CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM

MEETING DATE	February 10, 2015	
RESOLUTION OR ORDINANCE NUMBER	R-15-13	
AGENDA TITLE	**Wärtsilä Equipment Supply Contract**	
REQUESTING DEPARTMENT	Electric	
PRESENTER	Mike Shook, Deputy Director of Electric Utilities	
FISCAL INFORMATION	Cost as recommended:	$29,588,515.00 (Not To Exceed)
	Budget Line Item:	800-5-030-862
	Balance Available	
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Execute an agreement to supply three (3) - 18.6 MW Reciprocating Engines/Generators.	
BACKGROUND	The Electric Utility used the competitive and cooperative bid process issued by the Stillwater Utility Authority, Stillwater, Oklahoma to obtain bids for Reciprocating Engine Generator Sets for Coffeyville Municipal Light & Power's New Generation Project.	
SPECIAL NOTES	N/A	

ANALYSIS	Stillwater Utility Authority issued Request for Proposals through a public bid process to provide up to 56 MW of Natural Gas fueled, reciprocating engine generating units. Proposals were received from: • Wärtsilä North America, Inc. (9 MW Units) • Wärtsilä North America, Inc. (18.6 MW Units) • Caterpillar Power Generation Systems (9 MW Units) Proposals were evaluated by Stillwater Utility Authority Staff, Burns & McDonnell Engineers, and City of Coffeyville Electric Utility Staff. A Net Present Value Analysis of each proposal was completed by Burns & McDonnell to evaluate the overall costs of each unit including the long-term operating costs of the smaller units vs. the larger units. The analysis is attached for your review.
PUBLIC INFORMATION PROCESS	N/A
BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	Synergies between the City of Coffeyville and Stillwater Utility Authority projects, through a “Sister Plant” concept, allow for additional overall savings to the projects. Utility Staff met with Wärtsilä North America, and negotiated the Not to Exceed price of the units, including limiting the risk to the City in regards to the exchange rate between the Euro and the US Dollar. Staff recommends that the Mayor be authorized to enter into an agreement with Wärtsilä North America, Inc. for three (3) 18.6 MW reciprocating engine generator sets for the amount not to exceed $29,588,515.

REFERENCE DOCUMENTS ATTACHED	Wärtsilä North America EEQ Agreement Stillwater Utility Authority Reciprocating Engine Bid Packet Bid Summary/Analysis Net Present Value Analysis prepared by Burns & McDonnell

RESOLUTION NO. R-15-13

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH WÄRTSILÄ NORTH AMERICA, INC, FOR THREE (3) 18.6 MW RECIPROCATING ENGINE GENERATOR SETS FOR THE CITY OF COFFEYVILLE ELECTRIC UTILITY.

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas that the Mayor be and is hereby authorized to enter into an agreement with Wärtsilä North America, Inc. in the amount not to exceed $29,588,515.00 for three (3) 18.6 MW Reciprocating Engine Generator Sets for the City of Coffeyville Electric Utility.

ADOPTED THIS 10th DAY OF February, 2015.

_____
James Falkner, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Paul Kritz, City Attorney

EQUIPMENT SUPPLY CONTRACT

by and between

CITY OF COFFEYVILLE

and

WÄRTSILÄ NORTH AMERICA, INC.

for

POWER GENERATING EQUIPMENT AND SERVICES

EQUIPMENT SUPPLY CONTRACT

This Equipment Supply Contract (the "Contract"), is made and entered into as of this ___ day of February 2015 (the "Effective Date"), by and between the City of Coffeyville, a municipal corporation, with offices located at 102 W 7th Street, P.O. Box 1629, Coffeyville, Kansas (the "Owner"), and Wärtsilä North America, Inc., a corporation organized and existing under the laws of the State of Maryland, with offices located at 16330 Air Center Boulevard, Houston, Texas 77032 (the "Supplier").

RECITALS

WHEREAS, Owner is developing a 56.277 MW (gross) power generation project (the "Project") to be located in Coffeyville, Kansas; and

WHEREAS, in connection with the Project, Owner desires to purchase from Supplier reciprocating engine and generator units, along with appurtenant equipment and related technical services, all as more particularly described herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Owner and Supplier hereto agree as follows:

ARTICLE 1: DEFINITIONS

Definitions. For the purposes of this Contract, the following words and terms shall have the meanings specified below (other words and abbreviations that have well-known technical or trade meanings are used in this Contract in accordance with such recognized meanings):

1.1 "Absolute Performance Guarantees" means those Guaranteed Performance Parameters listed in Section 2 of Exhibit L (Guaranteed Performance Parameters).

1.2 "Acceptance Certificate" means the certificate confirming Owner's acceptance of the Equipment, signed by both Parties.

1.3 "Auxiliary Equipment" means the following: engine auxiliary module, pipe rack, exhaust module, SCR, radiators (including handrails and ladders), silencer, EGM (steel included with all items that go on EGM), exhaust duct purge fan, auxiliary module platform, GRU, mixing duct, expansion bellows, and/or rupture disks, except when such items are critical to delay or installation.

1.4 "Change Order(s)" means any change(s) made to the Contract in accordance with Article 11.

1.5 "Contract" means the contract and agreement made and entered on the Effective Date by and between the Owner and Supplier, including the documents in Article 2.1, all appendices, attachments, exhibits, Change Orders and all amendments and modifications agreed to and signed by both Owner and Supplier.

1.6 "Contract Price" means the total price for the Work agreed between the Parties, as modified by Change Orders, and as defined in Section 3.1.

1.7 "Day(s)" means (a) calendar day(s) of 24 hours measured from midnight to the next midnight.

1.8 "Delayed Payment Rate" means the rate incurred under the provisions of Section 3.9, and calculated as the lesser of (a) the rate of interest announced from time to time by Citibank, N.A. at its principal office in New York, New York as its prime or base lending rate for United States loans plus three (3) percent; or (b) the maximum interest rate permitted by applicable law. The Delayed Payment Rate shall be calculated as the interest rate multiplied by the payment due, and then pro-rated per day that the payment is late.

1.9 "Delivery" means the provisions set out in Article 5.

1.10 "Deliverables" means the Submittals and other documents delivered to the Owner in performance of Work hereunder including, without limitation, design plans, models, drawings, prints, samples, transparencies, specifications, reports, manuscripts, working notes, documentation, manuals, photographs, negatives, tapes, discs, databases, software, and other information, data, and items embodied in any tangible form.

1.11 "Detailed Test Protocol" means the testing protocol described in Performance Test Guidelines, Exhibit I.

