

RESOLUTION NO. 2022- 426

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 \$208,732.30 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 for Siemens Fall Outage Support for Unit 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 Unit 11 and Clayville Generating Stations in accordance with the Quotation attached hereto and made a part hereof in the amount of \$208,732.30 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 Unit 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 Unit 11 and Clayville Generating Stations in the amount of \$208,732.30 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)**

9/23/2022

(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: \$ 208,732.30

- 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: 10/11/2022

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 services provisioned
under the current Long Term Service Agreement

Charges will be split as follows: E553X - \$48,723.00 / E553C - \$160,009.30


- 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

2022 Siemens Fall Outage Expenses revised 9/23/2022

Quote #	Amount	Description
N/A	\$ 138,548.00	Clayville Class A Inspection (per LTSA att C)
N/A	\$ 48,723.00	Unit 11 Class A-1 Inspection (per LTSA att C)
VMEU_039_r2	\$ 21,461.30	Brush AVR Troubleshooting
TOTAL	\$ 208,732.30	

Quotation Number:

VMEU_039_r2

SIEMENS
ENERGY

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: 30 Sept 2022 Unless Previously Withdrawn

All delivery terms as per LTP Contract

CUSTOMER REFERENCE NUMBER(S): 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 to have a Brush controls representative mobilize to site to perform AVR troubleshooting at Clayville. 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	Clayville Unit 1 A12T AVR Troubleshooting Onsite (Brush representative) - estimated duration: 3 days onsite + travel (mob & demob) - 10 hour single shifts - 3 day per diem expenses - airfare Mob Date: Sep 23, 2022 Onsite Dates: Sep 24-26, 2022 Demob Date: Sep 27, 2022	1	\$ 21,461.30	\$ 21,461.30
TOTAL PRICE			\$	21,461.30

Notes:

1. Price estimate is based on Brush field service rate sheet. Final invoice will be at Brush's invoiced cost + 15%.

DATED 9/22/2022

Registered Office: 1202 W Sam Houston Pkwy North, Houston, TX, 77043, USA

1

BRUSH Field Service Engineer (FSE) to perform troubleshooting/investigation of a BRUSH model A12T AVR. Rectify issue(s) that are occurring if possible.

Background Information:

Customer states they were getting loss of 24 Volts alarm intermittently but recently, they could no longer sync. They believe that the 24V supply is good and could now be pointing out to the AVR itself. The end user has a spare AVR onsite and attempted to replace the faulty one however, they believe that they are missing a file to make a software download. They were trying to change out and program the A50 on the right side of the A12T.

BRUSH Service24 group spoke to the end user and advised them to reinstall the original A50 and send them the events log. It appears that a fault in the GCP somewhere is dropping out the SHR1 (system health relay 1) and blocking the synch permit signal from the UCP. Service24 advised that a BRUSH FSE will be needed to assist in person regarding the synchronising issue.

Typical A12T AVR Troubleshooting Scope (some items may not apply):

Using the Commissioning Software

- Setpoint adjustments and debugging can be done using the BRUSH HMI Software running on a PC.
- Check internal and external and internal wiring to the unit.
- Check tightness of terminations to the unit.
- Apply Test Steps To Vref. - Protection Testing (Exciter Field Current Control).
- Check Parameters..
- Check Operating States.
- Check calibration of Exciter Field Current.
- Check calibration of Exciter Field Voltage Sensor.
- Check Terminal Current Sensing.
- Check Terminal Voltage Sensing.
- Check for Automatic Excitation To 80% Terminal Voltage.
- Check Voltage Reference Range - No Load.
- Check No Load Step Response.
- Check Smooth Transfer Between Channels And Between Operation States.
- Check the V/f Limiter.
- Check Terminal Voltage Limiter.
- Check Reactive Power Sensing Polarity.
- Check the Over Excitation Limiter.
- Check the Stator Current Limiter.
- Check the Under Excitation Limiter.
- Check Quadrature Current Compensation.
- Check Reactive Load Rejection.
- Check VAr And Power Factor Regulation.
- Check Of Power Factor Regulation.
- Check A12 to QC48 Settings recorded on the BRUSH Database

Tooling:

The BRUSH engineer will be equipped with:

- Hand Tools
- Laptop

Documentation:

- An initial results-based field service report will be left by the engineer including an acceptance certificate to be signed by the customer's representative.
- A full report with recommendations will be issued with appropriate invoice documentation on completion of all activities.

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.

2022 Contract Year - Escalation Data

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

1) Contract Start Baseline

DESCRIPTION	UNIT OF MEASURE	Po =April 2021 (USD) Contract Values
Annual Maintenance	Each annually	\$544,718
A1 Class Inspection	Per Event	\$41,837
A Class Inspection	Per Event	\$118,967
Lease Engine Usage Fee	Weekly	\$36,515

2) CPI Values (Indices)

CPI Categories	CPI Values	Calculated Values
Io December 2020 (PCU333611333611)	230.9	0.366526851
In March 2022 (PCU333611333611)	241.803	
mo December 2020 (MM22)	116.5	0.792274678
mn March 2022 (MM22)	142	
Sum of the indices Calculated Values	1.15880153	
Yn current Year	2022	1.005
Yo (maintenance contract signed)	2021	
Total of the Calculated Values	1.16459554	

3) New Contract Values 2022

DESCRIPTION	UNIT OF MEASURE	New Contract Values Pn = 2022 Contract Year
Annual Maintenance	Each annually	\$634,376
A1 Class Inspection	Per Event	\$48,723
A Class Inspection	Per Event	\$138,548
Lease Engine Usage Fee	Weekly	\$42,525

Quarterly Charge
\$ 136,179.50

Quarterly Charge
\$ 158,594.04 16.460%