

CITY OF VINELAND

RESOLUTION NO. 2019-_____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR THE DIAGNOSIS AND REPAIR OF THE WESTINGHOUSE W251B COMBUSTION TURBINE IN ACCORDANCE WITH N.J.S.A. 40A:11-5(1)(i) AS AN EXTRAORDINARY AND UNSPECIFIABLE SERVICE WITH ACME INDUSTRIAL, INC. STATEN ISLAND, NEW YORK.

WHEREAS, the City of Vineland Municipal Electric Utility operates a Westinghouse W251B Combustion Turbine (West CT) which is 47 years old which operates infrequently but is valuable to the Vineland Municipal Electric Utility (VMEU) in meeting its installed capacity contract requirements with the PJM; and

WHEREAS, the West CT has recently found to have damage in the turbine section which has caused the unit to be taken off-line pending repairs; and

WHEREAS, the West CT unit has been out of production and therefore an extensive search was conducted by the VMEU to seek a qualified firm to diagnose and repair the unit; and

WHEREAS, the only qualified firm which provides diagnostics, parts and repair to the Westinghouse W251B unit is Acme Industrial, Inc. Staten Island New York which submitted a proposal to diagnose and repair the West CT Unit in an amount not to exceed \$703,995.00; and

WHEREAS, Acme Industrial, Inc. has heretofore provided service and repairs to the West CT; and

WHEREAS, N.J.S.A. 40A: 11-5(1)(i) provides for exceptions to public bidding where the nature of the service is “equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with the service” and further the service is specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor;

WHEREAS, the Director of the Vineland Municipal Utilities has recommended the City award a contract to Acme Industrial, Inc. to have the unit operational as quickly as possible, recognizing the adverse impact failure to do so will have on the PJM requirements as specified in the Vendor Recommendation attached hereto and made a part hereof; and

WHEREAS, the Director of the Vineland Electric Utility has further determined that the solicitation of competitive quotations is impracticable as specified in the attached Vendor Recommendation; and

WHEREAS, the CFO has certified the availability of funds.

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

CITY OF VINELAND

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. 40A:11-5(1)(i) with Acme Industrial, Inc. Staten Island, New York, as an Extraordinary and Unspecifiable Service for the reasons set forth in the Vendor Recommendations submitted by the Director of the Vineland Municipal Electric Utility for the diagnosis and repair of the 47 year old West CT Westinghouse W251B Combustion Turbine at a cost not to exceed \$703,995.00 commencing upon compliance with the terms of this Resolution.

2. That this Agreement is awarded without competitive bidding in accordance with NJSA 40A:11-5(1)(i) of the Local Public Contracts Law because said services to be rendered or performed is for unforeseen equipment repair service is specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of diagnostics and repairs to the Westinghouse W251B combustion Turbine which has been out of production, requires 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 and further due to the emergent nature of the services so as to have the unit operational to comply with installed capacity contract requirements with PJM and avoid costly penalties.

3. That the award of contract is specifically contingent upon Acme Industrial, Inc. submitting the completed and acceptable Business Disclosure Entity Certification and the Political Contribution Disclosure Form being filed prior to the execution of any contract and further that said documents 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

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

August 22, 2019

(DATE)

1. Service (detailed description): Testing and repair of West W251B combustion turbine

2. Amount to be Awarded: \$ 703,995
 Encumber Total Award
 Encumber by Supplemental Release

3. Amount Budgeted: \$ 870,000

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

5. **Account Number to be Charged: 9-05-55-502-9006-53068-E930

6. Contract Period: 6 to 8 weeks


7. Date To Be Awarded: TBD

8. Recommended Vendor and Address: Acme Industrial, Inc.
326-328 Front St. Staten Island, NY 10304

9. Justification for Vendor Recommendation:(attach additional information for Council review)
Please see attachment.

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

10. Evaluation Performed by: J. L. Colla et al

11. Approved by: 

12. Attachments:
 Awarding Proposal
 Other: Pay-To-Play Documents

- Send copies to:
Purchasing Division
Business Administration

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

9. Justification for Vendor Recommendation

The West Unit 1 generating unit is a Westinghouse W251B combustion turbine that has operated reliably on the VMEU system for 47 years. The generating unit operates very infrequently compared to Down Unit 11 and Clayville Unit 1 because it is less efficient and burns oil, a higher cost fuel. Although West Unit 1 operates infrequently, it is very valuable to VMEU in meeting its installed capacity contract requirements with PJM. Should the unit remain inoperable the City would be penalized in accordance with the PJM Agreement for resource capacity units and create a potential increase in rates. Repairs on an emergent basis are necessary.

West Unit 1 has not operated following a recently completed borescope inspection indicating blade damage in the turbine section. The discovery of the malfunction was unforeseeable and accidental. The blades will need to be repaired or replaced in order for the generating unit to return to operation. Production of the Westinghouse W251B combustion turbine was discontinued several years ago, and very few people remain with the experience and qualifications to work on the generating units. Fortunately extensive maintenance work on West Unit 1 has not been required in recent years because the combustion turbine has operated very infrequently. An extensive search was conducted to find a firm to correct the blade problem. There are firms who are interested in entering into a contract on a time and material basis to make the repair, but they have no experience working on Westinghouse W 251B combustion turbines. Entering into a contract with an unqualified firm could be a very costly mistake. One proposal was received from a qualified firm - Acme

Industrial. They have previously worked on West Unit 1 and had specific knowledge regarding the unit. The quality of their work has been excellent. They are the only company we believe capable of performing the entire work scope of the project. The project will be managed by former Westinghouse engineers who are very familiar with W251B combustion turbines and have worked on West CT.

John Lillie 8-27-19

John Lillie

Director, Vineland Municipal Utilities