TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: MAY 5, 2008

DEPARTMENT: UTILITIES

CMR: 201:08

SUBJECT: APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH PACIFIC GAS & ELECTRIC CO’S LEARNING SERVICES DIVISION IN AN AMOUNT NOT TO EXCEED $450,000 FOR ELECTRIC AND GAS CONSTRUCTION TRAINING SERVICES FOR A TERM OF UP TO THREE YEARS

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager to execute the attached contract with Pacific Gas and Electric Company’s Learning Services Division in an amount not to exceed $150,000 for the first year, and authorize the City Manager to extend the contract annually for up to two additional years, subject to Council approval of sufficient funds and subject to Pacific Gas & Electric Company (PG&E) being responsive to the City’s needs.

DISCUSSION

Contract Description

Currently the City of Palo Alto’s Utilities Electric Operations utilizes PG&E’s Learning Services division in providing specific training for the City’s Lineperson Apprenticeship Program. Training provided by PG&E is recognized by the State of California, Department of Apprenticeship Standards.

The attached three-year contract provides the Utilities Operations Division with opportunities to establish needed apprenticeships and Gas Operator qualification certifications. In order to properly serve the City’s customers, Utilities must ensure that field staff are trained and all certifications are in compliance with State and Federal regulations.

The contract will enable the implementation of a succession plan which anticipates upcoming retirements of key personnel in the skilled workforce by preparing workers for next level positions.
This contract will provide needed training in the following areas:

**Gas Operations**  Operator-qualified certifications per Department of Transportation guidelines, ensuring that staff receive the federally mandated training and annual refresher training for the maintenance and operation of the City’s gas distribution system.

Welding certifications per Department of Transportation regulations, ensuring that staff receive proper initial instruction and refresher training to perform welding activities on the City’s gas distribution system.

Backhoe operation certifications ensuring that existing operators and new trainees receive proper instruction and refresher training in the procedures of digging around gas lines with heavy equipment.

**Electric Operations**  State-approved lineworker apprenticeship training including apprenticeship training for substation electricians, SCADA electricians, utility system operators, and electric meter technicians.

Staff has reviewed training opportunities with other Southern California utilities and a privately owned electric line college for electric utility workers. Staff recommends using PG&E’s Learning Services Division as the training source because of its unique ability to provide both electric and gas distribution construction and operations training and because it is the only local provider for these services. PG&E’s Learning Services Division is located in Livermore, so the travel costs will be much lower than costs for other schools. Additionally, the proximity of PG&E’s training facilities to Palo Alto permits staff to return quickly should a business emergency arise during the training day.

**RESOURCE IMPACT**
Annual cost of the program is $150,000 using existing Gas & Electric operations funding. Up to this point in time, Utilities Operations has maintained separate contracts for gas and electric distribution construction and operations training. However, creating a consolidated training contract will permit more effective and efficient training.

**POLICY IMPLICATIONS**
This recommendation is consistent with the Council-approved Utilities Strategic Plan Key Strategy A (reliability) and D (safety, retention and employee training).
ENVIRONMENTAL REVIEW
Approval of this contract does not require review under the California Environmental Quality Act (CEQA) because it does not meet the definition of a “project” pursuant to California Public Resources Code Section 21065.

ATTACHMENT
A: Contract

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