

RESOLUTION NO. 2021-190

A RESOLUTION AUTHORIZING PAYMENT TO SIEMENS ENERGY, HOUSTON, TEXAS, FOR CLASS A INSPECTION, MAINTENANCE AND TESTING OF UNIT 11 AND CLAYVILLE GENERATING STATIONS IN ACCORDANCE WITH A LONG TERM MAINTENANCE AGREEMENT.

WHEREAS, the City of Vineland has entered into a Long Term Service Agreement with Siemens Energy, Inc. Houston TX.(Siemens) for Class A Inspections, parts, repairs and testing to the Unit 11 and Clayville Generating Stations; and

WHEREAS, the services to be provided are proprietary in nature and are in furtherance of a Long Term Service Agreement and therefore are exempt from public bidding in accordance with N.J.S.A. 40A:11-5 et seq.; and

WHEREAS, Siemens has provided a quotation for Class A Inspection as required to maintain the Long Term Service Agreement for the Unit 11 and Clayville Generating Stations, and required preventative maintenance in accordance with an invoice and scope of work attached hereto and made a part hereof in the amount of \$319,532.75; 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 \$319,532.75 shall be made in accordance with the Long Term Service Agreement.

Adopted:

President of Council

ATTEST:

City Clerk

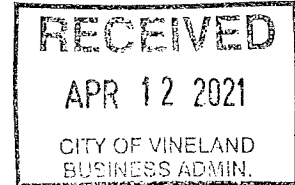
**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS
UNDER 40A:11-5 EXCEPTIONS
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

4/8/2021

(DATE)

1. Service (detailed description): Siemens Expenses 2021 for Unit 11 & Clayville
Generating Stations provisioned under the Long Term Service Agreement
2. Amount to be Awarded: \$ 319,532.75

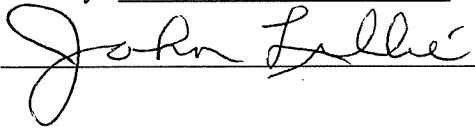
- Encumber Total Award
 Encumber by Supplemental Release



3. Amount Budgeted: \$ 950,000.00
4. Budgeted: By Ordinance No. _____
Or Grant: Title & Year _____
5. **Account Number to be Charged: 1-05-55-502-9001-53353 E553X & E553C
6. Contract Period: Budget Year 2021
7. Date To Be Awarded: 4/27/2021
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


Charges will be split as follows: E553X - \$253,648.50 / E553C - \$65,884.25

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

10. Evaluation Performed by: Steve August x4241
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

2021 Siemens LTSA Expenses revised 4/12/2021

Quote #	Amount	Description
N/A	\$ 118,967.00	Class A Inspection (per LTSA Attachment C)
20188559	\$ 7,978.56	QDM Sensors (for CT lube oil system)
VMEU_026_r1	\$ 60,818.69	50K Generator Inspection
VMEU_029_r1	\$ 82,813.00	Inlet Filter Change Out & Disposal
VMEU_028_r1	\$ 48,955.50	Air Sampling Survey
TOTAL	\$ 319,532.75	

ATTACHMENT C: PRICE AND TERMS OF PAYMENT

1. Maintenance Charges

The Customer will pay to Seller the following fees and prices expressed in this Attachment C for the Services described in this Maintenance Contract:

- 1.1 **Fixed Annual Fee.** For the management services, access to technical support and operational service desk, remote diagnostic services and Unscheduled Lease Club Services as described in this Maintenance Contract the following annual charge shall apply: \$544,718 (per Year)
- 1.2 **Inspection Fees.** For Preventative Maintenance of the Covered Equipment in accordance with this Maintenance Contract the following charges shall apply:

Gas Turbine:
A1 Class Inspection: \$41,837 (per unit, per event)
A Class Inspection: \$118,967 (per unit, per event)

AC Generator:
Compensation for AC Generator Services will be in addition to the Maintenance Charges and based on Contractor's invoiced cost plus 15% for third-party services, unless otherwise agreed by the Parties.
- 1.3 **Corrective Maintenance Charges.** Notwithstanding a valid warrant claim, compensation for parts and services for all other Corrective Maintenance shall be based on Contractor's prevailing then current rates and prices; and Contractor's invoiced cost plus 15% for any agreed third-party services. Contractor will provide Customer with a five percent (5%) discount off the then-current field service rates.
- 1.4 **Lease Engine Usage Fee.** For each full week of possession in accordance with Attachment B3 the following charge shall apply: \$36,515 (per week, prorated for partial weeks)

