

CITY OF LOS ANGELES  
CALIFORNIA

HOLLY L. WOLCOTT  
Interim City Clerk

When making inquiries relative to  
this matter, please refer to the  
Council File No.



ERIC GARCETTI  
MAYOR

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

SHANNON HOPPE  
Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

March 14, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-1441,  
at its meeting held March 5, 2014.

A handwritten signature in black ink, appearing to read 'Holly L. Wolcott'.

City Clerk  
srb

TIME LIMIT FILES  
ORDINANCES

Mayor's Time Stamp  
OFFICE OF THE MAYOR  
2014 MAR -7 PM 4: 20  
CITY OF LOS ANGELES

City Clerk's Time Stamp  
CITY CLERK'S OFFICE  
2014 MAR -7 PM 4: 15  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

COUNCIL FILE NUMBER 13-1441 COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE March 5, 2014 LAST DAY FOR MAYOR TO ACT MAR 17 2014

ORDINANCE TYPE:  Ord of Intent  Zoning  Personnel  General  
 Improvement  LAMC  LAAC  CU or Var Appeals - CPC No. \_\_\_\_\_

SUBJECT MATTER: ESTABLISHMENT OF DESIGN-BUILD CRITERIA FOR THE HAIWEE POWER PLANT PENSTOCK REPLACEMENT PROJECT

	APPROVED	DISAPPROVED
PLANNING COMMISSION	_____	_____
DIRECTOR OF PLANNING	_____	_____
CITY ATTORNEY	_____ X _____	_____
CITY ADMINISTRATIVE OFFICER	_____	_____
OTHER	_____	_____

RECEIVED  
CITY CLERK'S OFFICE  
2014 MAR 13 AM 10: 33  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

MAR 12 2014

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR \*VETO MAR 13 2014  
(\*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

**(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)**

DATE RECEIVED FROM MAYOR MAR 13 2014 ORDINANCE NO. 182940

DATE PUBLISHED MAR 17 2014 DATE POSTED \_\_\_\_\_ EFFECTIVE DATE APR 17 2014

ORD OF INTENT: HEARING DATE \_\_\_\_\_ ASSESSMENT CONFIRMATION \_\_\_\_\_

ORDINANCE FOR DISTRIBUTION: YES  NO

ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to the establishment of design-build criteria for the Haiwee Power Plant Penstock Replacement Project.

Recommendations for Council, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the Board of Water and Power Commissioners' (Board) action of October 16, 2013, Resolution No. 014-078, recommending that the Los Angeles City Council's adoption by Ordinance of proposed design-build criteria to be used in the selection of a contractor for the Haiwee Power Plant Penstock Replacement Project.
2. PRESENT and ADOPT the accompanying ORDINANCE for the Haiwee Power Plant Penstock Replacement Project requesting the Los Angeles City Council to establish design-build criteria pursuant to Charter Section 371.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that concurring with Resolution No. 014-078 and the accompanying Ordinance will not have a fiscal impact; however, the ensuing contract will result in a total expenditure estimated to be approximately \$21 million which is included in the Multi-Year Expenditure Plan of the Los Angeles Department of Water and Power (LADWP) Power System Capital Budget for Fiscal Years 2013-14 through 2016-17. Concurring with the Resolution and Ordinance will have no impact on the City's General Fund. The proposed request complies with the LADWP's adopted Financial Policies.

Community Impact Statement: None submitted.

Summary:

On February 19, 2014, your Committee considered a October 21, 2013 Board, September 10, 2013 CAO, and December 9, 2013 City Attorney reports, Resolution No. 014-078, and Ordinance relative to the establishment of design-build criteria for the Haiwee Power Plant Penstock Replacement Project pursuant to Charter Section 371. According to the CAO, the LADWP is requesting approval of a proposed resolution, which authorizes by ordinance, the criteria for a Design-Build contract for the Haiwee Power Plant Penstock Replacement Project (Project) that the LADWP intends to award using a competitive sealed bid proposal method. The proposed Project serves both the Power System and Water System by providing hydro power to Haiwee Power Plant for generation of renewable energy and water supply to the Los Angeles Aqueduct 1. Included in the Project is the installation of approximately 10,000 feet of composite material penstock to replace the current steel penstock; although certain portions of the penstock will be refurbished rather than replaced. A penstock is a pressurized pipe or intake structure, which in this project, controls water flow to a hydroelectric generating system.

Also included in the Project is the installation of at least two high performance valves, an ultrasonic flow measurement system, and a vacuum/air release system. Approval of the proposed resolution, and accompanying ordinance, will specifically authorize the LADWP to: 1) establish criteria for the LADWP to award one Design-Build contract for the Project; 2) permit negotiations to allow clarifications and changes to the proposals, pursuant to a competitive sealed proposal method; and 3) award one Design-Build contract for design, engineering, procurement, and construction, for a term not to exceed three years, to a bidder with the lowest ultimate cost, as determined by the LADWP.

The LADWP asserts that a competitive sealed proposal with negotiations is necessary due to the complexity and technical details of the Project that make it impractical to write detailed specifications, advertise, open bids publicly, and award a contract without any clarifications, changes, or negotiations. Pursuant to Charter Section 371 (b), a vote of two-thirds the City Council approving the contract selection criteria is required to award a contract using a competitive sealed proposal method. The City Attorney has approved the proposed resolution and ordinance as to form and legality.

The Haiwee Power Plant, which is located in Owens Valley, consists of two 2.5 megawatt (MW) hydroelectric generating units originally constructed and put in service in 1926. The LADWP states that the original penstocks bringing water to the generating units were mostly riveted steel pipe. In approximately 1950, the original penstock was replaced with welded steel plate pipe. In 1984, approximately 1,690 feet of the Haiwee penstock collapsed due to an unexpected vacuum event. Partial restoration of the collapsed penstock was achieved by pressurizing the collapsed area and inflating the steel pipe; however, the restored section is highly distorted. In 2008, a third-party review was performed on the condition of the penstock that determined the penstock is in disrepair due to the 1984 collapse and corrosion. Additionally, the penstock has exceeded its service life and has no remaining safety margin. The review concluded that a total replacement of the penstock is necessary and advised utilizing fiber reinforced polymer composite (composite material) for the penstock instead of the current steel pipe. In 2010, the Power System recommended complete replacement of the penstock using fiber reinforced polymer composite material. Technical concerns regarding the composite material were reviewed by the Water System and a determination was made that the composite material meets or exceeds performance parameters when compared to steel.

Furthermore, a net present value study was completed by a third-party consultant, comparing steel to the composite material, concluded that the composite material was a more feasible option due primarily to lower maintenance costs. The absence of corrosion in composite material reduces the anticipated cost of maintaining the penstock. After considering both the technical aspects and the cost, both the Water System and Power System are in agreement to utilize a composite material for the penstock replacement. Composite material is not currently utilized by the LADWP for penstock or aqueduct applications; however, composite material pipe is utilized at other Power System projects including the Haynes Generating Station, Scattergood Generating Station, and Valley Generating Station.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend that design-build criteria be established for the Haiwee Power Plant Penstock Replacement Project pursuant to Charter Section 371 as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



**ADOPTED**

MAR 05 2014

**LOS ANGELES CITY COUNCIL  
TO THE MAYOR FORTHWITH**

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES

ARL  
2/19/14

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**