



## Agenda Report

20-727

Agenda Date: 9/1/2020

### REPORT TO COUNCIL

#### SUBJECT

Action on Contracts for Silicon Valley Power [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure] as follows, authorize the City Manager to execute:

1. Amendment No. 1 to the Agreement for the Performance of Services with Eagle Security Services / Cerny's Locksmith;
2. Agreement for Services with Montrose Air Quality Services, LLC in an amount not to exceed \$415,705 for the period of September 1, 2020 through December 31, 2025;
3. Amendment No. 1 to the Agreement for Services with Quality Assurance Engineering, Inc. dba Consolidated Engineering Laboratories extending the term through September 30, 2022;
4. Amendment No. 1 to Contract No. 2004D with Daleo, Inc. authorizing staff to issue call orders through July 31, 2021;
5. Amendment No. 1 to the Agreement for Services with Document Management Technologies, LLC in an amount not to exceed \$230,000 for the period September 5, 2020 through September 5, 2022; and,
6. 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.

#### BACKGROUND

To meet its mission and goals, City of Santa Clara's Electric Department, Silicon Valley Power (SVP), requires specialized contractors for a variety of services including:

- Physical security including locksmith, video cameras, and card key access entry
- Power Plant Source and RATA Testing
- Materials Testing and Special Construction Inspections
- Electric Utility Substructure and Aerial Fiber Optic Cable Construction
- Document Management

#### DISCUSSION

##### Maintenance of Physical Security Assets

In 2015, the City entered into an agreement with Eagle Security Service/Cerny's Locksmith (Eagle). Eagle provides services associated with security systems for SVP's facilities including locksmith services, card access, and external video cameras. The services in this agreement included installation of video camera and card access system including hardware, installation, and necessary cabling to commission the system. Recent activity needs under this contract include equipment replacement or upgrade to address changing regulatory security requirements and to minimize employee contact due to the pandemic. As a result, staff recommends increasing maximum compensation by \$85,000, from \$135,000 to \$220,00 to address new physical security needs such

as social distance protocols and work associated with access to new substations. Rates have increased four percent per year during the term of the agreement. Staff will initiate a Request for Proposals (RFP) for these services in fall of this year.

#### Power Plant Source and RATA Testing

To meet required Environmental Protection Agency (EPA), requirements, SVP is required to provide regular emissions source testing and annual Continuous Emission Monitoring System (CEMS) Relative Accuracy Test Audit (RATA) testing at the three power plants located in Santa Clara. Annual testing is required for the Donald Von Raesfeld Power Plant and the Cogeneration Power Plant and biennial testing is required at the Gianera Power Plant. In 2019, the City issued an RFP for these services and, five (5) firms submitted responsive proposals. A team of evaluators reviewed the responses and completed a scoring process based on experience, technical approach, and cost. Based on this process, staff recommended award of contract to Montrose Air Quality Services, LLC. (Montrose) in an amount not to exceed \$415,705 for the period of September 1, 2020 through December 31, 2026.

#### Materials Testing and Special Construction Inspections

On November 21<sup>st</sup>, 2017, Council approved a services agreement for Quality Assurance Engineering, Inc. dba Consolidated Engineering Laboratories (Consolidated Engineering) to provide materials testing and special construction inspections for Silicon Valley Power's capital construction program. SVP's capital program includes construction of electric transmission, substation and distribution facilities to provide services to existing customers while meeting future load growth needs. This contact was awarded through a competitive RFP process. Consolidated Engineering is a professional firm that specializes in performing materials testing and special construction inspections required by the City's Building Division to be performed during certain stages of construction. Staff recommends the extension of this agreement to September 30, 2022 to support substation construction that is already in progress.

#### Electric Utility Substructure and Aerial Fiber Optic Cable Construction

On July 18, 2017, after completion of a competitive Public Works bid process, Council authorized a construction agreement with Daleo, Inc (Daleo) for the Electric Utility Substructure and Aerial Fiber Optic Cable Master projects. Daleo's services include supporting electric utility substructure and aerial fiber optic projects to construct extensions, capital repairs and maintenance to SVP's operations as well as to maintain and extend dark fiber infrastructure to customers. SVP provides dark fiber services to customers including large businesses, fiber carriers, data centers, and the Santa Clara Unified School District promoting economic development and technology services to the community. The agreement with Daleo was anticipated to have cost of up to \$2 million per year for three years. Over \$4 million is remaining of this contract balance as development and capital programs have been delayed. Staff recommends extending this agreement one year and authorizing staff to issue call orders under this specification through July 31, 2021. During this time staff will complete a competitive bid process. After three years using fixed rates, the contractor has justified a 15% - 19% rate increase which staff has determined is consistent with increases in prevailing wage rates and increases in construction costs for this area.

