

Los Angeles



Department of Water & Power

ERIC GARCETTI
Mayor

Commission
MEL LEVINE, *President*
WILLIAM W. FUNDERBURK JR., *Vice President*
JILL BANKS BARAD
MICHAEL F. FLEMING
CHRISTINA E. NOONAN
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

November 21, 2013

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Authorizes execution of Barren Ridge Renewable Transmission Project

Pursuant to Charter Section 371(b), 373 and 674, enclosed for approval by your Honorable Body is Resolution No. 014 098, adopted by the Board of Water and Power Commissioners (Board) on November 19, 2013, approved as to form and legality by the City Attorney, which authorizes execution of Barren Ridge Transmission Project Ordinance requesting the Los Angeles City Council to Establish Design-Build Criteria pursuant to Section 371(b) of the City Charter. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

A handwritten signature in black ink that reads "Barbara E. Moschos".

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
CAO Report
Ordinance

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

111 N. Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles, CA 90051-5700
Telephone: (213) 367-4211 www.LADWP.com

c/enc: Mayor Eric Garcetti
Councilmember Felipe Fuentes, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

WHEREAS, The State of California has established a Renewable Portfolio Standard (RPS) policy requiring the increased production and use of renewable energy (such as wind, solar, small hydroelectric, biomass, and geothermal energy); and

WHEREAS, in 2007, the City of Los Angeles Department of Water and Power (LADWP) prepared an energy resource planning document called the Power System Integrated Resource Plan (IRP) that provided a framework for ensuring the future electrical energy needs of LADWP. As a component to the IRP, LADWP has also adopted an RPS policy that matches the state's; and

WHEREAS, the City of Los Angeles "GREEN LA Plan" is an action plan to lead the nation in fighting global warming and reduce the City's greenhouse gas emissions to 35 percent below the 1990 levels by the year 2030; and

WHEREAS, one of the primary purposes for the Barren Ridge Renewable Transmission Project (BRRTP) is to assist LADWP in meeting its 2020 RPS goal which is to meet the renewable energy mandate of 33 percent by the year 2020. The implementation of the BRRTP would allow wind and solar resources to be transmitted to the Los Angeles Basin; and

WHEREAS, the Renewable Energy Transmission Initiative has identified the Tehachapi/Owens Valley area as one of several high quality renewable energy areas in Southern California. The BRRTP will allow LADWP to access the Tehachapi Mountains and Mojave Desert wind and solar resource areas; and

WHEREAS, LADWP intends to oversee the engineering, procurement and construction of two 230-kV Transmission Lines. One is a 65-mile 230-kV Double Circuit Transmission Line and the second is a 3-mile 230-kV Single Circuit Transmission Line. Both are to be built over flat, rugged, and steep geographic terrain to transmit power from the Barren Ridge Switching Station to the new Haskell Canyon Switching Station, and to transmit power from the Beacon Solar Project to Barren Ridge Switching Station; and

WHEREAS, because a large number of exceptions and clarifications is anticipated due to the complexity of the Project, LADWP wishes to utilize the competitive sealed proposal method to encourage prospective bidders to respond to the Request for Proposal, while maintaining the bidders' confidentiality of proprietary information and permitting clarification and negotiations after proposals have been opened; and

800 WHEREAS, LADWP desires to use a competitive sealed proposal method and follow criteria established by ordinance to award to the bidder specialized in high voltage transmission lines in steep terrain areas. During the negotiation phase, LADWP will ensure bidders fully understand that extensive environmental mitigation measures and a monitoring program are required by an agreement between the U.S. Department of Agriculture, Forest Service, the U.S. Department of the Interior, Bureau of Land Management, Kern County and LADWP; and mitigation measures for endangered species around the transmission line construction area, including access roads, staging areas and lay-down yards, are required by Incidental Take Permit Application to California Department of Fish and Game; and

WHEREAS, §371(b) of the Charter of the City of Los Angeles provides that as an alternative to an award pursuant to open and competitive bidding, a contract may be let pursuant to a competitive sealed proposal method, in accordance with criteria adopted by a two-thirds vote of the Council. The competitive sealed proposal method may permit negotiations in accordance with criteria as established by the Ordinance authorizing the use of such alternative method; and

WHEREAS, due to the complexity of the Project, the long lead time to acquire real estate and fabricate major components, scheduling uncertainties in the permitting process, and the possible inclusion of extended warranties, a Contract term not to exceed five years is requested under §373 of the Charter of the City of Los Angeles.

