

RESOLUTION NO. 2020- 488

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

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

WHEREAS, Siemens has provided upgrades and spare parts for Unit 11 and Clayville Generating Stations in accordance with an invoice dated November 19, 2020 in the amount of \$1,225,644.40; 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 \$1,225,644.40 shall be made in accordance with the Long Term Service Agreement.

Adopted:

President of Council

ATTEST:

City Clerk

(Copy)

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

11/16/2020
(DATE)

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

2. Amount to be Awarded: \$ 1,225,644.40

- 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: 0-85-55-512-9001-52000-E346-2

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 Modifications & Upgrades
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: John Lelbe

12. Attachments:

- Awarding Proposal
- Other: Cost Breakdown

- Send copies to:
Purchasing Division
Business Administration

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

2020 Siemens Modifications & Upgrades revised 11/19/2020

Quotation #	Amount	Description
SF181269382-R1	\$ 71,565.00	XM Module Installation & Commissioning
SF191544964	\$ 329,512.00	Water Wash System Upgrade
SF201578615	\$ 178,314.00	VIGV Optimization
SF201652715	\$ 214,778.00	SAVC Upgrade
SF191525829_R1	\$ 193,138.40	E10 Air Inlet Filters
SF201608239	\$ 238,337.00	Unit 11 Demister
TOTAL	\$ 1,225,644.40	



SECTION 2
COMMERCIAL CONDITIONS / PRICING

Pricing / Lead Time

Scope of Work	2019 Pricing	Lead Time
<u>Work Scope 1</u> (Standalone) SGT-A65 Control System Modifications as described in Section 1 of this proposal letter	\$45,010	16 Weeks
<u>Work Scope 2</u> (Adder) Field Service Installation & Commissioning as described in Section 1 of this proposal letter	T&M Estimate \$26,555 <i>Total \$71,565</i>	Weeks

Hereinafter Howard Down Power Station shall be defined as "**Purchaser**"; **SN M.A916** shall be defined as "**Purchaser's Unit**" and Siemens Energy shall be defined as "**SE**".

Pricing Notes:

- 1) Prices do not include any State, Local, or Federal Taxes; costs of fees, permits, licenses or bonds; or freight and insurance as applicable.
- 2) The price breakouts supplied are for evaluation only, and are not to be considered as standalone efforts by Siemens unless specified. As such, should **Purchaser** choose to perform only various portions to the total price, the scope preferred will have to be quoted.
- 3) This proposal is based on Siemens standard manufacturing specifications and inspection plan. Any requests for deviation from these standards will have to be quoted.
- 4) All quoted delivery times are subject to prior sales. Firm delivery may be determined at the time of order placement.
- 5) **Purchaser** is responsible for shipment of equipment to the Service Center. Return freight shipped collect to **Purchaser**.
- 6) Deviation from the terms in this proposal may alter price and/or delivery.

©Siemens Energy 2020 ALL RIGHTS RESERVED: USE THIS DOCUMENT SOLELY FOR THE PURPOSE GIVEN. RETURN UPON REQUEST. DO NOT DISCLOSE, REPRODUCE OR USE OTHERWISE WITHOUT THE WRITTEN CONSENT OF Siemens Energy. THESE TERMS SUPERSEDE ANY OTHER TERMS NOT EXPRESSLY SET FORTH IN A SIGNED AGREEMENT.

Siemens Energy Confidential

- Drawings will only be updated to include work related to the proposed upgrade. Any changes unrelated, or corrections to existing site drawings that are found to be wrong, will be charged as extra.
- Siemens reserves the right to re-quote if the specifications or requirements differ from what was offered.

4. Commercial

4.1 Pricing Table

Item	Description	Quantity	Price [USD]
1	Water Wash Cart	1	\$231,336
2	Nozzle Assembly Kit	2	\$98,176
3	Project Management	-	Included
Total			\$329,512^{1,2}

NOTE 1: Price quoted above does not include delivery charges to site. Delivery charges to site (Delivery at Place) will be actual delivery costs plus 15% markup.

NOTE 2: Price quoted above does not include Supervision of Installation and Commissioning. Such scope will be quoted in a separate proposal.

4.2 Pricing Basis

Prices are firm based on the pricing notes below:

- Price is provided assuming all scope proposed is ordered together. Siemens reserves the right to re-issue pricing if all 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 and subject to prior sales.
- Price is based on the solution as described in the Section 3, Scope of Supply, project deviations will be treated as a chargeable change variance
- 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.

4.3 Delivery Terms

The delivery terms and lead time provided are applicable for the scope of work outlined.

