

RESOLUTION NO. 2020-489

A RESOLUTION AUTHORIZING PAYMENT OF SIEMENS EXPENSES IN ACCORDANCE WITH THE LONG TERM SERVICE AGREEMENT FOR UNIT 11 AND CLAYVILLE GENERATING STATIONS FOR YEAR 2020.

WHEREAS, as a result of a failure of the equipment on Clayville Unit 1, it is necessary to remove the existing engine and forward to Siemens facility for inspection and replace the unit with a leased engine; and

WHEREAS, the City of Vineland has entered into a Long Term Service Agreement with Siemens Energy, Inc. Houston TX.(Siemens) for the maintenance and repair of the Unit 11 and Clayville Generating Stations, including costs for removal, repair and lease an engine; and

WHEREAS, Siemens has provided an invoice for engine strip and inspect and project management in the amount of \$1,368,252.04; and

WHEREAS, the Vineland Municipal Electric Utility is requesting authorization for Siemens expenses as attached hereto in accordance with the Long Term Maintenance Agreement; and

WHEREAS, the availability of funds for payment to Siemens in accordance with the Contract have been certified by the Chief Financial Officer; and

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that payment in the amount of \$1,368,252.64 shall be made in accordance with the Long Term Service Agreement.

Adopted:

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President of Council

ATTEST:

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City Clerk

(Copy)

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

11/19/2020  
(DATE)

1. Service (detailed description): Siemens Expenses for ESN 118 repair  
provisioned under the Long Term Service Agreement

2. Amount to be Awarded: \$ 1,368,252.64

- Encumber Total Award
- Encumber by Supplemental Release

3. Amount Budgeted: \$ \_\_\_\_\_

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

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

6. Contract Period: \_\_\_\_\_

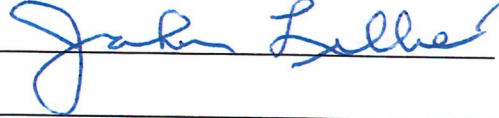
7. Date To Be Awarded: 11-25-2020

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

11. Approved by: 

12. Attachments:

- Awarding Proposal
- Other: Expense Breakdown

- Send copies to:  
**Purchasing Division**  
**Business Administration**

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

**Clayville Engine 118 Vane Foot Failure 2020**

Revised 11/19/2020

<b>Company</b>	<b>Company Total</b>	<b>Description</b>	<b>Amount</b>	<b>PO#</b>	<b>Invoice #</b>
Siemens	\$ 1,368,252.64	Engine Changeout ESN118 to ESN129	\$ 177,464.00	TBD	VMEU_021_r1
		ESN118 Strip & Inspect	\$ 618,000.00	TBD	SF201705770
		Lease Engine Usage (Nov 4 - Feb 23)	\$ 572,788.64	TBD	VMEU_022_r1
Garton's Rigging	\$ 3,570.00	Crane & Operator 6/3 - 6/7	\$ 3,570.00	20-08701	37111
Vineland	\$ 27,147.08	Engine Removal VMEU Staffing	\$ 27,147.08		N/A
<b>Total</b>	<b>\$ 1,398,969.72</b>				



Siemens Energy Inc.  
 1202 West Sam Houston Pky N.  
 Houston, TX, 77043  
 Telephone: +1 713-346-1669  
 Fax: +1 713-346-1799

**Quotation Number**

**VMEU-021 Rev.1**

Please refer to this number on all correspondence or other communications.

**Customer Information**

**Steve August**  
 Vineland Municipal Electric Utility  
 211 N. West Avenue, P.O. Box 1508  
 Vineland, NJ 08360  
 (856) 794-4000 ext.4241

**Siemens LTP Project Manager**

**Name:** Viktor De Leon  
**Phone:** 713-346-1740  
**Mobile:** 317-294-7091  
**E-Mail:** [viktor.deleon@siemens.com](mailto:viktor.deleon@siemens.com)

**Quote Information**

<b>Effective:</b> 20-Oct-20	<b>Expires:</b> 20-Nov-20
<b>Time Frame:</b> 5 Day Onsite Support	<b>No. &amp; Type of Reps:</b> 1 Field Service Specialist
	5 Field Service Technician
<b>Work Scope:</b> Clayville Unit 1 ESN118 GT Changeover with lease asset ESN129	

**Quotation Detail**

**Labor**

Line No.	Item/Description	Total No. Of Reps	Total Price \$
10	Regular Travel Time	0	\$0.00
20	Over Time (Saturday Travel Time)	6	\$25,578.00
30	Standard Time	6	\$56,840.00
40	Over Time	6	\$42,630.00
50	Double Time (Sunday Travel Time)	6	\$34,104.00

**Expenses**

Line No.	Item/Description	Total No. Of Reps	Total Price \$
60	Round Trip Airfare	6	\$6,000.00
70	Accomodation	6	\$6,300.00
80	Per Diem Meals	6	\$2,844.00
90	Rental Car	6	\$3,168.00
100	Borescope	0	\$0.00
110	Miscellaneous Freight & Tooling	0	\$0.00
120	Miscellaneous	0	\$0.00

\*This estimate is for budgetary purposes only. The final invoice will reflect the actual hours worked or traveled and the expenses per attached ratesheet.

