



City of Palo Alto

City Council Staff Report

(ID # 10494)

Report Type: Consent Calendar

Meeting Date: 9/9/2019

Summary Title: Amendment of Soudi Consultants Contract

Title: Approval of Amendment Number 1 With Soudi Consultants, Inc. for Electric Utility Engineering Services, Adding \$80,000 to Year 3 of the 3 Year-term, for a Total Not-to-Exceed Amount of \$330,000

From: City Manager

Lead Department: Utilities

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute Amendment No. 1 to Contract S17166321 with Soudi Consultants, Inc. (Attachment A) for professional electrical engineering services, to add an additional \$80,000 to the third year of the 3 year term, for a total amount not-to-exceed \$330,000 for the entire term.

Background

City of Palo Alto Utilities (CPAU) owns and operates the electric system serving approximately 30,000 customers. At the City's Colorado Power Station (COP), the system is fed from an 115,000 Volt (115kV) energy source which is stepped down to 60,000 Volts (60kV) as it enters the City's sub-transmission system, linking nine 12kV and 4kV distribution substations through the City's two switching stations. The failure of one of the three transformers at Colorado Power Station (COP-2) in June 2018 ([Staff Report 9562](#)) and its planned replacement has presented CPAU an opportunity to improve resiliency and reliability of the City's electrical transmission system by installing a dedicated high voltage, gas circuit breaker (GCB-2) for the transformer ([Staff Report 9912](#)). Accompanying the COP-2 transformer replacement is an upgrade to the electrical protection scheme to better protect this expensive asset. In conjunction with the addition of the new GCB-2 breaker, changes to the electrical protection system are required to better coordinate the electric CPAU system with PG&E's system. Soudi Consultants Inc. is currently assisting with this project, providing the specific expertise that Utilities Engineering needs to continue to meet these complex and technical design challenges and in order to be completed this fiscal year.

Discussion

The electrical engineering services provided in the past by Soudi Consultants, Inc., examples of which are given below, are in specific areas of expertise required to complete the critical tasks that do not exist in the CPAU engineering division. These include providing engineering support for necessary capital improvements that are a result of our 60kV sub-transmission breaker study, ongoing 60kV relay coordination projects, providing support and technical expertise for electrical interconnections at transmission and primary voltage levels, lending expertise to create relay settings templates, performing settings and coordination on the 60kV system to meet industry best-practices and regulations, and providing 12kV protection support, as needed.

The City's system is unique because, although PG&E has similar installations, our 115kV and 60kV configurations are compact with respect to each other, which requires more in-depth electrical coordination and design considerations. Soudi Consultants is also one of PG&E's primary electric protection consultants and therefore, has, and can continue to routinely provide a smooth interface in design and technical communication as our professional liaison on these projects. Soudi Consultants, Inc., also brings to the table state-of-the-art design knowledge based on current design practices and standards gleaned from their parallel work with PG&E, Silicon Valley Power, and other progressive, industry-leading agencies.

Projects Soudi Consultants, Inc., will work on:

- New Colorado transformer (COP-2), GCB-2, and station electric service installations, including new bus and transformer differential zones, protection schemes, design, testing/commissioning documents and engineering support.
- Review PG&E new relay settings and check coordination with applicable COP relays.
- Colorado 60kV bus and substitute breakers - incorporating into new bus and transformer differential zones.

On July 1, 2017 CPAU retained Soudi Consultants, Inc. for a 3-year term. FY 2020 is the third year term of the contract. Staff is requesting to amend the third year of the contract to increase funding from a not-to-exceed amount of \$85,000 to \$160,000. The third year contract was originally intended to include designs for refurbishing the transformers at Colorado Power Station, however due to the extended damage to COP-2 a transformer replacement is required; this includes the associated GCB-2 circuit breaker addition and necessary upgrades to accompanying 115kV and 60kV protection schemes at Colorado Electric Station. The original contract Scope of Work covers the necessary services and tasks, but the contract amount is insufficient to cover the unplanned replacement/upgrade of COP-2 and GCB-2. CPAU's goal is to complete these projects and bring the critical transformer COP-2 back online by December 2019.

