



Agenda Report

19-1129

Agenda Date: 1/15/2019

REPORT TO COUNCIL

SUBJECT

Action on an Agreement for Services with SEL Engineering Services, Inc. (SEL ES) for Phase Shifting Transformer (PST) Controller Upgrades and Finalization

BACKGROUND

In spring 2016, the Electric Department, Silicon Valley Power (SVP), placed in service a Phase Shifting Transformer (PST). The PST allowed SVP to increase its usage of the 230kV system which reduced the Transmission Access Charges (TAC) by approximately \$5-\$8 million per year. Since the PST's implementation, SVP has initiated minor design upgrades to the PST, including the PST controller, which will improve normal operation and further increase TAC savings. To accomplish this, additional programming and hardware is required to reconfigure the controller and devices. The proposed attached agreement will institute engineering and design services to implement these upgrades.

DISCUSSION

SEL ES is a licensed professional engineering firm and was retained by the City in May 2015 to assist with the implementation of the PST. SEL ES provided design and drafting services for SVP Switching Substation (SSS) PST and Northern Receiving Substation (NRS) 230kV relay upgrade projects, along with consulting services for the application of SEL ES's patented PST control system.

Based on SEL ES experience, proprietary design, and manufactured equipment, staff recommends that the City Council award a sole source contract to SEL ES to provide engineering services to upgrade and finalize the PST controller. Sole sourcing the Agreement is in accordance with Santa Clara City Code Section 2.105.330 (e)(2). This section provides for a sole source contract where the service or personnel is unique or the available contractors providing the service are few in number. The services described in the Agreement are only available from SEL ES as they are the manufacturers of the equipment and are solely authorized to perform programming in order for the City to maintain warranty and product replacement guarantees. SEL ES will also provide technical expertise in the development of manuals, onsite trainings, maintenance, and remote office support.

Staff recommends entering into an Agreement for Services with SEL ES for PST controller upgrades and finalization. The proposed scope of work is expected to be completed by June 2020, and once completed, is expected to result in additional TAC savings of approximately \$3 million per year.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301 "Existing Facilities" as the activity consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities mechanical equipment or topographical features involving negligible or no

expansion of use beyond that existing at the time of the lead agencies determination. The City filed a Notice of Exemption on September 13, 2013 with the County of Santa Clara.

FISCAL IMPACT

The proposed agreement is for a total not-to-exceed amount of \$315,000. The PST Project is currently budgeted in the FY 2018-19 Capital Improvement Plan (CIP).

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

RECOMMENDATION

Approve and authorize the City Manager to execute the Agreement for Services with SEL Engineering Services, Inc., in an amount not-to-exceed \$315,000, for the Phase Shifting Transformer Controller Upgrades and Finalization.

Reviewed by: Manuel Pineda, Interim Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement with SEL Engineering Services, Inc.