1.12 "Engineer" means Burns & McDonnell Engineering Company, Inc., a Missouri Corporation, or its duly authorized representatives.

1.13 "Effective Date" means the date that the Parties have both executed the Contract.

1.14 "Equipment" means a Product supplied by Supplier, with operational or nonoperational parts, whether motorized or manually operated, that may require service connections, such as wiring or piping.

1.15 "Final Completion" means the event when (a) Substantial Completion has occurred; (b) emissions testing has been properly evaluated and values are equal to or less than the Maximum Emission Guarantees as defined in Exhibit L and (c) Supplier has completed the Punch List items, as detailed in Exhibit S.

1.16 "Force Majeure" means any cause or occurrence preventing the ability of a Party to perform its obligations under the Contract, which cause is beyond the reasonable control of the Party affected, and not due to an act or omission of the Party affected, and which could not have been avoided by the exercise of reasonable diligence, including, but not limited to, acts of God or the public enemy, expropriation or confiscation of the Site, compliance with any order of any Governmental Unit, lack or failure or inability to maintain in effect any approval of a Governmental Unit required for the performance of the Work which has been timely applied for, trade or economic sanction, sabotage, acts of war (declared or undeclared), blockade, embargo, hostilities, civil unrest, riots, military or guerilla action, terrorist activity or threats of terrorists activities as precursors to actual terrorist activity, abnormally-adverse weather conditions on the high seas, hurricanes, fires, floods, explosion, pandemics, accidents, riots, strikes, work stoppages, boycotts, walkouts or other labor disturbances, failures in common carrier or utility services, and/or other causes or occurrences that are not within the reasonable control of the Party affected, and which, by the exercise of reasonable diligence, the affected Party is unable to prevent or avoid by finding reasonable alternative means to comply with its obligation. The following events shall not be considered Force Majeure: (a) strikes or labor disturbances involving the employees of Supplier or any of its Sub-Suppliers who are not performing work at the Site (unless national in nature); (b) price fluctuations with respect to labor or materials, supplies or components of equipment related to items to be supplied by Supplier; (c) mere economic hardship; or (d) fluctuations in currency exchange rates.

1.17 "Genset(s)" means the engine(s), generator(s), and skids they are mounted on.

1.18 "Goods" means Submittals, supplies, Materials, Equipment, reports, documents, drawings, specifications and all other items that Supplier is required to furnish to complete this Contract.

1.19 "Governmental Unit" means any national, state or local government, any political subdivision thereof, or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or other entity having jurisdiction over the performance of the Work, Equipment, the Site or its operations (including the transmission of electricity), or the health, safety or environmental conditions of the Site or otherwise over the Parties

1.20 "Guaranteed Delivery Dates" means the 'No Later Than' dates for delivery of the Equipment to the Site and as detailed in Exhibit K.

1.21 "Guaranteed Performance Parameters" means the Performance Parameters' values guaranteed by Supplier, as shown in the VALUES column in the table in Exhibit L.

1.22 "Liquidated Damages" means sums that may come due from Supplier, in accordance with Article 7.

1.23 "Make Good Period" means a period following completion of the initial Performance Tests as described in 8.2.2.

1.24 "Materials" means Products that must be substantially cut, shaped, worked, mixed, finished, refined or otherwise fabricated, processed, or installed to form parts of the Work.

1.25 "Maximum Emissions" means the emissions listed in Guaranteed Performance Parameters, Exhibit L.

1.26 "Mechanical Completion" means the date when a Mechanical Completion Certificate has been delivered to Supplier, certifying that, as detailed in Exhibit P, (a) the Gensets have been installed and connected; (b) the Genset control system(s) and components have been installed and checked; (c) utilities and services are in place to permit safe full load operation of the Gensets; and (d) the Gensets are ready for initial Start-Up operation.

1.27 "Must Make Guarantees" means those guarantees set out in Guaranteed Performance Parameters, Exhibit L.

1.28 "Noise Guarantee" means the Guaranteed Performance Parameter that is listed in Exhibit L, to the extent such Noise Guarantee applies only to the Equipment provided by Supplier.

1.29 "Notice to Proceed" means the letter issued by the Owner instructing Supplier to commence performance of the Work after the date the Parties execute the Contract (the "Effective Date")and the Owner submits the Down Payment per Exhibit M (Milestone Payment Schedule).

1.30 "Payment Milestone" means a payment made under Exhibit M (Milestone Payment Schedule).

1.31 "Performance Guarantees" means those Guaranteed Performance Parameters that are listed under Section 1, Exhibit L (Guaranteed Performance Parameters).

1.32 "Performance Tests" or "Performance Testing" means the procedures described in Exhibit I (Performance Test Guidelines).

1.33 "Party" or "Parties" means the Owner or Supplier, or both together, as the context or the usage of such term(s) may require.

1.34 "Permit" means the official approval, and all associated documents, filings, and approvals, from the Kansas Department of Transportation necessary for the transportation of the Gensets to the Site.

1.35 "Product(s)" means item(s) purchased by Supplier for incorporation in the Work, regardless of whether they were specifically purchased for the Project or taken from the previously purchased stock, and includes Material, Equipment, system, and other terms of similar intent.

1.36 "Project" means the total construction of which the Work to be provided under this Contract is a part.

1.37 "Punch List" means the list of Work that the Parties agree remains to be completed after Substantial Completion, and that must be addressed, as detailed in Section 8.3, prior to Final Completion.

1.38 "Prudent Electrical Practices" means any of the reasonable practices, methods, or acts which, in the exercise of reasonable judgment and in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result, at a reasonable cost, consistent with good engineering practices, reliability, safety, expedition, and compliance with laws in facilities like those found in the Project, utilizing like Equipment.

1.39 "Reference Site Conditions" means the site conditions listed in Guaranteed Performance Parameters, Exhibit L.

1.40 "Reliability Guarantee" means the Guaranteed Performance Parameter listed in Exhibit L.

1.41 "Reliability Run" means the procedure described in Guaranteed Performance Parameters, Exhibit L, to establish the Reliability Factor Performance Parameter.

1.42 "Repair Work" means the materials, labor, equipment and supervision required to refinish, redesign, repurchase, repair or replace non-conforming Goods or Work including, without limitation, the disassembling, removing, replacing and re-inspecting of any equipment or obstruction preventing such Work and re-performance, repair, replacement or testing such other part of the Work, the Site as shall be necessary to cause the applicable portion of the Work to conform to the Contract.

1.43 "Site" means the Project location at 2601 N. 5th Industrial Street , Coffeyville, Kansas 67337.

