



Agenda Report

20-772

Agenda Date: 9/29/2020

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 1 to the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

The City of Santa Clara's Electric Department, Silicon Valley Power (SVP), participates in the California energy industry and are subject to regular changes in regulation and market requirements developed by the California Independent System Operator (CAISO), California Energy Commission (CEC) and other agencies that can have large impacts on customer rates and reliability. In order to best analyze these changes and to make effective and appropriate comments, SVP has contracted with Northern California Power Agency (NCPA) to obtain the assistance of industry transmission experts. NCPA jointly contracts with the Cities of Santa Clara and Palo Alto as the Bay Area Municipal Transmission (BAMx) participants and then contracts with the appropriate industry experts to provide the services. Joint contracts were entered into on July 1, 2017 and terminated on June 30, 2020 ("2017 Agreement").

At the request of SVP and the City of Palo Alto, NCPA began the RFP process to contract for industry experts to provide the services and to renew the existing agreement with the City of Palo Alto and SVP. While the procurement is in process, the Parties desire to enter into Amendment No. 1 to the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara to extend the existing agreement through December 31, 2020 until a new agreement is reached and approved.

DISCUSSION

The 2017 Agreement had a budget not to exceed amount of \$1,479,375 over a three-year term. To date, SVP has expended \$1,182,745. The extension of the 2017 Agreement through December 31, 2020 would utilize the remaining contract budget authority of \$296,630. All other terms of the 2017 Agreement remain the same. The use of NCPA and partnership with the City of Palo Alto results in cost reductions to SVP by sharing the cost of using industry experts to analyze impacts of new regulations and market requirement on utilities and to make effective and appropriate comments.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The proposed Amendment No. 1 extends the terms of the Agreement to end on December 31, 2020 and upholds the not-to-exceed amount of \$1,479,375 from the original agreement. The remaining balance from that agreement is \$296,630. Funds for these services are budgeted in the Operating Electric Utility Fund.

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>>.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara to extend the existing agreement through December 31, 2020.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 1
2. NCPA-BAMxAgr-2018