



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 3 6 1  
NOV 23 2016

**REPORT RE:**

**DRAFT ORDINANCE FOR THE HAIWEE PENSTOCK REPLACEMENT  
PROJECT REQUESTING THE LOS ANGELES CITY COUNCIL TO  
ESTABLISH DESIGN-BUILD CRITERIA PURSUANT TO SECTION 371(b)  
OF THE LOS ANGELES CITY CHARTER**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance authorizes the Board of Water and Power Commissioners to: (1) establish criteria for the Los Angeles Department of Water and Power (LADWP) to award an engineering-procurement-construction contract for the Haiwee Power Plant Penstock Replacement Project; and (2) permit negotiations to allow clarifications and changes to the proposals pursuant to a competitive sealed proposal method, for an exclusive term not to exceed three years, to a bidder or bidders with the lowest ultimate cost, as determined by LADWP.

The project will entail the advertisement of a Request for Proposal with one contract to be awarded at LADWP's discretion. The penstock is a large diameter pressurized pipe that conveys water from the South Haiwee Dam to the Haiwee Power Plant to generate renewable energy. The contract will be for the engineering, procurement and construction of a penstock composed of fiber reinforced polymer composite material to replace the existing steel penstock.

### Background

The Haiwee Power Plant is located in Owens Valley. The penstock serves the needs of both Power System and Water System by providing hydro power to Haiwee Power Plant for the generation of renewable energy and providing water supply to the City of Los Angeles as part of Los Angeles Aqueduct One.

A large portion of the existing penstock is in disrepair due to collapse and corrosion. A comprehensive third-party study conducted in 2008 found that the penstock had exceeded its service life and has no remaining safety margin. A 2010 net present value study concluded that composite material was the most feasible option. Approximately 10,000 feet of the penstock will be replaced, while some portions will be repaired and refurbished.

### Charter Compliance

This ordinance is transmitted for your approval pursuant to Charter Sections 371(b) and 674(a)(1). Pursuant to Los Angeles Charter Section 371(b), a vote of at least two-thirds of the City Council approving the contract selection criteria is required to award a contract using a competitive sealed proposal method. Pursuant to Charter Section 674(a)(1), the Board of Water and Power Commissioners shall have the authority, subject to approval by ordinance, to contract for the construction, ownership, operation and maintenance of facilities for the generation, transformation and transmission of electric energy.

### CEQA Determination

This proposed project is subject to the California Environmental Quality Act (CEQA), Public Resources Code Section 2100, et seq. As such, it is important to note that the Los Angeles Department of Water and Power Board of Commissioners (Board) has made no final determinations regarding the proposed project. The Board retains its full discretion to make a determination regarding the proposed project, including the selection of no project at all. The Board will review the CEQA analysis and make a determination pursuant to law. Bidders recognize and assume this risk. No contract shall be awarded prior to the completion of CEQA compliance.

### Recommendation

The City Administrative Officer analyzed and recommended approval of the Board resolution and Council consideration of the ordinance. The Board resolution was approved by the Board of Water and Power Commissioners.

Council Rule 38 Referral

This draft ordinance has been approved by the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney Eric Rosenblatt at (213) 367-4619. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By   
DAVID MICHAELSON  
Chief Assistant City Attorney

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Transmittal