2. Payment and Invoicing Details

- 2.1 All charges in this Attachment C are expressed in US Dollars and will be payable by Customer in US Dollars.
- 2.2 Within thirty (30) Days following the date Customer receives each invoice, Customer shall pay to Contractor the invoice amount.
- 2.3 Beginning on the Effective Date and continuing throughout the Term, Contractor will invoice to Customer for the amount payable as follows:

- a. The Fixed Annual Fee will be invoiced quarterly in advance with the first invoice being issued no earlier than the Effective Date. Subsequent invoices will be issued no earlier than the Effective Date anniversary.
- b. Inspection Fees will be invoiced upon completion of each event.
- c. Lease Engine Usage Fee will be invoiced monthly in arrears.

2.4 If payment of any Maintenance Charge or part thereof is delayed, Contractor shall be entitled to claim and the Customer shall be liable to pay interest on the amount overdue at a rate of five one hundredths of one per cent (0.05%) per day for each day of delay until payment is received in full.

2.5 Should the Customer dispute any part of the amount on an invoice, the Customer shall immediately inform Contractor of the fact and the reasons for the dispute. The Customer and Contractor shall mutually enter into discussions to resolve, at the earliest possible time, such a dispute. The Customer shall not withhold payment in respect of any undisputed amount. Upon settlement of the dispute the resolved amount shall become immediately due for payment.

3. Price Adjustment Formula

Unless otherwise stated, all charges, fees and prices expressed in this Attachment C, including the Fixed Annual Fee, shall be subject to escalation, commencing at the beginning of the second Year and calculated as follows:

$$P_n = P_o \times (0.35(I_n/I_o) + 0.65(m_n/m_o)) \times (1 + (0.005 \times (Y_n - Y_o)))$$

Where P_n is the relevant price or fee for Year in consideration

P_o = is the relevant price or fee for the first Year

I_o = the Producer Price Index number for "Turbine and Turbine Generator Set Units Manufacturing, not seasonally adjusted", Series Id: PCU333611333611, published by the US Bureau of Labor Statistics, as of December 2020

I_n = is the corresponding index to I_o for the month immediately preceding the relevant Year

m_o = the index number of Producer Prices – MM22, table "2811000000: Engines & Turbines, except Aircraft, Vehicle & Cycle Engines", Time Series ID: JV8L (published by the UK Office of National Statistics), as of December 2020

m_n = the corresponding index to m_o for the month immediately preceding the relevant Year

Y_n = the year in consideration

Y₀ = the year that the Maintenance Contract was entered into

If the United Kingdom or United States ceases to publish any of the indices referred to above or modifies the basis of the calculation then Contractor shall have the right to substitute any officially recognised, proper and substantially equivalent index. In the event of a negative escalation for any Year, the relevant price or fee shall be equal to the price or fee for the preceding Year.

Where any Maintenance Charge is subject to escalation and the relevant indices are not available, the Contractor may submit invoices based upon the most recent published indices, and shall issue a further invoice or credit note to correct the amount due when the applicable indices are published.



Quotation 20188559

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

CITY OF VINELAND
640 E WOOD ST
VINELAND NJ 08360
USA

Name: Ms Amy Capitano
Department: SE GP I SV NA GTO OM

Telephone:
Fax:
E-mail: amy.capitano@siemens.com

Your Inquiry: LTP, Vineland / SENSOR, QDM
Inquiry Date: Jan. 6, 2021
Doc. Date: Jan. 6, 2021

Our machine reference:
209293 Gas Turbine 42336029

Model number:
SGT-A65 TR

Dear Sir or Madam,
We thank you for your enquiry and now have pleasure in quoting as attached.
We trust our offer will be acceptable to you and now look forward to receiving your further instructions.

Item	Designation	Quantity	Price in USD per unit	Total in USD
10	SENSOR, QDM Material: RRE009244 HS Code: 8421.29.0065 Current delivery time: 1 working weeks Standard delivery time: 30 working weeks Price: Customer Price:	2.000 EA	3,989.28	7,978.56
	NJ0836099	0.00%	TAX	0.00
Net value:				7,978.56
Taxes:				7,978.56
Total (USD):				7,978.56

For your information: For pricing the following items were taken into account:

Siemens Energy shall not be obligated to fulfill this agreement if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

Compliance with Export Control Regulations

1 If Purchaser transfers goods (hardware and/ or software and/ or technology as well as corresponding documentation, regardless of the mode of provision) delivered by Siemens Energy or works and services (including all kinds of technical support) performed by Siemens Energy to a third party worldwide, Purchaser shall comply with all applicable national and international (re-) export control regulations. In any event Purchaser shall comply with the (re-) export control regulations of the Federal Republic of Germany, of the European Union and of the United States of America.

