



## Agenda Report

18-635

Agenda Date: 6/26/2018

### REPORT TO COUNCIL

#### **SUBJECT**

Amendment No. 1 to Services Agreement with Siemens Industry, Inc. for Transformer Assembly and Commissioning

#### **BACKGROUND**

In 2005, the City's Electric Department, Silicon Valley Power (SVP), purchased eight (8) transformers for Palm, Kenneth, Walsh and Serra Substations from Siemens Industry, Inc. (Siemens). All transformers were installed with the exception of two transformers that were prepared for storage until they could be installed at Serra Substation. The completion of the Serra Substation project has been delayed due to land acquisition issues required for the expansion. On June 9, 2016, SVP entered into an Agreement for the Performance of Services with Siemens to evaluate the condition of these two transformers.

On December 5, 2017, the City Council approved an agreement with Siemens in the amount of \$209,305 to refurbish and test these two transformers. The original Siemens proposal was for three (3) HV bushings and three (3) LV bushings per transformer (a total of 12 bushings). The agreement includes an oil price adjustment if the work was scheduled in a later time period.

#### **DISCUSSION**

In the course of scheduling the work, SVP and Siemens determined all 18 bushings required replacement and the original proposal did not include all 18 bushings. Siemens identified that one (1) LV N and two (2) Y bushings were not ordered for each transformer. In order to rectify the situation Siemens will purchase the two (2) LV N bushings at no cost to the City will purchase the additional four (4) Y bushings. Staff has agreed that the bushings are necessary to complete the work. The additional costs of the four (4) Y bushings and the oil price adjustment total \$16,059. Staff recommends entering into Amendment No. 1 to this agreement with Siemens to cover the cost of the bushing and oil escalation so that work can be completed to refurbish the Serra Substation transformers.

#### **ENVIRONMENTAL REVIEW**

This action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 1537(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 original Agreement for the Performance of Services with Siemens Industry, Inc. has a not to exceed amount of \$209,305. Amendment No.1 will increase this amount by \$16,059 for a total not-to-exceed of \$225,364. Sufficient funds are available in the Electric Department Capital Project 2104

Serra Substation Re-Build.

**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>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Approve Amendment No. 1 to an Agreement for the Performance of Services with Siemens Industry, Inc. for Transformer Assembly and Commissioning in an amount not to exceed \$16,059.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Amendment No. 1 to Services Agreement with Siemens Industry, Inc.