

RESOLUTION NO. 2022- 138

A RESOLUTION AUTHORIZING PAYMENT TO SIEMENS ENERGY, HOUSTON, TEXAS, FOR CLASS A INSPECTION, MAINTENANCE AND TESTING OF UNIT 11, CLASS A-1 FOR CLAYVILLE GENERATING STATION AND DEMISTER AND WATER WASH UPGRADE 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 Class A-1 for the Clayville Generating Stations; and

WHEREAS, it is also recommended that Siemens Energy perform a demister and water wash upgrade as part of the Long Term Maintenance 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 Class A Inspection as required to maintain the Long Term Service Agreement for the Unit 11, Class A-1 quotation for Clayville Generating Stations, and Demister and Water Wash upgrade as part of the required preventative maintenance in accordance with an invoice and scope of work attached hereto and made a part hereof in the amount of \$249,101.79; 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 \$249,101.79 shall be made pursuant to the attached proposal and in accordance with the Long Term Service Agreement.

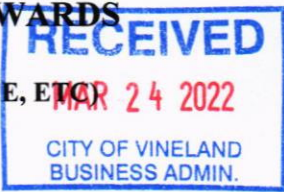
Adopted:

President of Council

ATTEST:

City Clerk

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



3/24/2022
(DATE)

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

2. Amount to be Awarded: \$ 249,101.79

- Encumber Total Award
- Encumber by Supplemental Release

3. Amount Budgeted: \$ 250,000.00

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

5. **Account Number to be Charged: 2-05-55-502-9001-53353 E553X & E553C

6. Contract Period: Budget Year 2022

7. Date To Be Awarded: 4/12/2022

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 - \$187,264.79 / E553C - \$61,837.00

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

10. Evaluation Performed by: Steve August x4241

11. Approved by: *John Lellie* 3-24-22

12. Attachments:

- Awarding Proposal
- Other: Expense Breakdown

- **Send copies to:**
Purchasing Division
Business Administration
- ** If more than one account #, provide break down**

2022 Siemens Spring Outage Expenses revised 3/24/2022

Quote #	Amount	Description
N/A	\$ 118,967.00	Unit 11 Class A Inspection (per LTSA att C)
N/A	\$ 41,837.00	Clayville Class A-1 Inspection (per LTSA att C)
VMEU_035_r1	\$ 88,297.79	Demister + Water Wash Upgrade
TOTAL	\$ 249,101.79	

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.



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-035 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	

M&U Project Manager	
Name:	Andy Baber
Phone:	
Mobile:	+447808825187
E-Mail:	andy.baber@siemens-energy.com

Quote Information			
Effective: 1-Mar-22	Expires:	1-Apr-22	
Time Frame: 1 + 4 +1 Days Onsite Support	No. & Type of Reps:	1	Field Service (Mech)
		1	Field Service (Mech)
		2	FW Marsh (Demister support)
Work Scope:	Onsite scope covers work estimate (labor only) for below tasks:		
	Howard Down - scheduled from 4 Apr:		
	- Wash Cart Commissioning (2 Mechs)		
	Howard Down - scheduled from 10 Apr to 13 Apr 2022:		
	- GGLO / Demister retrofit (x2 Mechs plus FW Marsh) - welding from other (VMEU) sources in accordance with the workpack / I&C guides (E1B100990692 & E1B100887289).		
Clayville - scheduled from 26 Apr:			
- Wash Cart Commissioning (2 Mechs)			
WaterWash cable E1B100890674 to be installed in accordance with E1B100887318 by VMEU.			

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)	0		\$0.00
30	Standard Time	2		\$19,520.00
40	Over Time	2		\$14,640.00
50	Premium Time	2		\$14,640.00
Expenses				
Line No.	Item/Description	Total No. Of Reps		Total Price \$
60	Round Trip Airfare	2		\$2,000.00
70	Accomodation	2		\$1,800.00
80	Per Diem Meals	2		\$810.00
90	Rental Car	2		\$910.00
100	Borescope			
110	Miscellaneous Freight & Tooling			
120	Third Party Support (FW Marsh Rep) - 2 reps	2		\$33,977.79

*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:	\$88,297.79
--	------------------------------	--------------------