1.44 "Specifications" means those portions of the Contract in Exhibit A, consisting of written technical descriptions of the Work, and covering the Goods, workmanship, and certain administrative details applicable thereto.

1.45 "Submittals" means all shop drawings, product data, and samples which are prepared by Supplier, a Sub-Supplier, or manufacturer, and submitted by Supplier to Owner for the Equipment and materials proposed for incorporation in the Work or needed to describe proper installation, operation and maintenance, or technical properties.

1.46 "Submittal Schedule" means the table in the Specifications, as set out in Exhibit J.

1.47 "Substantial Completion" means the event when, with respect to a specific Genset or Gensets, Supplier has fulfilled the requirements detailed in the Substantial Completion Certificate, Exhibit R, namely: (a) Genset(s) have passed the required Absolute Performance Guarantees, Reliability Guarantee, and Noise Guarantee as defined in Exhibit L; (b) Supplier has paid to Owner or Owner has set-off against Milestone Payments all Liquidated Damages due and payable to Owner under the Contact up to such point in time; (c) Genset(s) are ready to start emissions tests; (d) site quality assurance documentation has been completed and delivered to Owner for the Genset(s); (e) Supplier has delivered the document Deliverable(s); (f) Supplier has delivered to Owner all partial lien waivers and releases related to the Work to date for which Owner has been invoiced; and (g) Supplier has provided Owner with the specialty tools required for the operation and maintenance of the Genset(s).

1.48 "Warranty Period" means the period of time specified in Article 6.

1.49 "Work" means the labor, commissioning, and installation activities carried out by Supplier or its subcontractors in connection with the execution and timely completion of Supplier's obligations under this Contract.

ARTICLE 2: DOCUMENTS AND INTERPRETATION

2.1 Documents Included. This Contract consists of this document and the following annexes and exhibits which are attached hereto (collectively, the "Exhibits"), and which are specifically made a part hereof by this reference:

Exhibit A Technical Specification
Exhibit B Division of Responsibilities
Exhibit C Insurance
Exhibit D Performance Bond
Exhibit E Statutory Bond
Exhibit F Certificate of Non-Discrimination
Exhibit G Non-Collusion Affidavit for Invoices over $25,000
Exhibit H Project Fuel
Exhibit I Performance Test Guidelines
Exhibit J Schedule of Submittals
Exhibit K Guaranteed Delivery Dates
Exhibit L Guaranteed Performance Parameters
- Derating Curves (L1)
- VOC Correction Table (L2)

Exhibit M Milestone Payment Schedule
Exhibit N Partial Waiver of Lien and Release of Claims
Exhibit O Final Waiver of Lien and Release of Claims
Exhibit P Mechanical Completion Certificate
Exhibit Q Spare Parts List
Exhibit R Substantial Completion Certificate
Exhibit S Final Completion Certificate

2.2 Entire Agreement. This Contract sets forth the full and complete understanding of the Parties relating to the subject matter hereof as of the date first above stated, and supersedes any and all negotiations, agreements and representations made or dated prior thereto. Subsequent to the date hereof, this Contract may be supplemented, modified or otherwise amended by mutual agreement or in accordance with the terms of this Contract. Such amendments, if any, must be in the form of a written amendment to this Contract, and signed by authorized representatives of both Parties to this Contract.

2.3 Prior Dealings: No course of prior dealing or performance between the Owner and Supplier or usage of trade shall be relevant to supplement, explain, interpret, or modify any term, condition, or instruction used in this Contract.

2.4 Conflicting Provisions. In the event of any conflict or inconsistency between or among this document and the Exhibits, such conflict shall be resolved in accordance with the following order of precedence: (a) this document; (b) Exhibit B; (c) Exhibit A; and (c) the other Exhibits. Either Party, upon becoming aware of any conflict or inconsistency among any of the components of this Contract, shall promptly notify the other Party in writing of such conflict or inconsistency.

2.5 Headings. The titles of the articles and sections herein have been inserted as a matter of convenience or reference only, and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

ARTICLE 3: PAYMENT

3.1 Contract Price . The total price for all Equipment and Work shall be $29,588,515. The Contract Price may be adjusted, from time to time, as set forth under to the terms of this Contract.

3.2 Taxes. The Contract Price includes taxes payable for the sale, purchase, or use of Materials or Equipment outside of the State of Kansas. Supplier tax responsibility is limited to all present taxes, fees, deductions, withholdings, or other charges and liabilities imposed by Governmental Units outside of the state of Kansas. Owner is a municipal corporation that is exempt from taxation under the laws of Kansas.

3.3 Down Payment. Down Payment shall be made on or before midnight Central Time March 31, 2015, for 20% of the Contract Price, or $5,917,703 and per the terms of Exhibit M (Milestone Payment Schedule), and shall be non-refundable.

3.4 Milestone Payment Schedule. Owner shall pay Supplier the Contract Price at the times and in the amounts set forth in the Exhibit M (Milestone Payment Schedule) and in accordance with the provisions of Article 3.

3.5 Invoices. Upon achieving each Payment Milestone, Supplier shall furnish Owner with an invoice (i) referencing such Payment Milestone; and (ii) indicating the payment amount associated with such Payment Milestone as set forth on Exhibit M (Milestone Payment Schedule).

3.6 Payment. Except for the Down Payment, which is governed under Section 3.3, Owner shall make all other payments to Supplier (a) in accordance with the agreed Milestone Payment Schedule in Exhibit M (Milestone Payment Schedule) and (b) in the amount of each invoice within thirty (30) days after receipt of such invoice.

All payments to Supplier shall be made by wire transfer of immediately available funds to the account of Wärtsilä North America, Inc. at:

Nordea Bank Finland Plc
New York Branch
437 Madison Avenue
New York, NY 10022
Acct: 7049163001
ABA number: 026010786

or such other depository as Supplier shall designate by written notice to Owner. Except as provided in Section 7.5, all sums invoiced by the Supplier shall be paid in full by Owner to Supplier without any set off, counterclaim or deduction in accordance with this Contract (including its dispute resolution provisions), and are not subject to any settlement discounts or other special terms of payment. Banking charges shall be borne by the Owner. Payments made beyond the due date shall accrue interest at the Delayed Payment Rate.

3.7 Claims. The Owner may require as a condition of payment that the Supplier submit evidence satisfactory to the Owner that any and all claims of subcontractors, suppliers or other third parties that have performed services or provided supplies in connection with the Work included in any invoice have been paid or satisfactorily secured prior to making any partial payment, including, but not limited to, a Partial Waiver of Lien and Release of Claims as set forth in Exhibit N.