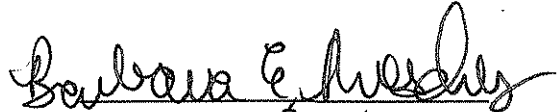
NOW, THEREFORE, BE IT RESOLVED that the Board of Water and Power Commissioners finds that adherence to the rule that the award be made to the lowest responsive and responsible bidder is not practicable or advantageous and that the competitive sealed bid proposal method is in the best interests of the City due to the complexity of the Project and the large number of exceptions and clarifications that can reasonably be anticipated for this type of project.

BE IT FURTHER RESOLVED that pursuant to Charter §1022, the services advertised for in this Request for Proposal are for expert services which require knowledge and skills that are not available within LADWP, and can therefore be performed more economically and feasibly by independent contractors than by City employees.

BE IT FURTHER RESOLVED that the Board of Water and Power Commissioners approves and recommends to the Los Angeles City Council adoption by Ordinance of the proposed criteria to be used in the selection of the contractor for the proposed BRRTP pursuant to §371(b) of the Charter and that the Board of Water and Power Commissioners be permitted to award the contract for said equipment and construction for a term not to exceed five

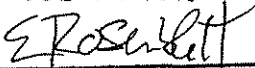
years without further approval by the Los Angeles City Council pursuant to sections 373 and 674 of the Charter.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held. NOV 19 2013

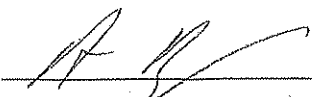
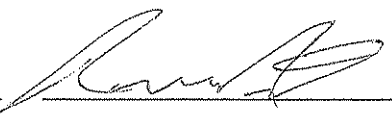

Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TANFANICH, CITY ATTORNEY
MICHAEL N. FEUER

JUL 10 2013

BY 
ERIC ROSENBLATT
DEPUTY CITY ATTORNEY

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: November 13, 2013
 ARAM BENYAMIN Senior Assistant General Manager Power System		SUBJECT: Barren Ridge Renewable Transmission Project Ordinance Requesting the Los Angeles City Council to Establish Design-Build Criteria Pursuant to Section 371(b) of the City Charter
 RONALD O. NICHOLS General Manager		
		FOR COMMISSION OFFICE USE: RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 371(b), 373 and 674	

- New Contract
- Replacement Contract
- Amendment to Existing Contract

PURPOSE

Transmitted for approval by your Honorable Board is a Resolution, approved as to form and legality by the City Attorney, recommending to the Los Angeles City Council approval of LADWP's design-build criteria for two 230-kV Transmission Lines for the Barren Ridge Renewable Transmission Project (Project),

The Ordinance will authorize LADWP to let a design-build contract pursuant to a competitive sealed proposal method permitting negotiations relating to the engineering, procurement, and construction of the Project based on the criteria established by the Ordinance. The Ordinance will authorize a term not to exceed five years for the contract.

Pursuant to a competitive sealed proposal method, design-build criteria adopted by the Ordinance will permit an award to a bidder specialized in the design, procurement, construction, and commissioning of 230-kV Transmission Lines. The sealed proposal method, per Los Angeles City Charter (Charter) Section 371(b), permits negotiations after proposals have been opened to allow clarifications and changes to the proposal.

Per Charter §371(a) and Los Angeles Administrative Code §10.47, the Local Business Preference Program will apply. The extended term of the contract, per Charter §373, is necessary because of the complexity of the Project, the long lead times to fabricate major components, schedule uncertainties in the permitting process, real estate land purchasing, and the possible inclusion of extended warranties in the contract.

The approach will be to advertise one Request for Proposal with one agreement which will be awarded in whole at LADWP's discretion. The contract will be for the engineering design of towers and access roads, transmission line equipment and material procurement, acquisition of technical services, and the construction of two 230-kV high voltage transmission lines and corresponding access roads.

The two high voltage transmission lines will be in flat, steep, and rugged terrain. The construction will be for one 65-mile transmission and fiber-optic line system, which would transmit the power from Barren Ridge Switching Station to the new Haskell Canyon Switching Station, paralleling an existing high voltage transmission corridor located in Kern County and Los Angeles Counties, and the second transmission line will run east approximately three miles to the new Beacon Solar Project located in Kern County. The transmission line design, material and equipment specifications will be prepared by LADWP personnel. Also, administration and management of the construction activities will be performed by LADWP personnel.

COST AND DURATION

The total estimated cost for the Agreement is approximately \$307 million. The duration of the proposed contract will not exceed five years.

BACKGROUND

The state of California has established a Renewable Portfolio Standard (RPS) policy requiring the increased production and use of renewable energy (such as wind, solar, small hydroelectric, biomass, and geothermal energy).

