



City Council Report

Date: August 17, 2026
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Three-Year Term Contract with Two-Year Renewal Options for Electric Substation Infrastructure Work for the Energy Resources Department (Sole Source) **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Energy Resources Department and Procurement Services recommend awarding the contract to the sole source vendor, Reinhausen Manufacturing Inc., in an amount not to exceed \$1,000,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract is for specialized substation engineering, construction support, and technical services for the expansion, modification, and integration of electric substation infrastructure. Work includes coordination with existing substation design standards, protection and control schemes, equipment layout, and system integration to ensure compatibility with the City's current substation fleet and operational practices.

Reinhausen Manufacturing Inc. has constructed, tested, and commissioned all the City's substations and has provided ongoing support for these facilities. As a result, they possess extensive, hands-on understanding of the design, equipment, layouts, protection schemes, and operational characteristics of the City's substation system.

Use of an alternate contractor would require additional time for design interpretation, increase the potential for errors in installation and testing, and could impact the performance and reliability of substation infrastructure. This contract is specific to substation expansion, modification, equipment installation, testing, commissioning, and integration with existing facilities where direct experience with the City's system is critical. The City will continue to utilize competitively procured contracts for general construction and non-specialized work where appropriate.

Purchase Information

Action: Award

Procurement Type: Sole Source

Contract Number: 2026166

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years, subject to Administrative review and approval

Funding Source: Energy Resources Department budget through Electric Utility Operating and/or Utility Revenue Obligations Fund