#### Document Management

On September 5, 2017, the City entered into a three-year Agreement for the Performance of Services with Document Management Technologies, LLC to provide scanning, document conversion, PDF optimization and cataloging of the Electric Departments contracts into a database that supports SVP

staff in maintaining hundreds of agreements associated with the power utility. The agreement in 2017 was a sole source agreement to support a custom database developed by the vendor in 2008. Staff recommends extending the agreement through September 5, 2022 and increasing maximum compensation by \$100,000 from \$130,000 to \$230,000. During this time, SVP staff will continue to coordinate with the City Clerk's office on the implementation of Laserfiche that is anticipated to duplicate the functionality of this agreement. Some of the additional funding is to address potential additional needs to support the Laserfiche transition. In the event that the Laserfiche transition is completed before end of the new contract term, the agreement may be terminated with a thirty-day notice.

### **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 these proposed agreements are as follows:

Maintenance of Security Assets (Eagle): Staff recommends increasing this contract from \$135,000 to \$220,000 for a five-year period ending December 23, 2020.

Power Plant Source and Rata Testing (Montrose): Staff recommends authorizing the City manager to execute an agreement with Montrose Air Quality Services, LLC. in an amount not to exceed \$415,705 for the period of September 1, 2020 through December 31, 2026.

Materials Testing and Special Inspections (Consolidated Engineering): Staff recommends extending the term of this agreement from September 30, 2020 to September 30, 2022 with no change to the contract value of \$250,000.

Electric Utility Substructure and Aerial Fiber Optic Cable Construction (Daleo): Staff recommends extending the term of this agreement authorizing call orders to be issued through July 31, 2021 with no change to the contract value of \$6,000,000.

Document Management (Document Management Technologies, LLC): Staff recommends increasing the not to exceed amount from \$130,000 to \$230,000 and extending the term from September 5, 2020 to September 5, 2022.

Sufficient funds are available in the Electric Department operating and Capital Improvement Program (CIP) budget for FY 2020/2021 for each respective agreement, listed as follows:

- Eagle - Utility Operations - SVP Systems Support program
- Montrose - Utility Operations - Generation program
- Consolidated Engineering - Serra Substation Re-build and Transmission System Reinforcements CIP projects
- Daleo - Fiber Development, Design, and Expansion, and New Business Estimate Work CIP projects, and Utility Operations - Transmission and Distribution program

- Document Management - Business Services - Risk Management program

Funds required for these agreements in future years will be included in proposed budgets for those corresponding 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 Amendment No. 1 to the Agreement for the Performance of Services with Eagle Security Services / Cerny's Locksmith;
2. Authorize the City Manager to execute an Agreement for Services with Montrose Air Quality Services, LLC in an amount not to exceed \$415,705 for the period of September 1, 2020 through December 31, 2025;
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4. Authorize the City Manager to execute Amendment No. 1 to Contract No. 2004D with Daleo, Inc. authorizing staff to issue call orders through July 31, 2021;
5. Authorize the City Manager to execute Amendment No. 1 to the Agreement for Services with Document Management Technologies, LLC in an amount not to exceed \$230,000 for the period September 5, 2020 through September 5, 2022; and,
6. 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. Proposed Amendment No. 1 with Eagle Security / Cerny's Locksmith
2. Original Agreement with Eagle Security/Cerny's Locksmith
3. Proposed Agreement with Montrose Air Quality Services, LLC
4. Proposed Amendment No. 1 with Quality Assurance Engineering, Inc. dba Consolidated Engineering Laboratories
5. Original Agreement with Quality Assurance Engineering, Inc. dba Consolidated Engineering Laboratories
6. Proposed Amendment No. 1 with Daleo, Inc.
7. Original Contract with Daleo, Inc.
8. Proposed Amendment No. 1 with Document Management Technologies, LLC

9. Original Agreement with Document Management Technologies, LLC