RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE MASTER SERVICE AGREEMENTS WITH RWG AND STANDARD AERO LIMITED TO PERFORM GAS TURBINE ENGINE FIELD AND DEPOT SERVICES

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

WHEREAS, Silicon Valley Power (SVP), the City's Electric Utility, operates three gas fired power generation facilities within the City limits;

WHEREAS, the Cogeneration Plant, rated at 7 Megawatts, operates two Allison 501-KB5 gas turbine engines for power generation;

WHEREAS, the turbine engines require routine inspection, maintenance, and repair services in order to keep them operating at an optimal level including a major overhaul for each engine after approximately 30,000 hours of service or every four or five year;

WHEREAS, Siemens is the original equipment manufacturer;

WHEREAS, inspection, maintenance, and repair services may only be performed by an authorized Siemens service provider and RWG and Standard Aero are the only service providers in North America authorized by Siemens to perform both field and depot services on Allison 501-KB5 gas turbine engines;

WHEREAS, executing master service agreements with RWG and Standard Aero will allow SVP to select a service provider based on pricing and scheduling availability of each contractor since each service category is described in operating manuals from the manufacturer and, therefore, staff can request pricing based on the service package needed and compare the pricing between the two contractors;

WHEREAS, in addition to price, scheduling is a critical component of selection because the costs of an outage are significant and, therefore, it may be prudent to pay a higher cost if a specific contractor can schedule services sooner. This can reduce outage durations, ensure equipment availability for periods of high demand, and reduce the risks of an unplanned or

extended outage due to scheduling issues with either service provide; and

WHEREAS, the Allison engines are critical to SVP's continued energy generation operations and as peak power needs in the City continue to grow, these engines become more important to maintain grid stability and reliability and are important to be available to support load growth in the City.

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

1.   That the City Manager is authorized to negotiate and execute master service agreements with RWG and Standard Aero, for an initial term of five years, for an aggregate maximum amount not-to-exceed $10,000,000 during the initial term, subject to the annual appropriation of funds.

2.   That the City Manager is authorized to execute up to five one-year options to extend the term of the master service agreements, subject to the annual appropriation of funds.

3.   That the City Manager is authorized to add or delete services consistent with the scope of the agreements, and allow future rate adjustments subject to request and justification by contractor, approval by the City, and the appropriation of funds.

4.   That this action does not constitute a "project" as defined in the California Environmental Quality Act (CEQA) and section 15378(b)(4) of the CEQA Guidelines in that it is a fiscal activity that does not involve commitment to a specific project which may result in potential significant impact on the environment.

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5.　　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 ___ DAY OF _____, 2021, BY THE FOLLOWING VOTE:

AYES:　　　　　COUNCILORS:

NOES:　　　　　COUNCILORS:

ABSENT:　　　　COUNCILORS:

ABSTAINED:　　　COUNCILORS:

　　　　　　　　　　　　ATTEST: _____
　　　　　　　　　　　　　　　NORA PIMENTEL, MMC
　　　　　　　　　　　　　　　ASSISTANT CITY CLERK
　　　　　　　　　　　　　　　CITY OF SANTA CLARA

Attachments incorporated by reference: None