



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Utilities**

**Meeting Date: January 22, 2024**

Staff Report: 2310-2179

### **TITLE**

Approval of Purchase Order With Siemens Inc. in the Amount of \$489,527 for FY 2024 to Purchase Sixteen (16) 12KV Circuit Breakers for Hanover and Hansen Way Substations. CEQA Status: Exempt under CEQA Guidelines Section 15302 (Replacement of Existing Structures)

### **RECOMMENDATION**

Staff Recommends the City Council approve and authorize the City Manager or designee to execute a purchase order with Siemens Inc. in the amount of \$489,527 to purchase sixteen (16) 12 kV replacement power circuit breakers for Hanover and Hansen Substations.

### **BACKGROUND**

The circuit breaker is a device that interrupts high voltages and currents during switching or fault conditions on the distribution feeders. These devices require regular maintenance and routine testing to ensure proper operation. The circuit breakers in Hanover and Hansen Way Substations are still operational, however, they have exceeded their normal life of 30-40 years. Replacement parts are no longer readily available, and there have been instances where they have not operated properly after maintenance was completed. For these reasons, staff recommends these breakers be replaced with modern circuit breakers that can be retrofitted in the existing switchgear.

### **ANALYSIS**

The City's Utilities engineers evaluate distribution systems on an ongoing basis, including replacement of existing facilities. Staff has determined the only viable option for replacing the circuit breakers in Hanover and Hansen Way Substations is to use retrofitted breakers made by the original manufacturer, Siemens Inc. (Allis Chalmers was the original manufacturer prior to being purchased by Siemens, approximately 15 years ago). In 2021 the City entered into a sole source agreement with Siemens for \$30,575 to purchase one circuit breaker. On November 7, 2023, the City entered into a new sole source agreement with Siemens for \$489,527 to purchase 16 breakers. Sole source authorization was approved based on Palo Alto Municipal Code

2.30.350(d) only one of the sources available can meet requirements. As discussed above due to the physical restrictions and integrations with existing built facilities, staff has determined replacement of this circuit breaker equipment is best done with the original equipment manufacturer for the direct replacement units.

**FISCAL/RESOURCE IMPACT**

Funding for the \$489,527 to purchase the circuit breakers is available in the FY 2024 Electric CIP Budget under Capital Improvement Project EL-89044 (Substation Facilities Improvements.)

**STAKEHOLDER ENGAGEMENT**

Procurement of new 12 KV circuit breakers for City's substations does not involve or impact any stakeholders.

**ENVIRONMENTAL REVIEW**

This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15301 (repair, maintenance, of existing facilities) and 15302 (replacement or reconstruction of existing facilities).

**ATTACHMENTS**

Attachment A: Purchase Order

**APPROVED BY:**

Dean Batchelor, Director of Utilities

Staff: Tomm Marshall, Assistant Director of Electric Utilities