

RESOLUTION NO. 2016-_____

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR EXTRAORDINARY, UNSPECIFIABLE SERVICES WITH SIEMENS ENERGY INC., ORLANDO, FLORIDA FOR THE REMOVAL, INDUCTION INSPECTION, ROOT CAUSE ANALYSIS AND REPAIR OF DAMAGE TO UNIT 11 COMBUSTION TURBINE

WHEREAS, as a result of an unforeseen breakdown of the combustion turbine at Unit 11 there exists a need for its removal, an induction inspection, determination of the causation of the damage and repair thereto for the City of Vineland Electric Utility ; and

WHEREAS, outage of Unit 11 will cause substantial financial losses if it is not immediately repaired, and in doing so, it is necessary to investigate the cause of the damage and determine if the cost of the same should be covered by the manufacturer which is considered an emergent situation; and

WHEREAS, the Director of the Vineland Municipal Electric Utility has certified that the services to be rendered to the combustion turbine, including the repair thereof are of such a unique character that it requires the need for unusual expertise, extensive training and as Siemens Energy Inc. is the manufacturer of the combustion turbine, this company is essential to the determination of root cause; and

WHEREAS, the maximum amount of the contract in question is for an amount not to exceed \$1,975,000.00 - **and reserving the right for payment of a performance bond** and the availability of funds have been certified by the City Comptroller; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the resolution authorizing the award of contracts for "Extraordinary, Unspecifiable Services" without competitive bids and the contract itself must be available for public inspection; and

WHEREAS, the City Council of the City of Vineland has reviewed the certification of the Director, relies thereon and adopts the determinations contained therein and certified that this meets the statute and regulations governing the award of said contracts;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VINELAND, as follows:

1. THAT this contract is awarded without competitive bidding as an "Extraordinary, Unspecifiable Service" in accordance with 40A:11-5(1)(a) of the Local Public Contracts Law because the services cannot be described by written specifications because of the specialized and qualitative nature of the services which are not capable of measurement nor of accurate written expression; they require expertise and extensive training and are required to be performed by an individual who has proven reputation in a particular field of endeavor.

2. THAT the Purchasing Agent be and the same is hereby authorized to issue purchase order contract to Siemens Energy Inc. in connection with the removal, induction inspection, root cause analysis, repair of damage and reinstallation to Unit 11 combustion turbine for the City of Vineland Municipal Electric Utility in an amount not to exceed \$1,975,000.00.

3. THAT a notice of this action shall be published in the Daily Journal.

Adopted:

President of Council

ATTEST:

City Clerk

CERTIFICATION FOR EXTRAORDINARY AND UNSPECIFIABLE SERVICES

Date: April 15, 2016

To: City Council

Re: Need for EUS

From: Joseph Isabella, Director VMEU

This is to request your approval of a resolution authorizing the execution of an agreement with Siemens Energy Inc, as an exception to the Public Contracts Laws pursuant to NJSA 40A:11-5. As you know, the combustion turbine in Unit 11 was constructed by Rolls Royce Energy, now Seimens Energy Inc. It is a specialized piece of equipment used to generate electricity for the VMEU. As the unit is off line, it is imperative to repair the unit as quickly as possible as each day the unit is off line, the VMEU ratepayers will suffer from lack of generation. Further, the cause o the failure of this 4 year old turbine is yet unknown and therefore it is unknown if the cost of the repairs should be borne by the manufacturer. The estimate received in the amount of \$1,975,000.00 is from Siemens Energy Inc. The needed services require specialized expertise as it requires the work upon an electric generation combustion turbine. The servicer must have extensive training and proven reputation for this type of service. As it is manufactured by Seimens Energy Inc., they have such expertise.

I have reviewed the rules and regulations of the Division of Local Government Services as contained in the Local Public Contracts Guidelines and Regulations (revised) and certify that the proposed contract may be considered as an extraordinary, unspecifiable service in accordance with the requirements thereof

Respectfully submitted,



Joseph Isabella, Director VMEU