



## Legislation Details (With Text)

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**Title:** Action on Various Agreements for Silicon Valley Power (SVP), authorize the City Manager to:

1. Execute a Purchase Order with E&M Electric and Machine, Inc. (E&M) for Wonderware Supervisory Control and Data Acquisition (SCADA) integration software license fees and ongoing maintenance and support services for SVP Generation facilities, with options to renew the purchase order for up to four years, subject to budget appropriations;
2. Execute Amendment No. 1 to the Agreement for the Performance of Services with Hart High-Voltage Apparatus Repair and Testing Co., Inc. (Hart) for maintenance, test, repair and calibration of relays, circuit breakers, transformers and other high, medium, and low voltage equipment at the City's Electric facilities; and
3. 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.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Quotes from E&M/Wonderware, 2. Original Agreement with Hart High-Voltage Apparatus Repair and Testing Co., Inc., 3. Proposed Amendment No. 1 to Agreement with Hart High-Voltage Apparatus Repair and Testing Co., Inc.

Date	Ver.	Action By	Action	Result
2/23/2021	1	Council and Authorities Concurrent Meeting	Approved	

## REPORT TO COUNCIL

### SUBJECT

Action on Various Agreements for Silicon Valley Power (SVP), authorize the City Manager to:

1. Execute a Purchase Order with E&M Electric and Machine, Inc. (E&M) for Wonderware Supervisory Control and Data Acquisition (SCADA) integration software license fees and ongoing maintenance and support services for SVP Generation facilities, with options to renew the purchase order for up to four years, subject to budget appropriations;
2. Execute Amendment No. 1 to the Agreement for the Performance of Services with Hart High-Voltage Apparatus Repair and Testing Co., Inc. (Hart) for maintenance, test, repair and calibration of relays, circuit breakers, transformers and other high, medium, and low voltage equipment at the City's Electric facilities; and
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### COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

## **BACKGROUND**

The City of Santa Clara's Electric Utility, Silicon Valley Power (SVP), operates three gas-fired power generation facilities within the Santa Clara City limits:

- The Donald Von Raesfeld Power Plant (DVR), the main facility, is a 2x1 combined cycle power plant rated at 147 Megawatts of electrical power.
- The Cogeneration Plant is a cogeneration facility that utilizes two gas turbines for power generation; additionally, the waste heat is collected to generate steam for supply to a paper mill. This facility is rated at 7 Megawatts of electrical power.
- The Gianera Generating Station, the City's peaking generation facility, is rated at 49.5 Megawatts of electrical power.

SVP also operates three remote generation facilities located throughout Northern California: the Highline Power House; the Black Butte Power House; and the Stony Gorge Power House.

SVP requires a variety of specialized services to keep its generation facilities operating optimally. While in some cases these contractors may support other SVP assets, the contractors provide the required services primarily in support of the utility's power plants.

## **Wonderware SCADA Integration Software for SVP Generation Facilities - Wonderware Software - (E&M)**

Wonderware is the current Supervisory Control and Data Acquisition (SCADA) integration software for SVP Generation facilities. Wonderware is the platform (software/hardware) used to facilitate control of SVP's remote and in-town power plants from the Central Control Room at DVR. Wonderware provides the framework for the distributed control systems and networking of major plant control functions including: DVR - Water Treatment systems, DVR - Chilled Water system, Cogen - Turbine and Balance of Plant systems, Gianera - Turbine and Balance of Plant systems, Highline - Turbine and Balance of Plant systems, Black Butte - Turbine and Balance of Plant systems, and Stony Gorge - Turbine and Balance of Plant systems.

The Wonderware solution was installed in 1998. The City has maintained support and maintenance of this solution through this vendor ever since. This system is used by operators to interface with plants at a site or remotely to make adjustments to items such as load and to interact with sensors, alarms, motors, and valves.

## **Maintenance, Testing, Repair, Calibration of relays, circuit breakers, transformers and other high, medium, and low voltage equipment - Hart**

In 2017, SVP issued an RFP for power plant high voltage electric services to support maintenance and related activities at SVP's generation facilities. Three proposals were received and a contract was awarded to Hart. Hart provides services primarily at the DVR, Cogen, and Gianera facilities, and may provide services at SVP's remote sites as needed. Additionally, SVP has identified a need for Hart to provide services at the utility's substations during the next two years.

