

RESOLUTION NO. 2021-479

A RESOLUTION AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICE AGREEMENT BY AND BETWEEN SIEMENS ENERGY, INC., HOUSTON, TEXAS, AND THE CITY OF VINELAND FOR FALL OUTAGE SUPPORT FOR UNIT 11 AND CLAYVILLE GENERATING STATIONS IN AN AMOUNT OF \$452,402.55 PURSUANT TO A LONG TERM SERVICE AGREEMENT.

WHEREAS, the City of Vineland has entered into a Long Term Service Agreement with Siemens Energy, Inc. Houston TX.(Siemens) for Fall Outage Support for Units 11 and Clayville Generating Stations pursuant to a Long Term Service Agreement; 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 Fall Outage Support for Units 11 and Clayville Generating Stations in accordance with the Quotation attached hereto and made a part hereof in the amount of \$452,402.55 and

WHEREAS, the Director of the Vineland Municipal Electric Utility has certified that the nature of the service falls within the exceptions of N.J.S.A. 40A:11-5(1)(m) and is requesting authorization for the execution of a contract with Siemens for Fall Outage Support for Units 11 and Clayville Generating Stations in accordance with the Long Term Service Agreement; and

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

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that the Mayor and Clerk are authorized to execute an agreement with Siemens Energy, Houston Texas for Fall Outage Support for Units 11 and Clayville Generating Stations in the amount of \$452,402.55 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)**



9/24/2021
(DATE)

1. Service (detailed description): Siemens Fall Outage Support for Unit 11 & Clayville
Generating Stations provisioned under the Long Term Service Agreement

2. Amount to be Awarded: \$ 452,402.55

- Encumber Total Award
- Encumber by Supplemental Release

3. Amount Budgeted: \$ 500,000.00

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: 10/12/2021

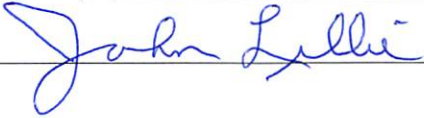
8. Recommended Vendor and Address: Siemens Energy Inc. 1200 West Sam Houston
Parkway North, Houston TX 77043

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 - \$242,625.00 / E553C - \$209,777.55


- 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 Fall Outage Expenses revised 9/24/2021

Quote #	Amount	Description
N/A	\$ 118,967.00	Unit 11 Class A Inspection (per LTSA att C)
N/A	\$ 118,967.00	Clayville Class A Inspection (per LTSA att C)
VMEU_032_r1	\$ 59,800.00	Unit 11 50K Generator Inspection
VMEU_032_r1	\$ 26,952.55	Clayville 25K Generator Inspection
VMEU_028_r1	\$ 127,716.00	SAVC + Water Wash Installation
TOTAL	\$ 452,402.55	

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 Number:

VMEU_032_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: 15 Sept 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 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	Howard Down Unit 11 Minor Inspection Level 2 (Note 1) - inspection consumables & testing tools included - 1 mechanical engineer & 1 winding engineer (Note 2) - field engineering report - estimated duration: 6 days	1	\$ 59,800.00	\$ 59,800.00
2	Clayville Unit 1 Minor Inspection Level 1 (Note 1) - inspection consumables & testing tools included - disc spring set (qty. 40) - 1 mechanical engineer (Note 2) - field engineering report - estimated duration: 3 days	1	\$ 26,952.55	\$ 26,952.55
TOTAL PRICE				\$ 86,752.55

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



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-028 Rev.1
Please refer to this number on all correspondence or other communications.

Customer Information
<p>Steve August Vineland Municipal Electric Utility 211 N. West Avenue, P.O. Box 1508 Vineland, NJ 08360 (856) 794-4000 ext.4241</p>

Siemens LTP Project Manager	
Name:	Viktor De Leon
Phone:	713-346-1740
Mobile:	317-294-7091
E-Mail:	Viktor.deleon@siemens-energy.com

Quote Information			
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Effective: 10-Sep-21	Expires: 11-Oct-21		
Time Frame: 5 + 5 (per unit) Day Onsite Support	No. & Type of Reps:	1	Field Service Specialist (Controls)
		2	Field Service Specialist (Mech)
		1	SAVC Support

Work Scope:

Onsite scope covers work estimate (labor only) for below tasks:

Howard Down - scheduled from 26 Oct through 30 Oct 2021:
 SAVC (4 days & 1 controls plus 1 mech / wireman from 3rd party (FW Marsh)).
 WaterWash (3 days & 2 mechs).

Clayville - scheduled from 31 Oct through 12 Nov 2021:
 SAVC (3 days & 1 controls plus 1 mech / wireman from 3rd party (FW Marsh)).
 WaterWash (3 days & 2 mechs).

Quotation Detail				
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Labor				
Line No.	Item/Description	Total No. Of Reps		Total Price \$
10	Regular Travel Time	4		\$10,160.00
20	Over Time (Saturday Travel Time)	4		\$15,240.00
30	Standard Time	4		\$50,800.00
40	Over Time	4		\$12,192.00
50	Double Time (Sunday Travel Time)	4		\$20,320.00

Expenses				
Line No.	Item/Description	Total No. Of Reps		Total Price \$
60	Round Trip Airfare	4		\$4,000.00
70	Accommodation	4		\$7,700.00
80	Per Diem Meals	4		\$3,300.00
90	Rental Car	4		\$4,004.00
100	Boscope	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:	\$127,716.00
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