3.8 All currency and payments shall be in U.S. dollars.

3.9 Delayed Payments. Other than the down payment, payments under the Exhibit M (Milestone Payment Schedule), made after a 5 (five) day grace period shall be paid by Owner to Supplier on the Delayed Payment Rate.

ARTICLE 4: COMMENCEMENT OF WORK

4.1 Effective Date. The Contract shall become effective on the date of execution by Owner and Supplier and upon receipt of the Down Payment, per the Milestone Payment Schedule. If Down Payment is not received by midnight Central Time on March 31, 2015, this Contract shall expire automatically by its terms, without penalty to either Party.

4.2 Notice to Proceed. Owner shall issue written Notice to Proceed to Supplier upon (a) execution of the Contract by the Parties and (b) tender of the Down Payment in accordance with Article 3.3 and Exhibit M (Milestone Payment Schedule).

ARTICLE 5: GOODS AND DELIVERY

5.1 No substitution or modification of any Goods or related component parts, Materials, or manufacturing locations shall be made without prior written consent of the Owner.

5.2 Incoterms and Delivery Costs: Payment under the Contract shall include the cost to deliver Goods to the Site, including packing per good practice suitable for sea shipment, and transport insurance, and under Supplier DDP Incoterms® 2010 to the Site.

5.3 Delivery Schedule. Delivery date is subject to Owner's Payment of the Down Payment to Supplier, as detailed in Exhibit M, satisfying Notice to Proceed requirements. Otherwise, delivery dates shall extend day-for-day for each consecutive day thereafter until Notice to Proceed is met. Supplier shall deliver the Equipment in accordance with this Article 5 and the schedule in Exhibit K (Guaranteed Delivery Dates).

5.3.1 Engines and Generators: Delivery of the Gensets shall be by Supplier to final foundation location at the Site.

5.3.2 Auxiliary Equipment: Delivery of the Auxiliary Equipment shall be by truck to Site. Unloading of Auxiliary Equipment at the Site shall be by installation contractor, and will not be part of Supplier's Work.

5.4 Risk of Loss: Risk of loss to the Equipment shall pass to the Owner upon Delivery of the Goods to the Site.

5.5 Title: Title to the Goods shall pass to the Owner on a pro-rata basis, according to the Exhibit M (Milestone Payment Schedule). Final title to each item of Equipment will pass to Owner free and clear of any and all liens, claims, security interests, or other encumbrances upon execution by Owner of the Final Completion Certificate.

5.6 In no event shall Supplier be liable for work not performed or deadlines not met by Owner's other contractors or suppliers in connection with the Project.

ARTICLE 6: WARRANTY

6.1 The Supplier warrants that the goods shall be new and free of defects in design, workmanship and materials. Supplier also warrants to the Owner that for elements of any Work for which this Contract does not establish express standards of quality and fitness, such Work shall be in accordance with good industry practices and standards for the specific application.

6.2 Warranty Period. The Warranty Period shall be:

(a) The eighteen (18) month period after Substantial Completion and issuance of the Substantial Completion Certificate, Exhibit R;

(b) the eighteen (18) month period after Commercial Operation if Commercial Operation occurs prior to Substantial Completion;

(c) the twenty-four (24) month period after the last Genset delivery; or

(d) 4,000 operating hours,

whichever occurs first.

6.3 Supplier's completion of warranty repair, replacement or correction of defective/nonconforming Work during the Warranty Period, will extend for an additional one (1) year interval from such repair, replacement or correction date, provided, however, that in no event shall the Warranty Period extend beyond thirty (30) months after the Warranty Period began. The extended Warranty Period applies only to parts or components of the Equipment that are repaired or replaced during the Warranty Period and not to the remaining parts or components or other items of the Equipment.

6.4 Emissions: Supplier shall also warrant for a duration of the earlier of 4,000 operating hours or one year that each unit supplied meets the Maximum Emissions Guarantees for NOx and NH3 slip with respect to

the NOx Catalyst, and meets the Maximum Emissions Guarantees for CO and VOC with respect to the CO Catalyst between minimum and full load, and as based on fuel gas composition in Project Fuel, Exhibit H, provided, however, that the fuel used is in conformity with the requirements of the Contract, and that Owner operates the Equipment in accordance with Supplier's instruction manuals for operation of the Equipment and with good industry practices and standards.

6.5 Warranty Claims. Any warranty claims or requests with respect to Supplier's warranty must be made in writing, without delay during the Warranty Period, or, if applicable, extended Warranty Period.

6.6 Repair Work.

6.6.1 If any Work fails to comply in any respect to the warranties set forth herein and Supplier has been given written notice of such noncompliance within the Warranty Period, Supplier shall, at its sole expense, promptly perform all Repair Work. The Parties shall immediately take mutually-agreeable steps to prevent any defect from becoming more serious and to enable Supplier to rectify the aforesaid defect.

6.6.2 Replaced parts shall become Supplier's property. Supplier shall bear all costs of repairing or replacing the defective parts supplied by Supplier, as well as the shipping costs of the defective parts and of the repaired or replacement parts between the Site and the place of repair or replacement as instructed by Supplier

6.6.3 Supplier shall be responsible for all costs to perform Repair Work including, without limitation, all freight and insurance charges.

6.6.4 Supplier shall bear the risk of loss or damage for Work requiring Repair Work during the period of such Repair Work. If any Work must be removed from the Site, transportation charges associated with any Repair Work shall be borne by Supplier. Supplier shall revise any and all drawings and other documents, as appropriate; to reflect any changes or modifications made during Repair Work. Work required to be corrected, repaired or replaced shall be subject to the warranties of this Contract in the same manner and to the same extent as Work originally delivered under this Contract.

6.6.5 The Warranty Period shall not be waived or voided by the Owner's inspection, acceptance, prudent use, or the subsequent dispossession or sale of the Work pursuant to the terms of the Contract.

6.7 Exclusions from Warranty. Supplier's warranty does not cover any defect due to or connected with: (a) materials or components or design provided by Owner or on behalf of Owner; (b) negligence of Owner, its employees or agents or other third parties; (c) use of spare parts other than those supplied by or on behalf of Supplier; (d) improper installation or alterations; or (e) parts, accessories or attachments which are not sold, supported, or expressly approved in writing by Supplier. In particular, Supplier's warranty does not cover any defects that are caused by or connected with normal wear and tear, the use of unsuitable material, unapproved consumables, or fuel not in accordance with Exhibit H: Project Fuel, fluctuations in the grid, maintenance, service or operation of the Equipment or any part thereof which, in each case, are not in conformity with Supplier's or any Subcontractor's manuals, instructions, or technical specifications or which is otherwise not in accordance with Prudent Electrical Practices.

