City of Fort Worth, Texas

Mayor and Council Communication

DATE: 06/10/25 **M&C FILE NUMBER**: M&C 25-0518

LOG NAME: 60AMEND CSCO 55938 HSQ TECHNOLOGY

SUBJECT

(ALL) Ratify Execution of Second Amendment and Authorize Execution of Third Amendment to an Agreement with HSQ Tech, Inc. for Original Equipment Manufacturer Replacement Parts, Equipment, Repairs, Professional Services, and Maintenance Services for the Miser Supervisory Control and Data Acquisition System for the Water Department for a Revised Total Contract Amount of \$375,000.00 Per Year

RECOMMENDATION:

It is recommended that the City Council:

- 1. Ratify the execution of the second amendment to an agreement with HSQ Tech, Inc. (City Secretary Contract No. 55938) in the amount of \$99,500.00 per year; and
- 2. Authorize the execution of the third amendment with HSQ Tech, Inc. for a revised total contract amount of \$375,000.00 per year for original equipment manufacturer replacement parts, equipment, repairs, professional services, and maintenance services for the Miser Supervisory Control and Data Acquisition System for the Water Department.

DISCUSSION:

On July 1, 2021, pursuant to Mayor and Council Communication (M&C) 21-0464, the City of Fort Worth entered into an Agreement with HSQ Technology, a Corporation to obtain original manufacturer replacement parts, equipment, repairs, and maintenance services for the existing Miser Supervisory Control and Data Acquisition System ("SCADA System") used in the water production plants and distribution system (City Secretary Contract No. 55938) (the "Agreement") with an annual contract amount of \$150,000.00 per year for four (4) years.

On May 6, 2022, the City and HSQ Technology, a Corporation, entered into the first renewal term of the Agreement ("First Renewal"). The First Renewal included an embedded amendment to the Agreement, increasing the annual contract amount to \$200,000.00.

On August 31, 2023 HSQ Technology, a Corporation, assigned the Agreement to HSQ Tech, Inc. ("HSQ") (City Secretary Contract No. 55938-CA1).

On January 27, 2025, the City and HSQ amended the Agreement for the second time to increase the annual contract amount to \$249,500.00 and to include additional professional services (City Secretary Contract No. 55938-A1). However, because the first amendment was embedded in the First Renewal, the second amendment was inadvertently recorded as City Secretary Contract No. 55938-A1, and contains an incorrect computation of the total contract value.

City Council approval of this M&C will ratify City Secretary Contract No. 55938-A1 and authorize the execution of a Third Amendment to the Agreement for a revised total contract amount of \$375,000.00 per year. These increases will allow the Water Department to maintain and repair the existing SCADA System to ensure optimal performance at water facilities throughout the City.

HSQ Tech, Inc. is the exclusive service manufacturer for Miser SCADA Systems. As the manufacturer, HSQ Tech, Inc. is the only company that supports the hardware and software for this specific equipment and does not sell or authorize support through distributors or any other agency.

AGREEMENT TERMS - The initial term of the Agreement expired on June 30, 2022. The City is currently in its third renewal option.

Funding is budgeted in the Other Contractual Services account within the Water & Sewer Fund for the Water Department.

DVIN: This project was approved for a waiver per the Chapter 252 exemption, as a sole source by the Legal Department. Therefore, the business equity goal requirement is not applicable.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Water & Sewer Fund to support the approval of the above recommendation and execution of the amendment. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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