

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND
EXECUTE MASTER SERVICE AGREEMENTS WITH GENERAL
ELECTRIC PACKAGED POWER, LLC AND TRANSCANADA
TURBINES 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 Donald Von Raesfeld Power Plant (DVR), the main facility, is a 2x1 combined cycle power plant rated at 147 Megawatts of electrical power. DVR is powered by two 50-Megawatt General Electric (GE) LM6000PC gas turbine engines with a third LM6000PC turbine engine in storage that can be swapped out and placed into service when one of the two primary engines goes down or is taken offline;

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 40,000 - 50,000 hours of service (about four to five years) and these services may only be performed by GE or an authorized GE service provider;

WHEREAS, GE Packaged Power, Inc. (GE) is the original equipment manufacturer, and TransCanada Turbines Inc. (TCT) is the only other service provider in North America authorized by GE to perform both field and depot services on GE LM6000 gas turbine engines;

WHEREAS, executing master service agreements with GE and TCT 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, it 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 as 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 GE turbine 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 TransCanada Turbines and GE Packaged Power, for an initial term of five years, for an aggregate maximum amount not-to-exceed \$30,000,000 during the initial term, subject to the annual appropriation of funds in a total amount not to exceed \$30,000,000.
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. 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.

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.