6.8 Limited Warranty. THE WARRANTIES SET FORTH IN THIS ARTICLE ARE THE ONLY WARRANTIES BY SUPPLIER APPLICABLE TO THE EQUIPMENT AND SERVICES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED AGAINST DEFECTS, LATENT

OR OTHERWISE. SUPPLIER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER WARRANTY OBLIGATION IN CONNECTION WITH THE EQUIPMENT OR SERVICES OR ANY PART THEREOF.

ARTICLE 7: LIQUIDATED DAMAGES AND LIABILITY LIMITATIONS

7.1 Late Delivery: If Supplier is unable to meet the required delivery schedules, the Supplier shall offer a plan to recover from such delay. If Owner approves such a recovery plan, and the plan is completed by Supplier, Owner will waive its claim for liquidated damages. If no plan is accepted, or if the accepted plan is not completed, Supplier will be subject to liquidated damages in accordance with this Article 7, herein

7.2 If Supplier fails to deliver the Submittals noted as "subject to LDs" in the Submittal Schedule within the time therein specified, or fails to meet the Guaranteed Dates, or if the Gensets fail to meet the Performance Guarantees, the Parties agree that the Owner would be damaged. As it would be almost impossible to ascertain the actual damages precisely, Supplier agrees to pay Liquidated Damages in the amounts listed herein. The payment of Liquidated Damages shall be the sole and exclusive remedy for the Owner for the specific performance failure to which the Liquidated Damages applies, except that the Owner shall have the right to terminate the Contract for cause if Supplier reaches the aggregate Liquidated Damages cap defined in Section 7.3.

Requirement	**Liquidated Damages**
Late Delivery – Submittals	$500 per Day per Submittal Package
Late Delivery – Auxiliary Equipment	$10,000 per Day, to be apportioned in thirds per Genset affected
Late Delivery – Engine Generator Sets	$10,000 per Day, to be apportioned in thirds per Genset affected
Late Substantial Completion	$10,000 per Day, to be apportioned in thirds per Genset
Guaranteed Unit Electrical Output	$6,500/kW, based on average result of three engines during performance tests
Guaranteed Unit Heat Rate	$4,000/Btu/kw-hr, based on average result of three engines during performance tests
Guaranteed Urea Consumption	$4,000/lb/hr, based on average result of three engines during performance tests

7.3 Limitation of Liquidated Damages.

7.3.1 Liquidated damages for Late Delivery – Submittals shall be limited to a maximum of ten percent (10%) of the Contract Price.

7.3.2 Liquidated damages for Late Delivery – Engine Generator Sets shall be limited to a maximum of ten percent (10%) of the Contract Price.

7.3.3 Liquidated damages for not meeting the Performance Guarantees shall be limited to a maximum of fifteen percent (15%) of the Contract Price.

7.3.4 Aggregate total for all Liquidated Damages shall be limited to a maximum of fifteen percent (15%) of the Contract Price.

7.4 Liquidated Damages Not a Penalty. The Parties acknowledge and agree that it would be difficult or impossible to determine with absolute precision the amount of damages that would or might be incurred by Owner as a result of Supplier's failure to perform those matters hereunder for which Liquidated Damages are provided. The Parties agree that the amounts of Liquidated Damages provided under this Contract are in lieu of actual damages and are the Parties' reasonable estimates of fair compensation for the losses that may reasonably be anticipated from such failures in respect of such matters, and do not constitute a penalty.

7.5 Payment of Liquidated Damages. Delay Liquidated Damages payable by Supplier shall be included as an offset to amounts payable by Owner in Supplier's final invoice in accordance with Section 3.5 or, to the extent they exceed amounts payable by Owner, shall be paid by Supplier to Owner within fifteen (15) days after completion of the last Performance Test.

7.6 Limitations: In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall either Party be liable for consequential, special or indirect damages, including, without limitation, damages or losses in the nature of business interruption, loss of reputation, loss of or increased costs related to third party financing, loss of anticipated profits or anticipated revenue, or cost of capital. Supplier's maximum aggregate liability to Owner pursuant to this Contract whether arising from tort (including negligence or strict liability), Liquidated Damages (as limited pursuant to Article 7), breach of contract (including fundamental breach), breach of warranty, indemnification, or any other cause of action shall not exceed one hundred percent (100%) of the Contract Price.

7.7 Must Make Guarantees: The Supplier shall at a minimum meet the Absolute Performance Guarantees, Reliability Guarantee, Noise Guarantee and Maximum Emissions Guarantees as defined in Exhibit L. The Absolute Performance Guarantees are not subject to buy-down via liquidated damages.

ARTICLE 8: INSPECTION , TESTING, AND COMPLETION

8.1 Inspection. The Owner reserves the right to review Supplier`s quality assurance and quality control procedures and to inspect and witness all Supplier's operations and tests.

8.1.1 Supplier shall notify the Owner at least thirty (30) Days in advance when portions of the Work are ready for inspection or testing in accordance with the Supplier's inspection and test plan as approved by the Owner.

8.1.2 Failure to inspect or reject the Work shall not relieve the Supplier from responsibility for compliance with the Contract requirements, nor impose liability on the Owner. The Owner reserves the right to reject Work that is unsatisfactory, faulty, or defective or does not conform to the requirements of the Contract.

8.2 Testing. Supplier shall carry out factory tests of the Gensets in accordance with Supplier's procedures for such tests. Owner and its representatives including the Engineer shall have the right to witness such factory tests. Date and time of such tests shall be communicated to Owner no later than thirty (30) Days in advance. Supplier shall bear the cost of such tests, but Owner shall bear the cost for its representative to attend them.

8.2.1 Supplier shall carry out the Performance Testing at Site pursuant to Exhibit I (Performance Testing Guidelines). The timing of the Performance Tests is set out in Exhibit I and in Exhibits R and S (Substantial and Final Completion).

8.2.2 Make Good Period: Supplier shall have a remedy period of one hundred twenty (120) Days after completion of the initial Performance Testing to make modifications, repairs and/or replacements and carry out further Performance Testing to demonstrate that the Guaranteed Performance Parameters are met, prior to the payment of any performance Liquidated Damages. This remedy period may overlap with Final Completion. However, such overlap shall not mean a waiver by Owner of any of its rights under this Contract and shall not relieve Supplier of its duties under this Contract.

