

RESOLUTION NO. 21-8928

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AMENDMENTS, PURCHASE ORDERS, CHANGE ORDERS, AND NEW AGREEMENTS WITH VARIOUS VENDORS AS REQUIRED TO COMPLETE EMERGENCY REPAIRS AND MAINTENANCE AT THE GIANERA GENERATING STATION, IN AN AGGREGATE AMOUNT NOT-TO-EXCEED \$2,567,736

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City of Santa Clara's Electric Department, Silicon Valley Power The City of Santa Clara's Electric Utility, Silicon Valley Power (SVP) operates three power generation facilities within the city limits: the Donald Von Raesfeld Power Plant, the City of Santa Clara Cogeneration Plant, and the Gianera Generating Station;

WHEREAS, on October 13, 2020, staff began troubleshooting a series of protection system trips caused by excessive vibrations on the #2 generator at the Gianera Generating Station (Gianera Unit 2);

WHEREAS, subsequent vibration analysis and visual inspection has determined issues with both the Generator and Accessory Gearbox and Gianera Unit 2 is unavailable for dispatch to meet power and resource adequacy needs of the City due to the potential for further equipment damage up to and including catastrophic failure of major components;

WHEREAS, on December 16, the City Council authorized the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station, in an aggregate amount not-to-exceed \$1,000,000;

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WHEREAS, while the engine was shut down for the gear box issue, staff initiated routine inspections and maintenance and, on December 14, 2020, it was discovered that the Generator rotor on Unit 2 had suffered damage due to the sustained, elevated vibrations leading up to the October 13th forced outage. The rotor insulation blocking has become loose, leading to an unsafe operating condition. Continued operation could lead to severe equipment damage and possible unscheduled/forced outage. This work was additional scope beyond what was previously identified;

WHEREAS, SVP staff estimates that without Gianera Unit 2's production, SVP is experiencing economic loss of up to \$10,000 per day because power that could be produced by Gianera Unit 2 needs to be purchased on the market;

WHEREAS, SVP would typically negotiate contract amendments with current vendors or competitively procure services with new vendors to bring the Gianera Generating Station back online, but that process can take up to several months and depending on the contract amount(s), may require City Council approval; and,

WHEREAS, in this situation, the typical competitive procurement is infeasible given the Council's meeting schedule and the emergency nature of the work.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. The City Council of the City of Santa Clara does hereby authorize the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station, in an aggregate amount not-to-exceed \$2,567,736 (an increase of \$1,567,736 from the previous authorization).
2. This authorization shall not be used for any purpose other than to facilitate the completion of all repairs at the Gianera Power Plant related to the outage and resulting unanticipated maintenance.

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3. Upon completion of the work at the Gianera Generating Station, the City Manager shall prepare a report for the Council on the contracts awarded and work performed.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 12TH DAY OF JANUARY, 2021, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Park, Watanabe, and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None