



## **CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL**

### **AGENDA ITEM**

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Report: Professional Service Agreement (PSA) for Owner's Engineering Services for the Development of Clean Energy and Storage Resources at City facilities, and to Study the Impact of Distributed Energy Projects on the City's Electrical Grid

1. Motion awarding a four-year PSA to Black & Veatch Corporation to provide Owner's Engineering services for solar energy and storage development at City-owned properties, and to study the impact of distributed energy projects on the City's electrical grid for an amount not to exceed \$894,700, rejecting all other proposals received for said project, and authorizing the Interim City Manager, or his designee, to execute the agreement.

### **COUNCIL ACTION**

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**Item Type:** Action Calendar

**Approved for** March 9, 2021 **calendar**

### **ADMINISTRATIVE ACTION**

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**Submitted by:**

Michael E. De Ghetto, P.E., Interim General Manager - Glendale Water and Power

**Prepared by:**

Daniel Scorza, Chief Assistant General Manager - Electric

**Reviewed by:**

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

**Approved by:**

Roubik R. Golanian, P.E., Interim City Manager

## **RECOMMENDATION**

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Glendale Water and Power (GWP) staff respectfully recommends that the City Council adopt a motion awarding a four-year Professional Service Agreement (PSA) to Black & Veatch Corporation to serve as the City's Owner's Engineer for solar and energy storage development of City-owned properties and to study the impact of distributed energy projects on the City's electrical grid, and rejecting all other proposals received, in an amount not to exceed \$894,700.

## **BACKGROUND/ANALYSIS**

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With the City Council's direction and support, GWP is developing, procuring, and installing clean energy resources for the City. As part of this process, GWP is working to install additional renewable generation resources within the City boundaries. This PSA will allow GWP to pursue the development of local, City-owned facilities to produce renewable solar energy and Battery Energy Storage Facilities (BESS). To maximize the effectiveness of the program, GWP intends to conduct a thorough analysis of the viability of City-owned sites for solar and BESS. The consultant will also complete one or more engineering analyses of the City's electrical distribution infrastructure to ensure the proposed new solar and storage assets, and other Distributed Energy Resources (DER), integrate into the GWP system effectively.

To supplement the City's electrical engineering resources and to expedite the process, a Request for Proposal (RFP) was issued on September 3, 2020 for an Owner's Engineer for Solar + Storage Development of City of Glendale Properties and Distributed Energy Resources Penetration Impact Studies. The RFP sought to retain an owners' engineer to evaluate City-owned sites for solar and storage development, and to prepare conceptual plans and detailed specifications for developing solar and battery storage on such facilities. The scope of work includes determining the requirements for development of such sites, preparing a schedule, plan, and Engineer's Estimate, and preparing technical requirements and specifications suitable for inclusion in one or more bids to be issued in the future to retain an Engineer, Procure, and Construct (EPC) contractor to develop the viable sites. In addition, the scope of work includes an initial and quarterly (or as needed) analysis of the DER penetration impact on the reliability and operation of GWP's distribution system.

The RFP was posted on the City's website and was also advertised on eBidboard, a construction services company. In turn, eBidboard sent the RFP to several project posting sites that do not require a subscription.

The RFP set forth the scope of the project and project performance criteria, as well as the minimum qualification for Proposers. The criteria and basis of selection of the Owner's Engineer were as follows:

- 30% - Approach and understanding of the RFP's requirements
- 30% - Qualifications and experience
- 30% - Overall cost
- 10% - Compliance with City's contracting requirements

The response to the RFP was excellent with GWP receiving proposals from nine engineering consulting firms. Base proposal prices ranged from \$415,000 to \$2,322,304. Staff evaluated the proposals based on the above-referenced criteria specified in the RFP. Based on the scoring criteria, proposals were ranked and the evaluation team held interviews with the top three proposers. The top three firms interviewed after the initial screening are listed below in order of the final ranking:

1. Black & Veatch Corporation - \$894,700
2. Electric Power Engineers, Inc. - \$684,291
3. Burns & McDonnell Engineering Company, Inc. - \$1,245,050

Based upon the review and scoring of all proposals and the interviews, staff found that the proposal submitted by Black & Veatch met the requirements of the request for proposal and demonstrated exemplary qualifications and experience for this project. Since 2019, Black & Veatch has served as the city's Owner's Engineer for the Limited Notice to Proceed phase for the Glendale Energy Center, and GWP is satisfied with Black & Veatch's services on that project. In comparison to the wide range of proposals, the Black & Veatch proposal encompassed the full scope of the RFP and the pricing proposal included pricing for owner's engineering services for over 100 City-owned sites. In comparison, the proposal from Electric Power Engineers provided pricing for engineering services for 50 sites. The proposal from Burns & McDonnell provided a separate fee per site for the plan development and technical specifications. These fees were not included in the total pricing proposal and would add an additional \$765,000 to the total price for the development of 50 sites.

Therefore, (GWP) staff respectfully recommends that the City Council adopt a motion awarding a four-year PSA to Black & Veatch to provide Owner's Engineering services for solar and energy storage development at City-owned properties, and to study the impact of distributed energy projects on the City's electrical grid for an amount not to exceed \$894,700, rejecting all other proposals, and authorizing the Interim City Manager, or his designee, to execute the agreement.

Should Council elect to approve award of the PSA described herein, GWP staff will work with the consultant to develop a schedule that will expedite the studies in order to shorten the time as much as possible to move forward with presenting specific viable projects to the City Council for development.

The award of a PSA for an Owner's Engineer for potential solar and energy storage development at City-owned properties, and to study the impact of distributed energy projects on the City's electrical grid is exempt from the requirements of the California Environmental Quality Act (CEQA). The proposed owner's engineering services are a planning effort that do not have a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. In accordance with Section 15061 and Section 15262 of the CEQA Guidelines, the action is categorically exempt from CEQA as a "project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted or funded."

Per Section 15262 of the CEQA Guidelines, the owner's engineering services do not "have a legally binding effect on later activities," and will take environmental factors into consideration.

### **FISCAL IMPACT**

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The proposed not-to-exceed cost of the proposed PSA is \$894,700.

Funds for the proposed contract are available in the following account:

<b>Account Description</b>	<b>Account No.</b>	<b>Estimated Amount</b>
Electric Depreciation Fund, GWP, ES New – Solar Design Built	43110-5830-GWP-0020-P0000-T0000-F0000 (GWP00463AN)	\$894,700

### **ALTERNATIVES**

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Alternative 1: The City Council may elect to adopt a motion awarding a four-year PSA to Black & Veatch to be an Owner's Engineer for solar and energy storage development at City owned properties, and to study the impact of distributed energy projects on the City's electrical grid in the amount not to exceed \$894,700, rejecting all other bids, and authorizing the Interim City Manager, or his designee, to execute the PSA.

Alternative 2: The City Council may elect not to award the PSA as recommended. This would delay the City's efforts to leverage City-owned properties for the development of clean energy resources, and it may negatively impact the City's electrical grid as other DER projects are installed if the grid is not analyzed and enhanced prior to their installation

Alternative 3: The City Council may consider any other alternative not proposed by staff.

### **CAMPAIGN DISCLOSURE**

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In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than ten percent interest in the company proposed for contract in this agenda item report:

Officers of **Black & Veatch**:

Full Name	Title	Business Address	City	State	Zip
Steven L. Edwards	Chairman and Chief Executive Officer	11401 Lamar Ave	Overland Park	KS	66211
Ken Williams	Chief Financial Officer	11401 Lamar Ave	Overland Park	KS	66211
Timothy W. Triplett	Board Director, General Counsel	11401 Lamar Ave	Overland Park	KS	66211

**EXHIBIT(S)**

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Not applicable.