8.2.3 Commercial Operation: If Owner commences Commercial Operation of the Facility before completion of the Performance Tests, other than Emissions Testing, the Performance Tests obligation shall be deemed waived, with Supplier having no liability for Performance Liquidated Damages, and Owner shall pay Supplier the remaining payments under Exhibit M (Milestone Payment Schedule).

8.2.4 Delayed Performance Tests: If the conduct of the Performance Tests other than Emissions Testing, occurs more than forty-five (45) days after the execution of the Mechanical Completion Certificate for reasons other than Supplier's breach of its obligations under this Contract, Owner shall pay Supplier the Substantial Completion payment under Exhibit M (Milestone Payment Schedule) and Supplier is entitled to a Change Order to compensate Supplier for the delay in Performance Testing. However, if the Performance Testing has not occurred within one hundred and eighty (180) days after the execution of the Mechanical Completion Certificate, the Performance Tests obligation shall be deemed waived, with Supplier having no liability for Performance Liquidated Damages, and Owner shall pay Supplier the Final Completion Payment under Exhibit M (Milestone Payment Schedule). Supplier will remain obligated to supply final documents and tools, as called for under the Substantial Completion requirements, Exhibit R (Substantial Completion Certificate), and Exhibit S (Final Completion Certificate) shall be deemed to have been issued and accepted by Owner.

8.3 Punchlist. Promptly, but in no event later than five (5) days, following Performance Tests, the Parties shall review the Supplier's work under this Contract, and compile a Punchlist of work needed to be completed by Supplier. Supplier shall use all reasonable efforts to complete the Punchlist items no later than one hundred and fifty (150) days after the Parties agree on the Punchlist. Should Supplier fail to complete the Punchlist within two hundred and ten (210) days after the Punchlist has been agreed upon, then Owner shall have the right to complete any remaining Punchlist items and Supplier shall reimburse Owner for the direct costs and expenses of completion of such Punchlist work.

ARTICLE 9: CONSTRUCTION REQUIREMENTS AND COORDINATION

9.1 Health and Safety. When performing Work at the Site, Supplier shall comply with safety measures and procedures required by the Owner and shall comply with all applicable laws, ordinances, rules, regulations and orders of Governmental Units for the safety of persons or property. Supplier shall follow project specific safety rules and will comply with health and safety standards, including OSHA safety rules, relative to its scope of Work and personnel. Plant-wide safety issues shall remain with Owner.

9.2 Personnel must wear appropriate personnel protective equipment at all times on site including (a) hard hats; (b) safety glasses; (c) safety-toe shoes; and (d) shirts with sleeves.

9.3 Supplier's representative must attend weekly site safety meetings.

9.4 The following construction utilities and facilities will be provided by the Owner: (a) construction trailer with offices; (b) sanitary services; (c) construction power; and (d) construction water.

9.5 Supplier shall provide monthly progress reporting, including schedule updates, (completed and forecasted), etc. throughout the duration of its Work.

9.6 Supplier shall attend weekly coordination meetings throughout the duration of its Work.

9.7 All personnel must undergo one (1) day of safety training and must pass drug testing.

ARTICLE 10: TERMINATION

10.1 Failure to Procure Financing: If Owner cannot demonstrate procurement of financing for 80% of the Contract Price, or $23,670,812, on or before midnight Central Time on _____, 2015, this Contract will expire on its own terms, without penalty to either Party.

10.2 Termination for Cause: Either Party may terminate this Contract for cause, in whole or in part, by written notice to the other Party under the following conditions:

10.2.1 Unauthorized Assignment. No Party shall assign or transfer this Contract or any right or interest herein except as expressly permitted by this Contract or agreed to by both Parties;

10.2.2 Material Default. A Party defaults in its performance in any material respect under any material provision of this Contract; or

10.2.3 Bankruptcy. Any proceeding shall have been instituted, seeking to adjudicate the affected Party as a bankrupt or insolvent, or that Party shall have made a general assignment for the benefit of its creditors, or a receiver shall have been appointed on account of the insolvency of the affected Party, or a Party having filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or readjustment of debts and, in the case of any such proceeding, such proceeding shall not have been dismissed within one hundred twenty (120) days of such filing.

10.3 If, after termination by Owner, it is determined that Supplier was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the Contract had been terminated.

10.4 Provisions for Owner's rights post-termination for cause are set forth Exhibit D (Performance Bond).

ARTICLE 11: CHANGES

11.1 Despite any pending dispute with respect to the Contract, Supplier shall proceed, upon written notice from the Owner with the performance of all Work or changes as directed by the Owner, and agreed-to by Supplier.

11.2 If the Owner issues a directive that causes a material increase in Supplier's cost or time for performance, Supplier shall notify the Owner in writing within three (3) Days from the date of Supplier's receipt of the Owner's directive, and subject to such proper notice, an equitable adjustment in the price or time of performance shall be mutually-agreed upon between the Owner and Supplier. Such adjustment shall constitute a waiver of all claims by Supplier arising out of or related to the change.

11.3 Claims: Except where expressly stated otherwise in this Contract, no claim for extra compensation or for additional time for performance of the Work shall be valid unless Supplier shall first have provided written notice of such claim to the Owner within ten (10) Days of the start of the event giving rise to the claim. Such notice is a material consideration of this Contract and if Supplier fails to provide the Owner such notice within such time frame, Supplier's claim shall be deemed waived.

ARTICLE 12: INDEMNIFICATION AND INTELLECTUAL INFRINGEMENT

12.1 Indemnification. Supplier shall indemnify and hold Owner, and agents and employees of any of them, harmless from and against any and all claims, damages, losses, liabilities and expenses, including without limitation attorneys' fees, for any third party claims arising out of or resulting from Supplier's failure to comply with the terms or provisions of the Contract, or to the extent caused in whole or in part by any willful or negligent acts, omissions, or breaches of Contract by Supplier or anyone for whose acts Supplier may be liable; provided that (i) Supplier's obligations under this paragraph shall terminate at the close of the Warranty Period, and (ii) Supplier's maximum liability to Owner pursuant to this paragraph shall not exceed Owner's statutory liability limitations as set forth in the Kansas Governmental Tort Claims Act, K.S.A. 75-6101, *et seq*. Notwithstanding the foregoing, Supplier shall not be required to indemnify Owner for Owner's own negligence or intentionally wrongful acts.

