

RESOLUTION NO. 2019- 497

A RESOLUTION AWARDING A CONTRACT TO SIEMENS ENERGY INC., HOUSTON, TX, AUTHORIZING SIEMENS EXPENSES FOR UNIT #11 ESN 109 REPAIRS & LEASE ENGINE RENTAL.

WHEREAS, the Vineland Municipal Electric Utility is requesting authorization for Siemens Expenses for Unit #11 ESN 109 Repair & Lease Engine Rental provisioned under the Long Term Service Agreement; and

WHEREAS, the City of Vineland has a need to acquire such service 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, the Director of Municipal Utilities has recommended that a contract be awarded to Siemens Energy Inc., Houston, TX, for an amount not to exceed \$1,230,344.25 for services which include:

1. Engine Changout ESN109 to ESN097
2. ESN109 Strip and Inspect
3. Lease Engine Usage June 9 – August 31; and

WHEREAS, Siemens Energy Inc. has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that Siemens Energy 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 Siemens Energy 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 contract to be awarded herein have been certified by the Chief Financial Officer; and

WHEREAS, the City of Vineland has 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 that:

1. The Purchasing Agent be and the same is hereby authorized to issue contract to Siemens Energy Inc., Houston, TX, for Siemens Expenses for Unit #11 ESN 109 Repair & Lease Engine Rental provisioned under the Long Term Service Agreement, for an amount not to exceed \$1,230,344.25.
2. That the Business Disclosure Entity Certification, the Political Contribution Disclosure Form and the Determination of Value be placed on file with the Resolution.
3. 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)**

10/31/2019

(DATE)

1. Service (detailed description): Siemens Expenses for Unit 11 ESN 109 Repair & Lease Engine Rental Provisioned Under the Long Term Service Agreement

2. Amount to be Awarded: \$ 1,230,344.25

- Encumber Total Award
 Encumber by Supplemental Release

3. Amount Budgeted: \$ 1,272,920.00

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

5. **Account Number to be Charged: T-22-00-000-0000-80302

6. Contract Period: _____

7. Date To Be Awarded: _____

8. Recommended Vendor and Address: Siemens Energy Inc. 1200 West Sam Houston Parkway North, Houston TX 77043

9. Justification for Vendor Recommendation:(attach additional information for Council review)
*please see attached cost breakdown for Siemens parts and service provisioned under the current Long Term Service Agreement

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

10. Evaluation Performed by: Steve August, Principal Engineer *(Signature) 11-6-19*

11. Approved by: *(Signature)* *11-6-19*

12. Attachments:

- Awarding Proposal
 Other: Siemens Invoices

- Send copies to:
Purchasing Division
Business Administration

(Signature)

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



Unit 11 Engine 109 Compressor Damage 2019

Company	Company Total	Description	Amount	PO#	Invoice #
Siemens	\$ 1,230,344.25	Engine Changeout ESN109 to ESN097	\$ 182,858.85	TBD	90252639
		ESN109 Strip & Inspect	\$ 618,000.00	TBD	SF191409882
		Lease Engine Usage June 9 - August 31	\$ 429,485.40	TBD	90252636

4. Commercial

4.1 Pricing Table

Item	Description	Quantity	Total Price [USD]
1	Engine strip and inspect as described in section 3.2	1	\$618,000
2	Project Management	1	Included
Total			\$618,000

4.2 Pricing Basis

- Prices are firm based on the pricing basis notes provided below.
- Price is provided assuming all scope proposed is ordered together. Siemens reserves the right to re-issue pricing if scope is not ordered together.
- Siemens reserves the right to make any changes and re-issue pricing should the scope change or the validity date lapses.
- Price is at 2019 cost level.
- Price is based on the solution as described in the Section 3.
- Price does not include site services including any supervision which shall be offered separately.
- The prices quoted do not include foreign taxes, tolls, government imports, VAT, Customs duties, port handling charges, clearance costs, local transport to site and other mandatory charges levied in the country of import.
- If requested by Siemens at any time prior to acceptance of the Purchase order for this proposal, Customer will demonstrate its financial capability to continue to carry out its obligations under this Contract. This demonstration may require that Customer furnish adequate payment security (which may include a confirmed irrevocable letter of credit, parent guarantee or surety bond in a form and amount reasonably acceptable to Siemens Energy Inc.).
- This offer is based on the successful completion of Siemens ABC compliance review check and approval by Siemens authorities if applicable.
- Once a Strip & Inspect (S&I) report is issued and any corrective actions are required, an updated repair proposal shall be made. Storage charges at the rate of £1000(GBP) per month will be applicable if a revised PO is not received from the Customer within the validity date of the subsequent repair proposal
- All rejected parts will become Siemens property 30 days after the repaired equipment is provided back to the Customer, for normal disposal, unless otherwise advised differently by the Customer in advance