2 If required to conduct export control checks, Purchaser, upon request by Siemens Energy, shall promptly provide Siemens Energy with all information pertaining to particular end customer, destination and intended use of goods, works and services provided by Siemens Energy, as well as any export control restrictions existing.

SIEMENS ENERGY INC Houston R&O Services

Office Address:
1251 Lumpkin Rd.
Houston 77043
USA

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

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

Siemens Energy is a registered trademark licensed by Siemens AG.

3 Purchaser shall indemnify and hold harmless Siemens Energy from and against any claim, proceeding, action, fine, loss, cost and damages arising out of or relating to any noncompliance with export control regulations by Purchaser, and Purchaser shall compensate Siemens Energy for all losses and expenses resulting thereof, unless such noncompliance was not caused by fault of the Purchaser. This provision does not imply a change in burden of proof.

Pricing base:**Terms of delivery:**

DAP Customer Site
Incoterms® 2020

Delivery time:**Tax information:**

The total sales price does not include taxes, customs duties or similar.

Tax:

Plus the statutory tax obtaining on the day of performance of contract.
Down payments and interim payments shall be remitted to us plus the statutory tax obtaining at the time of invoicing.

Terms of payment:

Within 30 days Due net

Bank details:

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:
creditcollections.pg@siemens.com
Siemens Energy, Inc.
4400 N. Alafaya Trail, MC Q2-196
USA

Valid to:

Feb. 6, 2021

The worldwide outbreak of the coronavirus disease ("COVID-19"), affects or is likely to affect usual business activities and/or the execution of work under this offer. As the impacts from COVID-19 are unknown at this time, Siemens commitments regarding the scope contemplated hereunder including procurement lead-time, delivery date, resources, and schedule are provided without consideration of such potential impacts from COVID-19. Siemens is closely monitoring the development of COVID-19 and its associated impacts, and will endeavor to inform you, the customer, of the impacts that COVID-19 has or may have on Siemens' manufacturing, supply chain, operations, logistics, and personnel relating to Siemens scope of supply contemplated hereunder. If required to overcome the consequences directly or indirectly caused by the

outbreak of COVID-19, Siemens shall be entitled to relief of its obligations in schedule, price, or any other reasonably required adjustment of this offer. In the event equipment delivery is contemplated hereunder, Siemens shall be entitled to postpone or provide partial deliveries to the extent Siemens' ability to supply or deliver is impacted by COVID-19.

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 "Speak Up" at [siemens-energy.com](https://www.siemens-energy.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.

Capitano
Amy

Digitally signed by Capitano Amy
DN: cn=Capitano Amy, o=Siemens,
email=amy.capitano@siemens.com
Date: 2021.01.06 16:53:16 -05'00'

Ramirez
Polanco Audri

Digitally signed by Ramirez Polanco
Audri
DN: cn=Ramirez Polanco Audri,
o=Siemens,
email=audri.ramirez@siemens.com
Date: 2021.01.06 17:20:46 -05'00'

Quotation Number:

VMEU_026_r1



CUSTOMER
 Vineland Municipal Electric Utility
 211 N. West Avenue
 Vineland, NJ 08360
 (856) 794-4000

SIEMENS CONTACT:
 Viktor De Leon
 1202 W. Sam Houston
 Houston, TX 77043
 Cell: +1 317-294-7091

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

THIS QUOTE IS VALID TO: 26 February 2021 Unless Previously Withdrawn

All delivery terms as per LTP Contract

CUSTOMER REFERENCE NUMBER(S): M.A442

Payment Terms: Payment due in 30 days
 from invoice date

To whom it may concern:
 Here is our quotation in response to your inquiry regarding Brush's recommended generator inspection. Please use the quotation number shown at the top of this document in any future correspondence.