12.2 Intellectual Property Infringement: If any claim for infringement of intellectual property is brought against the Owner arising from the Work, Supplier shall, in order to avoid such claims, actions, or proceedings, promptly obtain a license (without additional cost to the Owner) to the intellectual property right that has been allegedly infringed; substitute at its own expense non-infringing Work; or to modify the manufacture or design of such infringing Work so the Work becomes non-infringing provided that such substitutions or modifications meet all the requirements of this Contract.

ARTICLE 13: DOCUMENTS AND SUBMITTALS

13.1 Review and approval of shop drawings, samples, design and fabrication drawings, catalog data or other submittals from Supplier is for the purpose of determining general compliance with the Contract only, and the Owner is not reviewing such documents to evaluate the means or methods of design or fabrication. Such review shall not transfer any liability to the Owner or others for the proper design, fabrication and installation of the Work and shall not release Supplier of its sole liability for the Work.

13.2 Title to the Deliverables and any other drawings or proprietary information provided to Owner shall remain with Supplier or its Subcontractors, as applicable.

13.3 Supplier shall seal all platform and support steel-related drawings through a licensed professional engineer in accordance with the laws of Kansas. Said sealing/stamping is the responsibility of the Supplier. Drawings of products, materials, and equipment that are of standard structural designs by the manufacturer, fabricator, supplier, or Supplier need not contain the seal/stamp of a licensed professional engineer.

13.4 Supplier shall deliver three (3) hard copies of all such drawings, and operation and maintenance manuals in English, along with electronic copies.

ARTICLE 14: INSURANCE

14.1 Supplier shall furnish an insurance policy, proportionate to its scope, as set out in Exhibit C (Insurance Certificates).

ARTICLE 15: FORCE MAJEURE

15.1 In case of an event of Force Majeure, the Party rendered wholly or partially unable to perform its obligations under this Contract will be excused from whatever performance is affected by the Force Majeure event to the extent so affected. The affected Party shall have an obligation to notify in writing the other Party within seven (7) Days of its knowledge of the Force Majeure event, and mitigate and work around the Force Majeure event to the extent commercially practicable. The Party affected by Force Majeure shall bear all of its own costs in connection with Force Majeure events it suffers.

ARTICLE 16: APPLICABLE LAW AND CONFLICT RESOLUTION

16.1 Governing Law: The rights of all Parties hereunder and the construction of every provision hereof shall be governed by the federal laws of the State of Kansas, without giving effect to principles of conflicts of law.

16.2 Friendly Negotiations. In the event of any claim, dispute or controversy arising out of or relating to this Contract or the breach thereof which the Parties have been unable to settle or agree upon within a period of thirty (30) Days after the dispute arises, each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five (45) Days after the dispute has arisen to attempt to resolve such matter. Should a resolution of such dispute not be reached within fifteen (15) Days after the date that such senior officers meet, then either Party may, by written notice to the other, submit the dispute to arbitration, under Section 16.3, below.

16.3 Arbitration Rules and Arbitrators. Any Dispute arising out of or relating to this Agreement or the breach thereof which has not been resolved through negotiation in accordance with the procedures set forth in Section 18.1 shall be submitted to binding arbitration under the Construction Industry Arbitration Rules of the American Arbitration Association ("Arbitration Rules") then in effect. The arbitration hearing shall be held in Kansas City, Kansas. Unless the Parties in writing mutually agree otherwise, the arbitration shall be conducted in accordance with the procedures of the Arbitration Rules before a panel of three (3) arbitrators. The Parties agree that the arbitrators are entitled to enter such interim orders as it deems necessary, including, without limitation, injunctive relief, or orders to preserve the subject matter of the Dispute or to preserve or adjust the status of the Parties pending resolution of the Dispute in arbitration.

16.4 Award. The award rendered by the arbitration shall be final and judgment thereon may be entered by any court having jurisdiction thereof. The award shall be in writing, and shall give reasons for the decisions reached by the arbitrator(s). The arbitrator(s) shall have the power to award all remedies available under the applicable law. The prevailing Party (as determined by the arbitrator(s)) shall be entitled to reimbursement of its expenses, including reasonable attorney's fees, incurred in connection with the arbitration and any judicial enforcement of this arbitration agreement, unless the arbitrator(s) determines that it would be manifestly unfair to honor this agreement of the Parties and determines a different allocation of costs. Except to the extent necessary for proceedings relating to enforcement of the arbitration agreement, the award or other, related rights of the Parties, the fact of the arbitration proceeding itself, all evidence, pleadings, or other documents exchanged or used in the arbitration and the award shall be maintained in confidence by the Parties to the fullest extent permitted by applicable law. However, a violation of this covenant shall not affect the enforceability of this agreement to arbitrate or of the award.

16.5 Changes in Law. In the event that any change in any Law enacted or otherwise approved after the date of this Contract or a change in an approval by a Governmental Unit after the Effective Date, Owner or Supplier, as the case may be, shall reasonably promptly notify the other Party in writing upon its discovery of

such change in laws or standards. If any such modification increases Supplier's cost of producing or supplying the Equipment or performing the Work, delays Supplier's schedule or affects any other provision of this Contract, Supplier shall be entitled to an adjustment to the Contract Price, Equipment Delivery date, Performance Guarantees, and any other equitable adjustment to the Contract and shall memorialize any such agreement in an amendment to this Contract.

16.6 Emissions. Notwithstanding anything to the contrary, whenever in this Contract or its Exhibits the Supplier makes a representation, or has any obligation to ensure, that the Equipment will be in compliance with any law relating to ambient air emissions, effluent emissions, or noise, or with any approval from a Governmental Unit with respect to ambient air emissions, effluent emissions, or noise, any such representation or obligation shall be deemed satisfied to the extent that Supplier demonstrates, pursuant to the emissions tests, the Equipment's emissions guarantee is met.

ARTICLE 17: NOTICES AND COMMUNICATIONS

17.1 Notices. Any notice or invoice pursuant to the terms and conditions of this Contract shall be in writing and either be (a)sent by certified mail, return receipt requested; or (b) sent by a recognized overnight mail or courier service with delivery receipt required:

If to Supplier:
WÄRTSILÄ NORTH AMERICA, INC.
16330 Air Center Boulevard
Houston, Texas 77032
Attn: Kenneth Hägg, Project Manager
Tel. 281.233.6200
Fax 281.233.6233

with a copy to:
WÄRTSILÄ NORTH AMERICA, INC.
16330 Air Center Boulevard
Houston, Texas 77032
Attn: Gabriela Rivero, Legal Counsel, Power Plants
Tel. 281.233.6200
Fax 281.233.6233

If to Owner:
CITY OF COFFEYVILLE
P.O. Box 1629
Coffeyville, Kansas 67337
Attn: Michael Shook, Deputy Director of Electric Utilities
Tel. (620) 252-6086
Fax (620) 252-6173)

With a copy to:
Paul Kritz, City Attorney
P.O. Box 9
Coffeyville, Kansas 67337
Tel. (620) 251-1300
Fax (620) 251-9411

Either Party may change its address or the Party representative to notify by a notice delivered in accordance with this Section.

