

RESOLUTION NO. 2017-321

A RESOLUTION AUTHORIZING THE ISSUANCE OF AMENDATORY SUPPLEMENTAL CHANGE ORDER NO. 20, TO CONTRACT NO. RES09-623, ISSUED TO SIEMENS ENERGY, INC., ORLANDO, FL, IN AN AMOUNT NOT TO EXCEED \$280,872.00.

WHEREAS, the City Council of the City of Vineland, on November 24, 2009, adopted Resolution No. 2009-623, entitled "A RESOLUTION AWARDED A CONTRACT TO ROLLS-ROYCE ENERGY SYSTEMS INC., MOUNT VERNON, OH, FOR THE COMPLETION OF VMEU SIMPLE CYCLE TURBINE GENERATOR WITH SELECTIVE CATALYTIC REDUCTION"; and

WHEREAS, N.J.A.C. 5:30-11.9 sets forth the procedures for processing change orders which exceed the 20 percent limitation; and

WHEREAS, the Director of Municipal Utilities has requested a change order to contract to Siemens Energy Inc., Orlando, FL, (formerly Rolls-Royce Energy Systems, Inc., Mount Vernon, OH) for the Completion of VMEU Simple Cycle Turbine Generator with Selective Catalytic Reduction as authorized by Resolution No. 2009-623; said change order is necessary to incorporate the following modifications:

1. Conduct an Annual Class "A" Inspection for Down Unit #11 at an additional cost of \$110,558. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
2. Conduct an Annual Inspection of the Clayville Unit SCR (Synthetic Catalytic Reduction) at an additional cost of \$16,732. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
3. Conduct an Annual Class "A" Inspection for the Clayville unit at an additional cost of \$110,558. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
4. A recent inspection by VMEU personnel found a deteriorating seal in the large exhaust ductwork that the combustion turbine exhaust gases travel through after leaving the combustion turbine toward the Clayville unit's stack. Since the outage for the re-installation of CT ESN 118 has already been scheduled with PJM, this work will be added to the outage scope to insure further deterioration of this seal does not occur during the summer months operating period, which could interrupt unit operations and impact revenue. The estimate costs for this repair is \$43,024.

WHEREAS, the City of Vineland desires to comply with said requirements of N.J.A.C. 5:30-11.1, et seq., and to that end herewith files with the governing body a report stating the facts involved and indicating that the proposed change order may be allowed under these regulations; and

WHEREAS, the Chief Financial Officer has certified the availability of funds for the amendatory supplemental change order for which authorization is requested in the amount of \$280,872.00; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland that said amendatory supplemental change order #20 to Contract No. RES09-623, issued to Siemens Energy Inc., Orlando, FL, in the amount of \$280,872.00, be and the same is hereby ratified and approved.

Adopted:

President of Council

ATTEST:

City Clerk



July 18, 2017

REPORT

TO: THE MAYOR AND COUNCIL

**RE: Reduction Change Order No. 20
Contract No RES09-623
VMEU Simple Cycle Turbine Generator with Selective Catalytic Reduction
Siemens Energy Inc., Orlando, FL**

Dear Mayor and Members of Council:

We are requesting that an amendatory supplemental change order be issued for Contract No. RES09-623, to Siemens Energy Inc., Orlando, FL, (formerly Rolls-Royce Energy Systems, Inc., Mount Vernon, OH) for the Completion of VMEU Simple Cycle Turbine Generator with Selective Catalytic Reduction. This contract was authorized by Resolution No. 2009-623, adopted by City Council on November 24, 2009.

