Brettle, Jessica

From: Ng, Judy
Sent: Thursday, May 30, 2019 3:06 PM
To: Council, City; ORG - Clerk's Office; ORG - Manager's Office; Council Agenda Email
Cc: Stump, Molly; Blackshire, Geoffrey; Eggleston, Brad; Batchelor, Dean; Auzenne, Tom; Yuan, Dave; Dueker, Kenneth; Jonsen, Robert
Subject: June 3 Council Agenda Questions for Items #4-6

Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to inquiries made by Council Member Tanaka in regard to the June 3, 2019 Council Meeting agenda.

- Item 4: Fire Station 3 Design Contract Amendment No.2
- Item 5: SV8 Equinix Lease Agreement
- Item 6: State Homeland Security Grant for Solar Generator

Item 4: Fire Station 3 Design Contract Amendment No. 2

1. **Shah Kawaski Architects have postponed this project 8 months and have cost the city $215,190 over what they originally promised. Does the city plan to work with this company again?**

   The initial expected schedule for Fire Station 3, which anticipated construction to begin in February 2017, was delayed due to the lengthy design review process with the Architectural Review Board (ARB). The design review process involved a study session with the Historic Resources Board (HRB), a preliminary hearing with the ARB, three Design Review Committee meetings with staff, and three formal hearings with the ARB. The base contract with Shah Kawasaki Architecture (SKA) did not reflect this lengthy process, and was amended in September 2018. The project is currently experiencing construction delays unrelated to any actions by SKA. Due to the current construction delay, SKA is incurring additional cost for attending project meetings, reviewing submittals, answering contractor questions, and conducting architectural observations.

SKA has performed very well to date. Their design for Fire Station 3 allowed the existing heritage trees on the site to be preserved and integrated into the final landscaping. Their design is also on track to receive LEED Gold even though only LEED Silver is required. SKA has solid experience designing fire stations, and they are experts on the fire codes and standard procedures relating to modern fire stations. Some of their recent projects include Oakland Fire Station 8, SFO Airport Fire Station No. 3, and San Mateo Fire Station No. 24. For future architectural service needs, the City would accept a proposal from SKA, and their performance on the Fire Station 3 project would not negatively impact the assessment of their proposal.

2. **Although Shah Kawaski Architects was the lowest bid, they did not do a proficient job and cost much more than they originally promised. How can we ensure the city does not choose a vendor who is so unreliable again?**

   SKA was ranked competitively against 7 other architectural firms based on the factors established by PAMC 2.30.410. Their proposal scored among the top 3, and they were selected for contract negotiations after interviews with all 3 top-scoring firms. This is not a low bid contract. Professional service contract costs are typically based on an estimated timeline or schedule. When factors outside of the control of the firm affect the timeline, additional contract budget is typically required. Staff believe that SKA is proficient and reliable. The additional cost is due to the additional time for construction and is not a result of SKA's performance or design.

Item 5: SV8 Equinix Lease Agreement

1. **Why is the city paying $625,465 for the same lease that costed $500,000 five years ago? Even with inflation rates, the city should be paying about $545,538 for this lease today if it costed $500,000 5 years ago. With this contract, we are paying about $79,927 more than before.**

   The increase in costs are due to:

   - A 20% increase in our overall cabinet capacity (raising the total number of cabinets from four to five).
   - A 5% annual cost escalator (CPI) for our leased cabinets and innerducts.

2. **What is the purpose of the innerducts? It is not specified in the report.**

   An innerduct is a dedicated conduit running from outside the Palo Alto Internet Exchange, through the building, to the cage containing the fiber optic cabinets and racks of the lessee. Because each innerduct is restricted in the number of fiber optic cables it can contain, it is critical to maintain sufficient innerduct capacity for current needs and future growth. Total innerduct capacity should match the projected cabinet and rack capacity of the lessee.

   In the 1996-2013 CPAU contracts with Equinix, innerduct costs were included in cage and cabinet leased cost. After 2014, Equinix disaggregated innerduct and rack costs and bills them separately. With the proposed 2019-2024 Equinix contract, CPAU staff proposes to continue leasing three innerducts to meet our long-term connectivity needs.

Item 6: State Homeland Security Grant for Solar Generator

1. **Doesn't it make more cost and efficiency wise to buy a gas powered generator that will provide power, even when the sun is out, or provide more power in a shorter amount of time?**

   The focus of this project is more on mobile Distributed Energy Resources (DER) than solar generation. This means that battery capacity is a key metric. We envision being able to "harvest" electricity from solar arrays or other large battery storage systems, such as the new micro-grid hosted by VMware or the proposed solar parking structures at the Airport, the Cal. Ave. area, and so on. Furthermore, fossil-fuel generators have the best efficiency when under a constant, optimized load. By connecting this Solar Generator to such a generator, one would see such benefits, much akin to a hybrid car.

2. **What kind of buildings are deemed critical?**

   The project addresses critical systems more than entire buildings. Such systems include the City's 9-1-1 Center, the Emergency Operations Center (EOC), the

Mobile Emergency Operations Center (MEOC), and could also include certain other infrastructure such as water pumps.

3. **What kind of disaster might these generators kick in during?**

   There are numerous emergency planning scenarios that the City has described here:www.cityofpaloalto.org/thira. This encompasses natural disasters, technological or accidental, and deliberate attacks. There are numerous national planning scenarios (cyber and so on) that envision a grid-down possibility for weeks or longer. It should be noted that the MEOC and certain other vehicles and systems are routinely deployed for planned events. The Solar Generator will obviate the need to run fossil-fuel generators to support such operations.

4. **How many kWh will this provide, and how long will it be able to last?**

   We anticipate that, looking at the current state of the art, that prospective bidders will propose around 500 kWh capacity. Run time is a function of load. For example, the MEOC's typical load is around 5 kW, meaning the Solar Generator can provide about 100 hours of run time. Any solar generation would offset that load and extend the run time.

Thank you,

Judy Ng

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