17.2 Effectiveness of Notices. Notices shall be effective when received by the Party to whom they are addressed.

ARTICLE 18: MISCELLANEOUS

18.1 Confidentiality: This Contract is confidential between the Owner and the Supplier. However, the Parties acknowledge that Owner is subject to open records and other pertinent public information laws. If information or details connected with the Contract, Supplier's Work, or the Project shall be published or disclosed to any third party under the law, Owner will provide Supplier with advance written notice before such required disclosure is made. The Parties agree that all of Supplier's trade secrets, intellectual properties, and confidential information related to its Equipment and the Work will be protected by Owner through the Open Records Act, K.S.A. 45-215, *et seq.*

18.2 Assignment: Neither Party shall assign this Contract or any rights or obligations hereunder (by contract, acquisition, merger, operation of law or otherwise) in whole or in part, without the prior written consent of the other Party. Any attempt to assign any rights or obligations hereunder without appropriate consent shall be deemed void.

18.3 Severability of Provisions: If any term, condition or provision of this Contract or the application thereof to any Party hereto be invalid or unenforceable at law, the offending word(s), sentence(s) or paragraph(s) shall be considered as stricken from this Contract and the remainder of this Contract, shall not be affected thereby, and each remaining term, condition and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law.

18.4 Survival: The obligations of the Parties hereunder which by their nature should survive the termination of this Contract or the completion of the Work hereunder, including, without limitation, those provisions of this Contract which provide for the protection against liability, shall survive and inure to the benefit of the Parties, as permitted by law.

18.5 Independent Contractor: Supplier is an independent contractor in the performance of the Work specified in this Contract. The Owner retains no control or direction over Supplier, its employees, and Sub-Suppliers or subcontractors or over the detail, manner, or methods of performance of the Work by Supplier, its employees, and sub-suppliers or subcontractors.

18.6 No Waiver: Failure by the Owner to enforce any provision hereof, the Owner's failure or delay in exercising rights or remedies provided herein or by law, the Owner's approval of, acceptance of, or payment for the Work, or any part or combination thereof, shall neither relieve nor release Supplier from any of its obligations under this Contract, shall not be deemed a waiver of any rights of the Owner to insist upon strict performance hereof or of any of the Owner's rights or remedies under this Contract or by law, and shall not operate as a waiver of any of the provisions hereof, unless otherwise provided for in this Contract.

18.7 Counterparts. This Contract may be executed in any number of counterparts and by each of the Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Contract.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed as of the date and the year first above written.

CITY OF COFFEYVILLE, KANSAS

_____

By: _____
James Falkner
Mayor of Coffeyville, Kansas
Date:_____

WÄRTSILÄ NORTH AMERICA, INC.

By: _____
Gary Groninger
Business Development Manager, Power Plants
Date:_____

CITY OF STILLWATER

DEPARTMENT: STILLWATER ELECTRIC UTILITY | **DATE & TIME: JULY 7, 2014** | **3:00 P.M.**

SUA BID #02 14/15

RECIPROCATING ENGINE GENERATOR SETS

BIDDER NAME AND ADDRESS:	BIDDER'S TOTAL PRICE	A1 RECOMMENDED SPARE PARTS	A2 FURNISH COOLING RADIATORS (LOW NOISE)	A3 FURNISH COOLING RADIATORS (ULTRA-LOW NOISE)	A4 PRICING STRATEGY COST
Wartsila North America Inc., 16330 Air Center Blvd, Houston, TX	$28,761,720.00	$344,952.00	$190,000.00	$399,400.00	NO BID
Wartsila North America Inc., 16330 Air Center Blvd, Houston, TX	$31,202,050.00	$444,465.00	$115,000.00	$290,000.00	NO BID
Caterpillar Power Generation Systems, 13105 Northwest Freeway, Suite 910, Houston, TX	$29,800,000.00	$450,000.00	$230,000.00	$600,000.00	$20,500,000.00

THE SEALED BIDS AS LISTED WERE OPENED AND READ ALOUD AT THE ABOVE LISTED TIME AND DATE:

VICKI REED
ELIZABETH CHRZ
LOREN SMITH

Burns & McDonnell
SINCE 1898

PRICE SUMMARY

Stillwater Utilities Authority - Power Generation Station Project

5.1210-Reciprocating Engine Generator Sets

	CAT (6 x G20CM34)	WÄRTSILÄ (6 x 20V34SG)	WÄRTSILÄ (3 x 18V50SG)
Base Requirements Specified			
1-Engine Generator Sets and Auxiliary Equipment	$ 28,700,000	$ 27,147,530	$ 29,814,600
2-Technical assistance	$ 675,000	$ 1,274,550	$ 1,075,400
3-Training	$ 275,000	$ 217,900	$ 180,000
4-Performance and Statutory Bonds	$ 150,000	$ 121,720	$ 132,050
Total Base Amount	$ 29,800,000	$ 28,761,700	$ 31,202,050
Alternates Specified			
A1-Recommended Spare Parts	$ 450,000	$ 344,952	$ 444,465
A2-Furnish Low Noise cooling radiators	$ 230,000	$ 190,000	$ 115,000
Total Alternates Selected	$ 680,000	$ 534,952	$ 559,465
Supplier Provided Options			
SO1- Bond for transportation across OK bridges	$ -	$ -	$ 40,000
SO2- Technician for full one year warranty period	$ -	$ 60,000	$ 60,000
SO3- 20% spare Balance of Plant I/O (above alloted amount)	$ -	$ 20,000	$ 20,000
Total Supplier Provided Options Selected	$ -	$ 80,000	$ 120,000
CONTRACT PRICING SUMMARY			
Total Contract Amount = Base Reqs + Alternates + Supplier Options	$ 30,480,000	$ 29,376,652	$ 31,881,515
Technical Adjustment: BOP Cost	$ 3,845,616	$ 2,286,206	$ -
Revenue & Cost Adjustment: Loss Compared to Highest NPV	$ 704,899	$ 2,506,351	$ -
Total Evaluated Amount = Contract Amount + Adjustments	$ 35,030,515	$ 34,169,209	$ 31,881,515