Item No.	Description	Qty	Unit Price	Total (USD)
1	Minor Inspection Level 2 (Note 1) - inspection consumables & testing tools included - 1 mechanical engineer & 1 winding engineer (Note 2) - field engineering report - estimated duration: 5 days	1	\$ 59,800.00	\$ 59,800.00
2	S963393801 - Lineside Cubicle Door Seal (10 meters)	1	\$ 594.23	\$ 594.23
3	S963402901 - Neutral Cubicle Door Seal (10 meters)	1	\$ 424.47	\$ 424.47
TOTAL PRICE			\$	60,818.69

Notes:

- Price is based on the requirements and scope outlined below. Project deviations will be treated as a chargeable change variance.
- Customer is to supply two (2) site technicians to assist the BRUSH Engineers as needed for the duration of the work scope.

Quotation Number:

VMEU_026_r1

SIEMENS

LEVEL 2 - Minor Inspection Work Scope

Prior to Shutdown (if unit available)

- Visual check of machine for signs of oil leaks.
- Record temperatures, vibration & operating data.

Prior to Starting Work

- Discuss with customer any outstanding problems and proposed workscope.
- check electrical and mechanical isolation.
- Permit to work, lock out tag out in place.
- RAMS completed and communicated to all working parties.

Generator Disassembly

- Remove cubicle covers.
- Disconnect stator main terminals.
- Check jacking oil lift (if fitted).
- Remove exciter air duct.
- Disconnect and Remove bearing vibration instrumentation.
- Remove drive end & non drive end top end frame covers.
- Record 'as found' fan shroud clearances.
- Remove fan shroud and winding cover.
- if fitted, Remove shaft driven oil pump and coupling.
- Remove exciter end cover.

Visual Inspection of Generator, Cubicles and Cooler

- check the contact area, wear and function of the shaft earth brush.
- check filters for fitment, change if indicated or if condition dictates
- check oil pipe flange for leaks.
- Visual inspection of main rotor fan condition.
- Visual inspection of rectifier assembly. Clean as necessary.
- check internal condition of air duct, Clean and replace gaskets if necessary.
- check operation of the stator space heaters.
- Clean out line-side/neutral cubicle.
- check tightness of the main and neutral link.
- check cubicle heaters.
- check cooler for leaks.
- Check air make-up filter. Clean/change as necessary (if customer has spare on-site).

Electrical Test Stator - Stator Polarization Index (PI).

- Winding insulation resistance 5kV (IR).
- winding copper resistance.
- stator winding RTD resistance.

Quotation Number:

VMEU_026_r1

SIEMENS

Electrical Test Rotor

- Rotor IR 500V.
- Shorted turns test RSO.
- winding copper resistance.

Electrical Test Exciter

- exciter armature IR.
- exciter armature copper resistance.
- main field IR.
- main field winding copper resistance.
- PMG stator IR.
- PMG stator copper resistance.
- check diodes and fuses.

Rotor Earth Fault Monitor

- test REFM transmitter for correct operation.

Bearing Inspection

- check bearing seal air pipe work for damage.
- check bearing housing for Visual signs of oil leaks.
- check and Record bearing shaft seal clearances.
- Fit Brush lifting bracket assembly.
- Remove bearing caps.
- Record 'as found' bearing alignment clearances.
- Remove bearing bush.
- Inspect bearing bush for damage, score marks, discolouration.
- Inspect bearing journal for damage, score marks, discolouration.
- check dimensions to Brush drawing.
- check bearing RTD's, replace if necessary.
- check main oil feed hose, replace if necessary.
- check jacking oil hoses and non-return valves, replace if necessary.

Stator Winding Inspection

- Visual inspection of stator end winding insulation and varnish (where accessible).
- check airways are clear.
- check for signs of corona discharge.
- check blocking, bracing and support boards.
- if required and if time allows, Clean the stator end winding where accessible.

Quotation Number:

VMEU_026_r1

SIEMENS

Inspection Review

- Discuss findings and any recommended repairs with Brush engineering and the customer.
- if repairs required, agree procedure with customer.

Reassembly

- Prior to re-assembly, Inspect stator for cleanliness, Clean out stator end compartments.
- Fit bearing bush, set and Record bearing alignment.
- Fit bearing cap.
- check and Record seal clearances.
- Fit winding cover & fan shrouds.
- set and Record fan shroud clearances.
- Fit shaft driven pump and coupling, re-grease coupling.
- Fit and connect bearing vibration instrumentation.
- re-set bearing vibration probes to correct clearance.
- connect stator main terminals.
- check for cleanliness, Fit all covers.
- Clean work area of tools.
- Sign off permit.

Following Initial Start Up (if unit available)

- Visual check of generator for oil leaks.
- Record temperatures, vibration and operating data readings at various speeds and loads.