- Delivery lead time is estimated to be 48 weeks from Siemens PO Acceptance. Delivery lead time is subject to engineering capacity at PO placement.
- Lead times will be confirmed at PO receipt and are subject to prior sales.
- Delivery terms for items shown in Section 4.1 Pricing Table are Siemens – Orlando, FL or Siemens nominated place, Incoterms 2020.

4. Commercial

4.1 Pricing Table

Item	Description	Quantity	Total Price [USD]
1	VIGV Software Modification	2	178,314
2	Project Management	-	Included
3	Installation & commissioning of software	-	Included
Sub-Total			178,314
Less Discount of 3%*			(5,349)
Total Price			172,965

* Discount of 3% is contingent upon placement of Purchase Order by September 30, 2020.

4.2 Credit for Non-Performance

As detailed in Section 3.3, Siemens shall provide a Performance Guarantee of 0.5MW increase in average power per unit or a total increase of 1MW over both Howard Down and Clayville units post implementation of VIGV Schedule Optimization.

If Siemens is unable to demonstrate the guaranteed increase in performance, then Customer shall receive a credit of USD 11,000 per unit or a maximum total credit of USD 22,000 to the Price of US\$172,965, bringing the total net price to US\$150,965. Provision of such credit shall be the sole and exclusive remedy under the Performance Guarantee obligation of Siemens under this contract. There shall be no other Liabilities Express or Implied acceptable by Siemens. This condition stated herein will be an integral part of this proposal and any resulting Purchase Order / Contract.

4.3 Pricing Basis

Prices are firm based on the pricing basis notes provided below.

- Discount of 3% quoted is contingent upon placement of Purchase Order by September 30, 2020.
- Price is provided assuming all scope proposed is ordered together. Siemens reserves the right to re-issue pricing if scope is not ordered together.
- Prices assume that modification for both units are implemented together at site. Siemens reserves the right to re-issue pricing if scope / both units are not implemented 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 and subject to prior sales.
- Price is based on the solution as described in the Section 3 Scope of Supply.
- Price does not include site services including any supervision which shall be offered separately.

4. Commercial

4.1 Pricing Table

4.1.1 Material Supply

Item	Description	No. Of Units	Total Price [USD]
Material Scope			
1.	SAVC Upgrade as outlined in Section 3 Scope of Supply	2	\$ 214,778
2.	Project Management and Engineering	1	Included
3.	SAVC Spare Controllers Only	2	Included
SUB-TOTAL			\$ 214,778
Less Discount (3%)			(6,443)
TOTAL (after discount)			\$208,335

4.2 Pricing Basis

Prices are firm based on the pricing notes below:

- Price is provided assuming all scope proposed is ordered together. Siemens reserves the right to re-issue pricing if the scopes are not ordered together.
- Discount of 3% offered above is contingent on PO being placed by September 30, 2020.
- 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 and subject to prior sales.
- Price is based on the solution as described in the Section 3 Scope of Supply.
- All other Service Agreement discounts are included.
- 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 compliance review check and approval by Siemens authorities if applicable.

7. Installation and Commissioning Support

Installation and commissioning support is not part of this proposal.

The current proposal is based upon the assumption that installation and commissioning will be conducted by the Customer work force under supervision of a Siemens Field Service Engineer.

8. Pricing

The following pricing is for Filter Elements for 02 x SGT-A65 units (2 x 260) for a total of 520 Filter elements

SIEMENS P/N	Efficiency Grade	Quantity Required (Vineland + Clayville)	Price per Unit (USD)	Lead Time (Weeks)	Total Price (USD)	Total Price (USD) w/ Discount
E1B100319695	E10	260+260	\$ 379	12	\$197,080.00	\$193,138.40

9. Terms and Conditions

Siemens 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 or works and services (including all kinds of technical support) performed by Siemens 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, shall promptly provide Siemens with all information pertaining to particular end customer, destination and intended use of goods, works and services provided by Siemens, as well as any export control restrictions existing.

3 Purchaser shall indemnify and hold harmless Siemens 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 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:

4. Commercial

4.1 Pricing Table

Item	Description	Quantity	Price [USD]
1	Supply of Demister upgrade Kit	1 set	\$238,337
3	Supply of Operational Spares - (see Section 3.2.3)	1 set	Included
4	Project Management, Engineering and Documentaion (See Section 3.4 and 3.5 for details)	-	Included
Total Price			\$238,337^{1,2}

NOTE 1: Price quoted above does not include delivery charges to site. Delivery charges to site (Delivery at Place) will be actual delivery costs plus 15% markup.

NOTE 2: Price quoted above does not include supervision of Installation and Commissioning. Such scope will be quoted in a separate proposal.

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 Energy 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 and subject to prior sales.
- Price is based on the requirements and scope outlined in Section 3, project deviations will be treat as a chargeable change variance.
- 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.