimate was insufficient, these charges will be refuted by ECWA if the evaluation of the new estimate is not accepted.
  - e. All tasks and deliverables will be tested or reviewed by the contract administrator prior to acceptance and an official sign-off is provided.
  - f. If the task or project is completed in fewer hours than the estimate, the remaining hours will not be charged to the invoice.
  - g. Hi-Tech will include the project number, P-AAA with the project description on each and every invoice.
  - h. Short task support items requested by ECWA staff and requiring less than 2 hours of work will not be documented as a separate project for review and approval. On

a monthly basis a short written report will be generated and submitted to identify the support items and hours utilized. Tasks of this nature are expected to consume 25% of the invoiced time. Job estimate time which is incurred but which does not culminate with an approved project are to be separately identified billed as a support item.

5. Hi-Tech will provide the names and resumes of all staff assigned to the roles identified in "Exhibit B". If there is a need for alternative/additional to be utilized to complete assignments staff (other than those names listed on Exhibit "B"), staff resumes will be provided to ECWA two weeks prior to the first expected work day on ECWA assignments.
6. Hi-Tech shall indicate to ECWA on each and every invoice which personal is/are and at which rates/rate are being billed and which project the hours are associated with.
7. Hi-Tech shall limit the additional charges to travel and shall be billed at actual cost, with all receipts supplied with the associated invoice.
8. Hi-Tech shall acknowledge that any product produced by Hi-Tech for ECWA at any time, shall be regarded as work for hire and shall be the sole and exclusive property of ECWA.