## **DISCUSSION**

Wonderware SCADA Integration Software for SVP Generation Facilities - Wonderware Software - (E&M)

Staff recommends that a sole source Purchase Order is issued to E&M (parent company of Wonderware Software) to provide annual Wonderware system license renewals which include both authorization to use the software, and routine support services such as new releases of software, maintenance releases, service packs, and patches, updates and hotfixes. Staff recommends a sole source solution because the Wonderware system is installed and used in SVP generation sites (the system is integrated into all components of SVP's generation plants), as well as remote sites outside of the City and has been in place for over 20 years. The initial term of the purchase order shall be for twelve months, with up to four options to renew the purchase order. The maximum compensation during the option terms is not expected to exceed \$100,000 annually.

Additionally, E&M will perform a one-time critical replacement of two Wonderware servers during the initial twelve months. These servers are currently at the ends of their useful lives and replacing them is required in order for E & M to provide support and maintain the software platform at a currently supported version. Servers will be configured by Wonderware California as required to facilitate replacement without loss of data continuity.

Maintenance, Testing, Repair, Calibration of relays, circuit breakers, transformers and other high, medium, and low voltage equipment - Hart

The current agreement with Hart expired on February 12, 2021. Staff recommends extending the Agreement for two additional years (from three years to five years) until February 12, 2023 and increasing maximum compensation by \$297,491.50 from \$502,508.50 to \$800,000. Increases in the rates of compensation are in alignment with State of California prevailing wage rates required for these services. This amount is aligned with previous annual costs of approximately \$150,000 per year and includes some additional services associated with utility substations due to significant substation construction activity.

In the past, City has typically entered into three-year agreements for these types of services. Purchasing and SVP staff have identified that, due to the time investment in each solicitation, five-year agreements after an RFP are a best practice. Staff anticipates at least thirty (30) RFP or similar competitive procurements during this calendar year and works closely with the Purchasing Division of the Finance Department to identify candidate contracts for extension under this guideline. Therefore, amending the current Agreement with Hart also provides SVP with more capacity to facilitate several high-priority procurements over the next two years. Staff will issue a competitive request for proposals for the services currently provided by Hart prior to the expiration of the amended Agreement.

**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 (b)(2) in that the proposed actions are agreements for the purchase of products and services that are continuing maintenance and administrative activities.

**FISCAL IMPACT**

The cost of these proposed agreements are as follows:

**E & M (Wonderware Software):** The proposed cost for the first year (2021) is \$95,776.70 including \$50,458.70 for a one-time server replacement and \$45,318 in annual licensing costs. The increase in the annual licensing costs are not expected to exceed three percent annually, and maximum compensation is not expected to exceed \$100,000 annually, during the option terms. Sufficient funds are available in the Amended FY 2020/21 Operating Budget, Generation Program, in the Electric Utility Operating Fund.

**Hart High-Voltage Apparatus Repair and Testing Co., Inc.:** The proposed Amendment No. 1 to the Agreement for Services with Hart will extend the term of the Agreement by two years and increase maximum compensation from \$502,508.50 to \$800,000. Annual costs for services are not expected to exceed \$200,000 per year, depending on testing needs and repairs identified through regular inspections and maintenance. Sufficient funds are available in the Amended FY 2020/21 Operating Budget, Generation Program, in the Electric Utility Operating 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) <<mailto:clerk@santaclaraca.gov>>.

### **RECOMMENDATION**

1. Authorize the City Manager to execute a Purchase Order with E&M Electric and Machine for Wonderware SCADA system licenses and support and maintenance services, for a period of twelve months, for a not-to-exceed amount of \$95,776.70, and with options to renew the purchase order for up to four years, subject to budget appropriations;
2. Authorize the City Manager to execute Amendment No. 1 to the Agreement for the Performance of Services with Hart High-Voltage Apparatus Repair and Testing Co., Inc. to extend the term to February 12, 2023, and increase maximum compensation by \$297,491.50 to \$800,000; and
3. 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, approval by the City, and the appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Quotes from E&M/Wonderware
2. Original Agreement with Hart High-Voltage Apparatus Repair and Testing Co., Inc.
3. Proposed Amendment No. 1 to Agreement with Hart High-Voltage Apparatus Repair and Testing Co., Inc.