



Agenda Report

21-1196

Agenda Date: 9/28/2021

REPORT TO COUNCIL

SUBJECT

Action on an Agreement for Services with Power Systems Professionals, Inc. dba Power Pros for As-Needed Electric Equipment Repair, Maintenance, and Testing Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Silicon Valley Power (SVP) has provided dependable electric service for 125 years. SVP has three generation plants within the City limits, and several facilities outside City limits. In addition, SVP has transmission, distribution, and substation assets that include four receiving stations, 23 substations in 2020 (which is anticipated to grow to 33 by 2026), one phase shifting transformer, 1,237 (consisting of 589 Primary + 648 Secondary) miles of distribution cabling, 26 miles of transmission cabling, approximately 8,000 utility poles and many more physical assets.

SVP plans to replace various pieces of equipment that are reaching the end of their useful life or are no longer supported by the manufacturers. A proactive equipment maintenance and replacement program is essential to improving system reliability, reducing the risk of catastrophic equipment failures, ensuring the systems are safe for staff, contractors, and the public, and managing cybersecurity risks. In addition, potential developments have made initial requests for more than 500 megawatts of new load, which could double SVP's current peak load. The increased electrical demand, as well as the aging infrastructure, has increased the need for electrical repair, maintenance, emergency response, and testing services for SVP's substation and generation equipment. SVP plans to augment staff to support these intermittent activities, but these staff are historically difficult to recruit and there are a large number of near term projects so SVP requires a qualified contractor to perform the required electric equipment repair, maintenance, and testing services.

DISCUSSION

Pursuant to City Code Section 2.105.330, a formal qualifications-based Request for Proposal/Statement of Qualifications (SOQ) process was conducted for this procurement, with the award recommendation based on "best value." The factors considered in the award were experience of the firm, qualifications of proposed staff, and technical approach.

In May 2021, the City issued the SOQ for as-needed electric equipment repair, maintenance, and testing services, using the City's e-procurement system. A total of 40 companies viewed the SOQ, and the City received proposals from two companies:

- Hampton Tedder Electric Company; and

- Power Systems Professionals, Inc., doing business as Power Pros (Power Pros)

The proposals were evaluated and scored against the criteria and weights published in the SOQ by a three-member evaluation team consisting of staff from SVP. The proposals were evaluated on proposer experience; qualifications of proposed individual staff; and approach to performing the required electric equipment repair, maintenance, and testing services.

Staff recommends award of contract to Power Pros as the most advantageous and best value proposal based upon the final evaluation ranking. The proposal from Power Pros met or exceeded all of the SOQ specifications.

Under the proposed agreement, Power Pros will provide the following services:

- Preventative and corrective maintenance;
- Electric equipment testing;
- Equipment repair and replacement, as needed;
- Installation of electric equipment and wiring; and
- As-needed electrical services training.

The proposed agreement with Power Pros includes provision of all labor, materials, equipment, and technical expertise needed to provide the required electrical maintenance and testing services. All services will be performed pursuant to current national board code as well as industry best practices and state and local laws and regulations.

The term of the proposed agreement will be a five-year initial term with five additional one-year options to extend at the discretion of the City. Compensation shall be paid on a time and materials basis, with annual costs not expected to exceed \$750,000. Power Pros' hourly rates shall be fixed for the first two years of the agreement. Exercise of option terms after the initial five-year term shall be based on renewal quotes from Power Pros. Any requests for compensation increases must be justified by the company and are subject to approval by the City and the annual appropriations of funds.

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 total cost of the agreement for services with Power Pros is not anticipated to exceed \$3,500,000 over the five-year initial term.

Sufficient funds are available in the FY 2021/22 and FY 2022/23 Biennial Operating Budget in the Electric Utility Operating Fund Contractual Services account based on the facility or asset requiring service. Budget for future years will be included in recommended budgets.

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

1. Authorize the City Manager to execute an Agreement for Services with Power Systems Professionals, Inc., doing business as Power Pros to provide as-needed electric equipment repair, maintenance, and testing services, for a term starting on or about October 1, 2021 and ending on September 30, 2026 for total maximum compensation not-to-exceed \$3,500,000 during the initial five-year term, subject to the appropriation of funds;
2. Authorize the City Manager to make minor changes to the proposed agreement subject to approval by the City Attorney as to form;
3. Add or delete services consistent with the scope of the agreement and allow future rate adjustments subject to request and justification by contractor, approval by the City, and the appropriation of funds;
4. Authorize the City Manager to execute up to five one-year options to extend the term of the Agreement after the initial five-year term, ending September 30, 2031, for a total of ten years assuming all options are exercised and subject to the appropriation of funds; and
5. Authorize the City Manager to take actions to add or delete services consistent with the scopes 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 Agreement for Services