4.3 Delivery Terms

The following delivery terms are applicable:

- Standard lead for this scope of work is 8 weeks after induction.
- Customer shall provide 4 weeks advance notice prior to shipment to secure an induction into the workshop. Failing to do so will result in a delay of actual induction date of the equipment into the workshop.

- Delivery of engine is Ex-Works, Siemens Repair Center (Location to be Advised), INCO terms 2010
- The customer is responsible for the transportation of the engine to and from the repair center
- Delivery lead times are subject to engineering and shop capacity at the time of purchase order.
- Siemens will publish a schedule to Howard Down Power Station once an acceptable Purchase Order is received, a Siemens project manager is assigned, and the Outage planned dates established.
- Customer witness is acceptable in the shop however a Siemens escort will be required. Committed turn time does not provide for customer hold points or other delays caused by witness activities.

4.4 Payment Terms

All payments shall be net 30 days from the date of the invoice.

The following payment milestones are applicable:

50% of contract price upon placement of the PO

50% of contract price upon delivery of the findings report at the conclusion of the inspection

4.5 Validity

The proposal is firm and valid for 60 days from the date of issuance of this proposal.

5. Terms and Conditions

The project shall be governed by the terms and conditions stated in the "AMENDED AND REINSTATED LONG TERM SERVICE AGREEMENT (LTSA), Ref. No. 0426, Change Order No. 16".

6. Appendices

6.1 Appendix 1 - Technical Comments and Exceptions

SIEMENS

Invoice

SIEMENS ENERGY INC Houston R&O Services, Lumpkin Rd. 1251, 77043
Houston, USA

CITY OF VINELAND
640 E WOOD ST
VINELAND NJ 08360
USA

Invoice Number 563P/90252636
Invoice Date Aug. 21, 2019
Customer Number 818499

Name
Department
Telephone
Fax
E-mail

Your PO number
Date of PO
Cust. VAT. reg. No.
Sales document EA078322
Serv. rend. date Aug. 21, 2019

Goods Receiver

VINELAND MUNICIPAL ELECTRICAL
UTILITY
ATTENTION: JOHN REYNOLDS
NORTH WEST AVENUE 211
VINELAND NJ 08360
USA

Customer / recipient of benefits

CITY OF VINELAND
640 E WOOD ST
VINELAND NJ 08360
USA

Item	Designation	Quantity	UoM	Price in USD per unit	Total in USD
10	SERVICE CONTRACT. ESN 097 Lease engine Usage	1	PC	429,485.40	429,485.40
	Week#1 06/09/19 - 06/15/19			\$35,790.45	
	Week#2 06/16/19 - 06/22/19			\$35,790.45	
	Week#3 06/23/19 - 06/29/19			\$35,790.45	
	Week#4 06/30/19 - 07/06/19			\$35,790.45	
	Week#5 07/07/19 - 07/13/19			\$35,790.45	
	Week#6 07/14/19 - 07/20/19			\$35,790.45	
	Week#7 07/21/19 - 07/27/19			\$35,790.45	
	Week#8 07/28/19 - 08/03/19			\$35,790.45	
	Week#9 08/04/19 - 08/10/19			\$35,790.45	
	Week#10 08/11/19 - 08/17/19			\$35,790.45	
	Week#11 08/18/19 - 08/24/19			\$35,790.45	
	Week#12 08/25/19 - 08/31/19			\$35,790.45	
	NJ0836099	0.00%	TAX		0.00

SIEMENS ENERGY INC Houston R&O Services
Power Generation Services; Management: Tim Oliver Holt
Distributed Generation and Oil & Gas; Management: Thorbjörn Fors

Siemens Energy, Inc
1209 Orange St., 19801 Wilmington, US
Company Registration: 13-3987280

Office Address:
Lumpkin Rd. 1251
77043 Houston
USA

Tel : +1 (281) 436-6782
Fax: +1
www.siemens.com

SIEMENS

Invoice

Invoice Number	563P/90252636
Invoice Date	Aug. 21, 2019

Net value:	429,485.40
Taxes:	
NJ0836099	0.00
Invoice amount (USD):	429,485.40

Terms of delivery:

Incoterms® 2010

Terms of payment:

Within 30 days Due net
Up to Sep. 20, 2019 without deduction

Bank details:

Payment shall be effected to the following bank account
(incl. indication of complete invoice-no.):

Payment by check: Siemens Energy, Inc.
Dept CH 14429
60055-4429 Palatine, IL

Bank: The Bank of New York Mellon, 500 Ross St., Pittsburgh, PA 15262, US
SWIFT: MELNUS3PXXX
Bank code or NSC: 043000261
Account No.: 0009040527

Remittance advice to be sent to:
Ron.mcnutt@siemens.com
Siemens Energy, Inc.
4400 N. Alafaya Trail, MC Q2-196
USA

Regarding the relevant ECC classification of the exported goods, please refer to the goods accompanying shipping documentation.

Notice: Compliance with legal and internal regulations is an integral part of all business processes at Siemens. Possible infringements can be reported to our help desk "Tell us" at www.siemens.com.

Transmittal, reproduction, dissemination and/or editing of this document as well as utilization of its contents and communication thereof to others without express authorization are prohibited. Offenders will be held liable for payment of damages. All rights created by patent grant or registration of a utility model or design patent are reserved.

SIEMENS

Invoice

SIEMENS ENERGY INC Houston R&O Services, Lumpkin Rd. 1251, 77043
Houston, USA

CITY OF VINELAND
640 E WOOD ST
VINELAND NJ 08360
USA

Invoice Number .563P/90252639
Invoice Date Aug. 21, 2019
Customer Number 818499

Name
Department
Telephone
Fax
E-mail

Your PO number
Date of PO
Cust. VAT. reg. No.
Sales document EA078322
Serv. rend. date Aug. 21, 2019

Goods Receiver

VINELAND MUNICIPAL ELECTRICAL
UTILITY
ATTENTION: JOHN REYNOLDS
NORTH WEST AVENUE 211
VINELAND NJ 08360
USA

Customer / recipient of benefits

CITY OF VINELAND
640 E WOOD ST
VINELAND NJ 08360
USA

Item	Designation	Quantity	UoM	Price in USD per unit	Total in USD
10	SERVICE CONTRACT. Unit 11 - Engine Changeout (June 2019)	1	PC	182,858.85	182,858.85
	NJ0836099	0.00%	TAX		0.00
Net value:					182,858.85
Taxes:					
NJ0836099					0.00
Invoice amount (USD):					182,858.85

Terms of delivery:

Incoterms® 2010

SIEMENS ENERGY INC Houston R&O Services
Power Generation Services; Management: Tim Oliver Holt
Distributed Generation and Oil & Gas; Management: Thorbjörn Fors

Siemens Energy, Inc
1209 Orange St., 19801 Wilmington, US
Company Registration: 13-3987280

Office Address:
Lumpkin Rd. 1251
77043 Houston
USA

Tel: +1 (281) 436-6782
Fax: +1
www.siemens.com

SIEMENS

Invoice

Invoice Number	563P/90252639
Invoice Date	Aug. 21, 2019

Terms of payment:

Within 30 days Due net
Up to Sep. 20, 2019 without deduction

Bank details:

Payment shall be effected to the following bank account
(incl. indication of complete invoice-no.):

Payment by check: Siemens Energy, Inc.
Dept CH 14429
60055-4429 Palatine, IL

Bank: The Bank of New York Mellon, 500 Ross St., Pittsburgh, PA 15262, US
SWIFT: MELNUS3PXXX
Bank code or NSC: 043000261
Account No.: 0009040527

Remittance advice to be sent to:
Ron.mcnutt@siemens.com
Siemens Energy, Inc.
4400 N. Alafaya Trail, MC Q2-196
USA

Regarding the relevant ECC classification of the exported goods, please refer to the goods accompanying shipping documentation.

Notice: Compliance with legal and internal regulations is an integral part of all business processes at Siemens. Possible infringements can be reported to our help desk "Tell us" at www.siemens.com.

Transmittal, reproduction, dissemination and/or editing of this document as well as utilization of its contents and communication thereof to others without express authorization are prohibited. Offenders will be held liable for payment of damages. All rights created by patent grant or registration of a utility model or design patent are reserved.