**Total Estimated Cost:**

**\$177,464.00**



## 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
<b>Total</b>			<b>\$618,000</b>

### 4.2 Pricing Basis

Prices are Firm and based on the pricing notes provided below.

- Price shown in this proposal will be deducted from the total/final repair price.
- 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 2020 cost level.
- Price is based on the solution as described in the Section 3.2.
- 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.
- Once a Strip & Inspect (S&I) Gate 1 report is issued and any corrective actions are required, an updated repair proposal shall be provided. 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.
- Where completion of the scope of work includes replacement parts, the contractor may at is option supply new, refurbished, or used parts. Refurbished or used parts may come from a parts pool and not the original supplied asset.

### 4.3 Delivery Terms

The following delivery terms are applicable:

- Standard lead for this scope of work is approx. 8-10 weeks after acceptance of PO, engine availability at the repair center, and confirmation of available induction slot.
- Delivery of engine is Ex-Works, Siemens Repair Center (Location to be Advised), INCO terms 2020
- 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.

# Quotation Number:

VMEU\_022\_r1

# SIEMENS

**CUSTOMER**  
 Vineland Municipal Electric Utility  
 211 N. West Avenue  
 Vineland, NJ 08380  
 (856) 794-4000

**SIEMENS CONTACT:**  
 Viktor De Leon  
 1202 W. Sam Houston  
 Houston, TX 77043  
 Cell: +1-740-390-8513

Siemens Energy Inc  
 1202 W Sam Houston Pkwy. North  
 Houston, TX, 77043  
 USA

THIS QUOTE IS VALID TO: 23 October 2020 Unless Previously Withdrawn

All delivery terms as per LTP Contract

CUSTOMER REFERENCE NUMBER(S): M.A916

Payment Terms: Payment due in 30 days from invoice date

To whom it may concern:  
 Here is our quotation in response to your inquiry / order detailed below. Please use the quotation number shown at the top of this document in any future correspondence. This quotation is for budgetary purpose and is subject to our standard Terms and Conditions as per LTP Contract Reference No. 0426

Week #	From	To	ESN129 Lease Engine Weekly Usage Fee
1	4-Nov-20	10-Nov-20	\$ 35,799.29
2	11-Nov-20	17-Nov-20	\$ 35,799.29
3	18-Nov-20	24-Nov-20	\$ 35,799.29
4	25-Nov-20	1-Dec-20	\$ 35,799.29
5	2-Dec-20	8-Dec-20	\$ 35,799.29
6	9-Dec-20	15-Dec-20	\$ 35,799.29
7	16-Dec-20	22-Dec-20	\$ 35,799.29
8	23-Dec-20	29-Dec-20	\$ 35,799.29
*9	30-Dec-20	5-Jan-21	\$ 35,799.29
*10	6-Jan-21	12-Jan-21	\$ 35,799.29
*11	13-Jan-21	19-Jan-21	\$ 35,799.29
*12	20-Jan-21	26-Jan-21	\$ 35,799.29
*13	27-Jan-21	2-Feb-21	\$ 35,799.29
*14	3-Feb-21	9-Feb-21	\$ 35,799.29
*15	10-Feb-21	16-Feb-21	\$ 35,799.29
*16	17-Feb-21	23-Feb-21	\$ 35,799.29
<b>TOTAL</b>			<b>\$ 572,788.64</b>

- NOTES:
1. Lease engine usage estimated start date of November 4, 2020 with an estimated removal date of February 23, 2021.
  2. Lease engine usage fee shall be billed at the end of each month.
  3. \* - subject to escalation changes and/or new LTP contract terms

Signed on behalf of Siemens Energy, Inc.

**De Leon Viktor**  
Digitally signed by De Leon Viktor  
 DN: cn=De Leon Viktor, o=Siemens,  
 email=viktor.deleon@siemens.com  
 Date: 2020.10.23 14:07:50 -05'00'



**GARTON'S RIGGING, INC.**  
 P. O. BOX 510  
 VINELAND, NJ 08362-0510  
 (856) 691-0487 • FAX (856) 691-5065

# INVOICE

DATE: 10/27/2020  
 INVOICE #: 37111

BILL TO:

CITY OF VINELAND  
 640 E. WOOD  
 P O BOX 1508  
 VINELAND, NJ 08362-1508

P.O. NUMBER	TERMS	PROJECT
20-08701	Net 30	

QUANTITY	DESCRIPTION	RATE	AMOUNT
	11/4/20 110 TON CRANE PERSONNEL AND CRANE TO ASSIST WITH SWITCHING OUT TURBINE AT 4169 S LINCOLN AVE., VINELAND NJ	2,800.00	2,800.00
	11/4/20 RIGGER GARTONS RIGGING TO SUPPLY PERSONNEL TO ASSIST WITH WORK REFERENCED ABOVE	770.00	770.00
		Sales Tax (6.625%)	\$0.00
We Appreciate Your Business. Thank You!		<b>TOTAL</b>	<b>\$3,570.00</b>