Quotation Number:

VMEU_029_r1

SIEMENS

CUSTOMER
Vineland Municipal Electric Utility
211 N. West Avenue
Vineland, NJ 08360
(856) 794-4000

SIEMENS CONTACT:
Viktor De Leon
1202 W. Sam Houston
Houston, TX 77043
Cell: +1 317-294-7091

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

THIS QUOTE IS VALID TO: 5 May 2021 Unless Previously Withdrawn

All delivery terms as per LTP Contract

CUSTOMER REFERENCE NUMBER(S): M.A442 / 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 to have Siemens and/or our affiliates performing an air inlet filter changeout on both Vineland Unit 11 and Clayville Unit 1 sites. Please use the quotation number shown at the top of this document in any future correspondence.

Item No.	Description	Qty	Unit Price	Total (USD)
1	Air Inlet Filter Changeout (2 Units)	1	\$ 73,613.00	\$ 73,613.00
2	OPTIONAL: Groome Disposal (2 units)	1	\$ 9,200.00	\$ 9,200.00
TOTAL PRICE				\$ 82,813.00

NOTES:

1. Scope of work includes:

- Removal of all 260 filters per unit. Replacement filters were provided by Siemens through a different purchase order.
- Old used filters will be removed and placed in dumpsters. Disposal services provided as optional (item 2).
- Installation of new filters and hardware replacements as necessary.
- Final cleaning and inspection will take place upon completion.

2. Pricing is based on Groome's representatives performing the changeout together with 1x Siemens FSR. Final invoice amount will be based on Groome's invoice cost w/ 15% mark-up plus standard Siemens FSR rates.

3. Estimated duration of activity is 3 days (12-hour shifts) per unit.

Quotation Number:

VMEU_028_r1

SIEMENS

CUSTOMER

Vineland Municipal Electric Utility
211 N. West Avenue
Vineland, NJ 08360
(856) 794-4000

SIEMENS CONTACT:

Viktor De Leon
1202 W. Sam Houston
Houston, TX 77043
Cell: +1 317-294-7091

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

THIS QUOTE IS VALID TO: 21 April 2021 Unless Previously Withdrawn

All delivery terms as per LTP Contract

CUSTOMER REFERENCE NUMBER(S): M.A442 / 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 regarding Camfil Power Systems performing an air sampling survey on both Vineland Unit 11 and Clayville Unit 1 sites. Please use the quotation number shown at the top of this document in any future correspondence.

Item No.	Description	Qty	Unit Price	Total (USD)
1	Camfil representative Mobilization & Demobilization (Notes 2, 3)	1	\$ 48,955.50	\$ 48,955.50
2	Site Supervision (max 10 hrs/day), minimum of 2 days per unit (Notes 1, 2)	2	Included	Included
3	Downstream Efficiency probe (Note 4): - Gives access to downstream air for handheld particle counter sampling - Determines actual filter house efficiency - Includes efficiency probe fabrication. It is recommended to remove probe and replace the original access hatch at the next shutdown opportunity	1	Included	Included

Quotation Number:

VMEU_028_r1



4	<p>Cascade Impactor:</p> <ul style="list-style-type: none"> - Used to determine the elements in particle form in ambient air (Sodium, Magnesium, Sulphur, Potassium, Calcium, Vanadium, Lead, etc.) - Rated for use in hazardous areas - Lead time for results analysis: 3 weeks - 48 hour sampling time recommended 	1	Included	Included
5	<p>Particle Counter:</p> <ul style="list-style-type: none"> - Used to determine the particle counts and mass from 0.3 to 10 microns - Not rated for use in hazardous areas - Need a 110V power connection - Lead time for results analysis: 1 week 	1	Included	Included
6	<p>Camfil Laval Laboratory Evaluation (Note 6): Provide laboratory testing analysis and support on filters (1 Day Lab Use)</p>	1	Included	Included
TOTAL PRICE			\$	48,955.50

NOTES:

1. Requires a minimum continuous operation of the unit for 2 days (48 hours).
2. Pricing is based on Camfil representative performing test/site supervision for 4 consecutive days or 2 days per unit. Final invoice amount will be based on invoice cost plus 15% mark-up.
3. Quotation includes shipping and handling of all equipment and parts required.
4. Fabrication of downstream hatches are included (one per unit). Customer is responsible of removing old door hatch and installing the new fabricated hatches in advance of the arrival of Camfil representative at site.
5. Siemens reserves the right to invoice customer for any standby time or lost time.
6. Requires one of the old filter elements to be shipped to Camfil laboratory for analysis.