In 2007, LADWP prepared an energy resource planning document called the Power System Integrated Resource Plan (IRP) that provided a framework for ensuring the future electrical energy needs of LADWP. As a component to the IRP, LADWP has also adopted an RPS policy that matches the state's.

The City of Los Angeles "GREEN LA Plan" is an action plan to lead the nation in fighting global warming and reduce the City's greenhouse gas emissions to 35 percent below the 1990 levels by the year 2030.

The Project will assist LADWP in meeting its 2020 RPS goal which is to meet the renewable energy mandate of 33 percent by the year 2020. The implementation of the Project would allow wind and solar resources to be transmitted to the Los Angeles Basin.

The Renewable Energy Transmission Initiative has identified the Tehachapi/Owens Valley area as one of several high quality renewable energy areas in Southern California. The Project will allow LADWP to access the Tehachapi Mountains and Mojave Desert wind and solar resource areas.

Charter Section 1022

There is insufficient LADWP staff at this time to perform the work proposed to be contracted and additional staff cannot be employed and trained in a timely manner to meet the LADWP's needs.

Los Angeles City Council Approval

Pursuant to sections 371(a), 371(b), 373 and 674 of the Charter of the City of Los Angeles, approval by the Los Angeles City Council is required.

METHOD OF SELECTION

Competitive Cooperative Purchase Sole Source Single Source

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act and the National Environmental Policy Act, LADWP along with its federal co-lead agencies, the United States Forest Service and Bureau of Land Management, prepared a joint Environmental Impact Statement/Environmental Impact Report (EIS/EIR) to evaluate and disclose the potential environmental impact associated with the construction and operation of the Project. The Board of Water and Power Commissioners certified the EIR, adopted mitigation measures and approved the Project on September 18, 2012.

RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution recommending the Los Angeles City Council's approval by Ordinance to allow the use of competitive-sealed bid proposal method in accordance with §371(b), to allow a contract term not-to-exceed five years in accordance with §373, and to grant the Board the power to let a contract for a project transmitting electric energy in accordance with §674 of the Los Angeles City Charter for the Barren Ridge Renewable Transmission Project.

NW:gg

Attachments

e-c/att: Ronald O. Nichols
Richard M. Brown
Aram Benyamin
James B. McDaniel
Philip Leiber
Marvin D. Moon
Louis C. Ting
Eric C. Hartman
Eric G. Montag
Nwaoha T. Lumumba

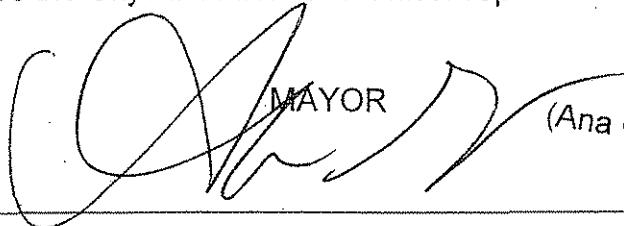
0150-08522-0002

TRANSMITTAL

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE NOV 14 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

ORDINANCE AUTHORIZING DESIGN-BUILD CRITERIA FOR A CONTRACT TO BE AWARDED USING A COMPETITIVE SEALED BID PROPOSAL METHOD AND THE BOARD OF WATER AND POWER COMMISSIONERS TO AWARD A CONTRACT WITHOUT FURTHER APPROVAL BY THE CITY COUNCIL FOR THE BARREN RIDGE RENEWABLE TRANSMISSION PROJECT

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


MAYOR
(Ana Guerrero)

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 5, 2013

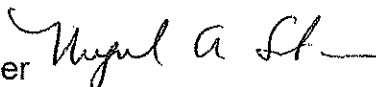
CAO File No.: 0150-08522-0002

Council File No.:

Council District: NA

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated October 16, 2013; referred by the Mayor for report on October 21, 2013

Subject: **ORDINANCE AUTHORIZING DESIGN-BUILD CRITERIA FOR A CONTRACT TO BE AWARDED USING A COMPETITIVE SEALED BID PROPOSAL METHOD AND THE BOARD OF WATER AND POWER COMMISSIONERS TO AWARD A CONTRACT WITHOUT FURTHER APPROVAL BY THE CITY COUNCIL FOR THE BARREN RIDGE RENEWABLE TRANSMISSION PROJECT**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution, which authorizes by ordinance, the criteria for a Design-Build contract for the Barren Ridge Renewable Transmission Project (BRRTP; Project) that the DWP intends to award using a competitive sealed bid proposal method. Completion of the new transmission lines will ultimately provide an increased power transmission capacity to support existing power generating stations including the three Owens Valley Gorge Hydro Power Plants, Pine Tree Wind Project, and Beacon Solar, in addition to the future wind and solar energy opportunities that could potentially be developed within the Tehachapi Mountains and Mojave Desert region.