The change order requested, in the amount of \$280,872.00, is necessary to incorporate the following modifications:

1. Conduct an Annual Class "A" Inspection for Down Unit #11 at an additional cost of \$110,558. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
2. Conduct an Annual Inspection of the Clayville Unit SCR (Synthetic Catalytic Reduction) at an additional cost of \$16,732. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
3. Conduct an Annual Class "A" Inspection for the Clayville unit at an additional cost of \$110,558. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the contract by change order #16, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operation budget.
4. A recent inspection by VMEU personnel found a deteriorating seal in the large exhaust ductwork that the combustion turbine exhaust gases travel through after leaving the combustion turbine toward the Clayville unit's stack. Since the outage for the re-installation of CT ESN 118 has already been scheduled with PJM, this work will be added to the outage scope to insure further deterioration of this seal does not occur during the summer months operating period, which could interrupt unit operations and impact revenue. The estimate costs for this repair is \$43,024.



This change order increases the current revised contract amount of \$67,366,628.27 to \$67,647,500.27.

The amendatory supplemental change order which exceeds the 20% limitation, for which authorization is herein requested, may be authorized in accordance with N.J.A.C. 5:30-11.9.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Robert Dickenson", is written over the typed name.

Robert Dickenson
Business Administrator

RD/wr
Encl.

REQUEST FOR CHANGE ORDER
FOR:

July 10, 2017

VMU Simple Cycle Generator with Selective Catalytic Reduction

PROJECT NAME

TO: BUSINESS ADMINISTRATION 

DEPARTMENT: VMU Generation FROM: P. Kudless & John Miller 

This is a request for change order # 20 to Contract # RES09-623 for:

Project Name: VMU Simple Cycle Generator with Selective Catalytic Reduction

Name/Address of Contractor: Siemens Energy Inc.,
1202 West Sam Houston Parkway N
Houston, TX 77043

This change order is necessary to incorporate the following modification to this contract:

- 1) Conduct an Annual Class "A" Inspection for Down Unit # 11 at an additional cost of \$110,558.00. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the Contract by change order # 16 on March 24, 2016, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operating budget.
- 2) Conduct an Annual Inspection of the Clayville Unit SCR (Synthetic Catalytic Reduction) at an additional cost of \$16,732.00. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the Contract by change order # 16 on March 24, 2016, funding for this inspection was not included at that



time. Funding for this inspection has been included in the 2017 Electric Generation Operating budget.

- 3) Conduct an Annual Class "A" Inspection for the Clayville unit at an additional cost of \$110,558.00. Although the scope for this inspection is included in the Long Term Service Agreement with Siemens which was incorporated into the Contract by change order # 16 on March 24, 2016, funding for this inspection was not included at that time. Funding for this inspection has been included in the 2017 Electric Generation Operating budget.

- 4) A recent inspection by VMEU personnel found a deteriorating seal in the large exhaust ductwork that the combustion turbine exhaust gases travel thru after leaving the combustion turbine toward the Clayville unit's stack. Since the outage for the re-installation of CT ESN 118 has already been scheduled with PJM, this work will be added to that outage scope to insure further deterioration of this seal does not occur during the summer months operating period, which could interrupt unit operations and impact revenue. The estimate costs for this repair is \$ 43,024.00.

TOTAL AMOUNT OF CHANGE ORDER # 20	<u>\$ 280,872.00</u>
Original Contract Amount:	<u>\$ 55,903,952.00</u>
Amount of This Change Order:	<u>\$ 280,872.00</u>
Previous Change Orders:	<u>\$ 11,462,676.27</u>
Total Revised Amount:	<u>\$ 67,647,500.27</u>

APPROVED BY: Joseph Isabella
Print/Type


Signature

NOTE: CHANGE ORDERS CANNOT EXCEED 20% OF THE ORIGINAL CONTRACT AMOUNT





Peter J. Kudless
Project Manager
Clayville Unit #1
pkudless@vinelandcity.org
www.vinelandcity.org

211 N. West Ave
Vineland, NJ 08362-1508
Phone: (856) 794-4000
Extension: 4380
Fax: (856) 405-4625

Please provide the account number that the change order will be charged to:

Account # 002-0-54-90-9001-2-7023350, E554C, E554X

CC: Purchasing Division
J. Lillie
G. Foster
T. Dunmore
S. August
J. Davis
R. Tonetta
J. Miller



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.