



City Council Agenda Item

City Council Meeting Date: October 7, 2025

TO: Dean Albro, City Manager

FROM: Michael Luther, Utility Director
m_luther@ci.lompoc.ca.us

SUBJECT: Approval of First Amendment to Professional Services Agreement with Qualus, LLC

Recommendation:

Staff recommends the City Council approve and authorize the City Manager to sign a First Amendment to Professional Services Agreement (Agreement) with Qualus, LLC (Qualus) (Attachment 1) which modifies the following:

- 1) Extends the term to June 30, 2027; and
- 2) Increases the Not to Exceed amount in Fiscal Year (FY) 2025-26 to \$357,952.50 and the two-year combined Not to Exceed amount for FYs 2025-27 to \$570,000.00.

Background:

The City of Lompoc's Electric Division receives frequent outside requests from builders, developers and customers related to the City's electric utility that are technical in nature. These technical requests combined with the retirement of several management positions (the Utility Director and the Electric Division Manager) and the vacant Electrical Utility Engineer position caused Lompoc's management to express a need for outside specialized engineering technical assistance and guidance for the City's electric business operation.

Discussion:

On March 13, 2025, the City entered into a Professional Services Agreement with Qualus in the amount of \$220,000¹ (Attachment 2) to provide various Engineering Services as outlined in Exhibit A of the Agreement and summarized as follows with status:

¹ The Agreement was within the City Manager's purchasing authority at the time.

October 7, 2025

Approval of First Amendment to Professional Services Agreement with Qualus LLC

Page 2 of 4

Task 1: Electric Utility Management Augmentation – Qualus provides Electric Utility consultation services on an on-call and as-needed basis and coordinates with staff several times weekly to handle technical issues as they arise.

Task 2: Electric Utility's Rules, Regulations and Ordinance review and update recommendations – Qualus and Lompoc's Electric Division Estimator are nearly complete with draft revisions (Regulation 12 of 12) and are preparing to review, revise, and incorporate the newly added sections for Interconnections into an Ordinance for Utility Commission and City Council review.

Task 3: Advanced Metering Infrastructure (AMI) – Project Management/Construction Management Support – Qualus provided AMI project management support (this task is no longer required).

Task 4: Electric Distribution System Master Planning – Qualus along with staff have made significant strides in forecasting a 20-year plan. The next steps are to provide all grid projects by forecasted years to resolve forecasted overload conditions.

Qualus has provided steady progress in accomplishing the tasks for the overall Scope of Work. Additionally, Qualus has been supporting staff on the following items that are in addition to the original anticipated scope:

1. Gas Insulated Equipment removal program – staff with Qualus' support was able to coordinate the removal of nine gas insulated switches;
2. Pacific Northwest National Laboratory (PNNL) Study – Qualus is supporting Lompoc in meetings that involve the American Public Power Association and other technical groups;
3. Vandenberg Space Force Base – Qualus participated in combined City of Lompoc/Vandenberg meetings to discuss needs for resilience;
4. Generator Interconnection Reviews:
 - Santa Rita Hills Wine Center (225 kW interconnection request),
 - Walmart (800 kW interconnection request),
 - City Fleet (2200 kW interconnection study),
 - Linear Generator Application Support – Qualus evaluated the impact of the Linear Generator on Lompoc's electric grid and is to provide engineering support via developing relay settings for non-export generation;
5. Model data corrections – Qualus and staff were able to coordinate efforts to create an electric system model quickly, but it required over 4,000 disconnected elements which took over six weeks for corrections. Additionally, Qualus was able to provide Electric GIS with model exports which eliminated the need for approximately 6 months of manual database record corrections; and

October 7, 2025

Approval of First Amendment to Professional Services Agreement with Qualus LLC

Page 3 of 4

6. Five-year Distributed Energy Resources (DER) forecast – received a request to review load and potential DER impacts.

The Electric Division utilizes Qualus' services to provide consultation regarding planning, regulatory, grid modeling, and long-range forecasting projects for the City's electric utility. Qualus' work is currently focused on completing the electric model update, which will be used to forecast future infrastructure needs based on projected growth due to development, electrification requirements, or a variety of other variables such as solar power generators. Although not yet 100 percent completed, the electric model has already identified several areas of the grid where improvements can be made to improve reliability at minimal cost including the following:

1. Proposed fuse coordination and balancing of load on phases to reduce losses;
2. Feeder boundary switching to reduce the number of customers on any one feeder by balancing them among multiple feeders; and
3. Sectionalize feeder to improve reliability – one example is proposing reclosers on Feeder 202 (the feeder with the highest customer count) just south of the intersection of W. College Ave. and North V St. and a second recloser just east of W. College Ave. and North V St. This would prevent all customers from experiencing an outage that only affects a portion of the feeder. In some instances, over 3,000 customers would be spared an outage.

Fiscal Impact:

Appropriations to fund this requested change were included in the Electric Division adopted Biennial Budget Fiscal Years (FYs) 2025-27, with up to \$357,952.50 available in FY 2025-26 and a total of \$570,000.00 available over the two-year 2025-27 budget cycle.

With the elimination of Electric Utility Manager and Electric Utility Engineer position from the Biennial Budget FYs 2025-27 the Electric Division budget planned for additional consultant services needs and budgeted funds in account 752ELA-533050 and 752ELA-798640 to pay for these anticipated services.

Conclusion:

Staff requires access to qualified Electric Utility Engineers to provide consulting support for a variety of needs. Qualus' services are provided on an as needed time and material basis per the Agreement. City can ask for additional services or reduce the amount of service at any time as workloads shift. Staff seeks Council approval to extend the term of the Agreement to the end of the Biennial Budget FYs 2025-27 (June 30, 2027) and increase the Not to Exceed amount in FY 2025-26 to \$357,952.50 and the two-year combined Not to Exceed amount for the two-year FYs 2025-27 to \$570,000.00.

October 7, 2025

Approval of First Amendment to Professional Services Agreement with Qualus LLC

Page 4 of 4

Respectfully submitted,

Michael Luther, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) First Amendment to Professional Services Agreement
2) Professional Services Agreement