Resource Impact

Current staffing levels to see this project through to completion in a timely manner and without affecting electric operations prevent City staff from being able to perform this work internally. Funding is available in the FY 2020 Electric capital budget and will be allocated from the following electric utility capital improvement projects:

- EL-19001, Colorado Power Station Equipment Upgrades - \$120k
- EL-17005, HCB Pilot Wire Upgrades - \$40k

Policy Implications

The approval of this Enterprise Fund professional services contract amendment is consistent with existing City policies. This recommendation is consistent with the Council-approved Utilities 2018 Strategic Plan ([Staff Report 9022](#)), especially the strategic objectives to: “Establish a proactive infrastructure replacement program, based on planned replacement before failure to support reliability and resiliency.”

Environmental Review

Council’s approval of the attached contract amendment is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to section 15302 (replacement or reconstruction of existing facilities) of the CEQA Guidelines.

Attachments:

- Attachment A: Soudi Consultants Engineering Amendment

**AMENDMENT NO. ONE TO CONTRACT NO.
S17166321, AGREEMENT BETWEEN THE CITY OF
PALO ALTO AND SOUDI CONSULTANTS, INC., FOR
PROFESSIONAL SERVICES**

This Amendment No. One (“First Amendment”) to Contract No. S17166321 (“Contract”) is entered into September 9, 2019, by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and SOUDI CONSULTANTS INC., a California Corporation located at 26 Sassafras Lane, San Ramon, CA (“CONSULTANT”). The Parties are collectively referred to herein as “Parties”.

RECITALS

A. The Parties entered into the Contract on July 1, 2017 for CONSULTANT to provide a variety of on-call engineering support services to the City’s Utilities Department, including 60kV breaker studies, 60kV, 115kV or 230kV interconnection studies, customized relay coordination studies, support for protection equipment upgrades, and staff training.

B. On June 7, 2018 the City’s Colorado Power Station Transformer (COP-2) was damaged by a bird strike, and on October 15, 2018 Council approved Contract C19173185 with Siemens Industry, Inc. to replace COP-2 (Staff Report Id #9562).

C. The need to replace COP-2 presented the City’s Utilities Department an opportunity to improve the resiliency of the City’s transmission system by installing a high voltage gas circuit breaker (GCB-2) with the replacement of COP-2, and on April 1, 2019 Council approved Contract C19184153 with Burns & McDonnell Engineering Company, Inc. to purchase and install the high voltage circuit breaker (Staff Report Id #9912).

D. The Parties now wish to amend Contract S17166321 with CONSULTANT to increase the contract amount for the 3rd and final year of the Contract to fund engineering support services associated with the unforeseen need to replace COP-2 and install the associated high voltage gas circuit breaker. The original Contract’s Scope of Work covers the necessary services and tasks, but the contract amount is insufficient to cover the unplanned replacement of COP-2.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this First Amendment, the Parties agree:

SECTION 1. “Section 4. NOT TO EXCEED COMPENSATION” is hereby amended to read as follows:

“SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (“SCOPE OF SERVICES”), and reimbursable expenses, shall not exceed Eighty Five Thousand Dollars/year (\$85,000/year) for the first two years, and One Hundred Sixty Thousand Dollars/year (\$160,000/year) for the third year, for a Not to Exceed amount of Three

Hundred Thirty Thousand (\$330,000). CONSULTANT agrees to complete all tasks in the SCOPE OF SERVICES, including reimbursable expenses, within this amount. The applicable rates and schedule of payment were established when the parties entered into the initial contract on July 1, 2017 and have not changed. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization from the CITY. Additional Services shall mean any work that is determined by CITY.

SECTION 2. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this First Amendment on the Amendment Effective Date.

CITY OF PALO ALTO

SOUDI CONSULTANTS INC.

City Manager or designee

By: _____

Name: _____

APPROVED AS TO FORM:

Title: _____

Assistant City Attorney