

County of Santa Clara
Santa Clara Valley Health & Hospital
System
Agency Administration
Facilities



HHS13


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Submitted by: Susan Murphy
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DATE: June 4, 2002

TO: Board of Supervisors

FROM: 
Robert Sillen
Executive Director, Santa Clara Valley Health & Hospital System

SUBJECT: First Amendment to Service Agreement with Cupertino Electric Inc. for Professional Consulting Services
Related to Co-Generation Plant

RECOMMENDED ACTION

Approve Delegation of Authority to Director of Procurement to execute the First Amendment to the Service Agreement with Cupertino Electric, Inc. relating to technical and economic feasibility study consulting services, increasing the amount by \$100,000, modifying the scope of service, and extending the term through June 30, 2003, following approval by County Counsel as to form and legality.

FISCAL IMPLICATIONS

There is no fiscal impact to the General Fund as a result of this action. The funding for this agreement is included in Santa Clara Valley Medical Center's FY 02 Approved Budget and FY 03 Recommended Budget.

CONTRACT HISTORY

The Facilities Division established a Service Agreement with Cupertino Electric, Inc. (CEI) in the amount of \$95,000 for period August 23, 2001 through June 30, 2002 to provide a technical, economic feasibility, and environmental permitting study of a Central Power Plant (Co-Generation Plant) on the Santa Clara Valley Medical Center (SCVMC) Campus.

This is a Type I contract, subject to the Resolution of Contracting Principles adopted by the Board of Supervisors on October 28, 1997. The declaration of the contractor is on file with the department.

REASONS FOR RECOMMENDATION

In February 2002, the Finance and Government Operations Committee (FGOC) requested a more detailed analysis of the proposed Co-Generation Plant on the SCVMC campus. This analysis is beyond the scope of services of the existing agreement. The Board is being asked to approve this delegation of authority because the total compensation payable to this consultant will exceed \$100,000 in the current fiscal year.

Cupertino Electric developed and completed the study presented to the FGOC in February of 2002, and is familiar with the contents and requirements for this analysis. CEI is experienced in providing sophisticated electrical infrastructure and reliable power for critical use facilities, and has the capability and knowledge to continue and complete the detailed study. This additional analysis will be presented to the FGOC at its meeting in June of 2002.

BACKGROUND

In April 2001, the County's Emergency Energy Task Force (EETF) requested a report on the potential for developing a self-generation/co-generation plant on the SCVMC campus. At the time, the EETF was interested in mitigating the potential power shortages forecasted for California. Additionally, the EETF was anticipating further increases in the cost of electricity.

The County contracted with Cupertino Electric, Inc. to develop an economic study to examine the potential feasibility of a co-generation facility on the SCVMC campus. The preliminary study was completed in July of 2001. The EETF then directed GSA to obtain a second opinion/peer review of the SCVMC study. At the direction of GSA, the study was

forwarded to Kuhn and Kuhn (K&K) of San Francisco, for a peer review of the feasibility analysis and verification of assumptions. The K&K report was submitted for consideration to the EETF on October 21, 2001.

At that time, the EETF requested the study be expanded to develop a feasibility sensitivity analysis to include the spectrum of alternatives within the economic model. This report was presented to the Financial and Government Operations Committee (FGOC) on February 13, 2002, which had taken over the responsibilities of the EETF.

The FGOC requested additional economic information and directed SCVMC/GSA to consider the economic benefits of including the heat recovery system as part of the final study. This analysis will be presented to the FGOC at its June 2002 meeting.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended action will delay the evaluation of a possible Co-Generation Plant on the SCVMC campus.

ATTACHMENTS

- (Transmittal submitted on May 22, 2002 11:10:15 AM – PDF Version)
- first amendment (Agreements and Amendments)
- Original Agreement (Agreements and Amendments)