



Legislation Details (With Text)

**File #:** 20-940      **Version:** 1      **Name:**  
**Type:** Consent Calendar      **Status:** Agenda Ready  
**File created:** 9/23/2020      **In control:** City Council and Authorities Concurrent  
**On agenda:** 10/13/2020      **Final action:**  
**Title:** Action on Amendment to the Software Maintenance Agreement with ABB Enterprise Software Inc.  
[Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Original Software Maintenance Agreement, 2. Amendment to Software Maintenance Agreement

Date	Ver.	Action By	Action	Result
10/13/2020	1	City Council and Authorities Concurrent	Approved	Pass

**REPORT TO COUNCIL**

**SUBJECT**

Action on Amendment to the Software Maintenance Agreement with ABB Enterprise Software Inc.  
[Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

**BACKGROUND**

Silicon Valley Power (SVP) operates a Supervisory Control and Data Acquisition (SCADA) system in order to monitor and control the City's power grid. The current SCADA system is supplied by ABB Enterprise Software (ABB) and operates on proprietary ABB software.

SVP initially purchased the ABB SCADA system in 1997 after a competitive solicitation process. Since that time, the system has been maintained and upgraded using Software Maintenance Agreements with ABB similar to the attached. When SVP updates the system with new versions of the ABB software and associated hardware, ABB charges only for the labor required to migrate the system to the new platform. No new licensing costs are incurred. It is difficult, and not very cost effective, to move to new platforms given the complexity of the systems, and the amount of SVP intellectual property that would have to be recreated in a new platform. Typically utilities do not switch SCADA systems unless the utility is unsatisfied with the vendor, or its offering. Since implementation of the system in 1997, ABB has provided excellent service and response time.

**DISCUSSION**

Under this proposed Amendment, ABB will provide maintenance and support services for the SCADA system as required to maintain operational reliability and cyber security for this critical system. Staff recommends entering into an Amendment to the original Agreement to extend the term for five years. The term of the proposed Amendment to the Agreement is September 1, 2020 through August 31, 2025 with a total cost not to exceed \$896,293. ABB is currently undergoing a process to divest its Power Grids Business to Hitachi. Staff recommends that the City Manager is granted authority to execute any agreements associated with this transfer subject to review by the City Attorney.

## **ENVIRONMENTAL REVIEW**

The actions being considered do not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378 (b)(4) 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.

## **FISCAL IMPACT**

The cost of the proposed Amendment is \$896,293 for the period of September 1, 2020 through August 31, 2025 for the maintenance service fees. The amendment also allows for additional support hours at a cost of \$38,700 for 100 man-hour blocks. Funding to cover the maintenance fees in year one of the proposed Amendment is available in the Adopted FY 2020/21 Operating Budget, Electric Utility Fund. If additional support hours are needed, budget savings in other areas will be identified to cover the cost. SVP has not needed additional support hours in the past but has planned for this possibility in case of unanticipated issue.

Funding for years two through five are subject to budget appropriations and will be incorporated into the budget development process for those years.

## **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney’s Office.

## **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>>.

## **RECOMMENDATION**

1. Authorize the City Manager to execute an Amendment to the Software Maintenance Agreement with ABB Enterprise Software Inc. for maintenance of the SCADA System and to execute future amendments or agreements, as needed associated with the change in ownership of ABB’s Power Grids Business; and
2. Authorize the City Manager to add or delete services consistent with the scope of the agreements, and allow future rate adjustments subject to request and justification by contractor or consultant and approval by the City, subject to the appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

## **ATTACHMENTS**

1. Original Software Maintenance Agreement
2. Amendment to the Software Maintenance Agreement