DWP will provide significant support for the BRRTP including design, engineering, material, and equipment specifications, in addition to administration and management of the construction activities. However, the Department states it has a shortage of personnel to perform the specialized work proposed to be contracted and additional staff cannot be employed and trained in a timely manner. In accordance with Charter Section 1022, the proposed contract provides engineering, procurement, and construction of (i) a 230 kilovolt (kV) transmission line extending approximately 65-miles from Barren Ridge Switching Station to a new Haskell Canyon Switching Station; (ii) a 230 kV transmission line extending 3-miles from Barren Ridge Switching Station to the Beacon Solar Project; and (iii) access roads to service the new transmission tower locations.

Approval of the proposed resolution, and accompanying ordinance, will specifically authorize the Department to (1) establish criteria for DWP 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, procurement, and construction of two 230 kV transmission lines with a term not to exceed five years to a bidder with the lowest ultimate cost, as determined by DWP. The Department 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(a) and Los Angeles Administrative Code (LAAC) Section 10.47, the Local Business Preference Program will apply. 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. Furthermore, pursuant to Charter Sections 373 and 674, approval by City Council is required for long term contracts. The City Attorney has approved the proposed resolution and ordinance as to form and legality.

DESIGN-BUILD CONTRACT

The Design-Build criteria proposed for approval will permit an award to a bidder specialized in the engineering, procurement, and construction of 230-kV transmission lines. The new transmission lines are to be built over varying terrain including flat, rugged, and steep mountainous terrain to transmit power from the Barren Ridge Switching Station to a new Haskell Canyon Switching Station, and to transmit power from the Beacon Solar Project to Barren Ridge Switching Station.

The proposed contract duration is anticipated to be up to five years. DWP states that the extended term is necessary due to the complexity of the Project, the long lead time necessary to fabricate major components, schedule uncertainties relating to permits, land purchases, and the potential inclusion of extended warranties.

The current DWP rate structure provides funding for the proposed project in the multi-year capital expenditure program; however, the actual funding required is uncertain and will be determined following a review of the proposals submitted. DWP estimates the cost of the proposed contract to be approximately \$307 million. Costs of this proposed contract will be recovered through the Incremental Reliability Cost Adjustment Factor (IRCA) and will impact the average residential customer bill by approximately \$0.46 per month. The total estimated cost includes a 10 percent contingency for expenses that result from unforeseen conditions or uncertainties such as the land acquisition costs, permits, and potential environmental mitigation, as needed.

The Department states that a competitive sealed proposal with negotiations, in accordance with Charter Section 371(b), is necessary to allow DWP to obtain the best value for the Project. Furthermore, the technical details and complexity of the BRRTP make it not practical or feasible to write detailed specifications, advertise, open bids publicly, and award these contracts without any capability for clarifications, changes, or negotiations for this highly complex project. Consistent with Charter Section 371(b) competitive bidding requirements, Design-Build or other appropriate project delivery method may be used when justified by the type of project and approved by the contracting

authority. A benefit of the Design-Build contracting method (compared to the traditional Design-Bid-Build method) is the ability to overlap certain design and construction tasks and processes which offer a potentially reduced overall project duration.

BACKGROUND

In 2002, the California Legislature passed Senate Bill (SB) 1078 which established the California Renewable Portfolio Standard. SB 1078 requires privately owned utilities and encourages public owned utilities to increase their use of renewable energy resources until 20 percent of generation is obtained from renewables by the year 2017. Senate Bill SB2 1X, the California Renewable Energy Resources Act furthers SB 1078 by requiring both privately and publicly owned utilities, such as DWP, to increase their use of Renewable energy resources to 25 percent by the year 2016 and 33 percent by 2020. The DWP Board adopted the 2011 Integrated Resources Plan (IRP) which includes the following RPS Policy targets that achieve compliance with regulatory mandates:

RPS Policy and Compliance Targets	
Renewable Energy Amount (Average)	Compliance Targets
20%	Jan. 1, 2011 to Dec. 31, 2013
25%	Jan. 1, 2016 to Dec. 31, 2016
33%	Jan. 1, 2020 to Dec. 31, 2020
33%	Each year after 2020

DWP's IRP presents several potential strategies for meeting the regulatory requirements and policy objectives for increasing renewable energy generation and reducing greenhouse gases.

DWP asserts that a primary goal of the proposed Project is to assist the Department in achieving compliance with the RPS goals. Completion of the proposed Project will provide DWP with greater access to renewable energy resources from the Tehachapi Mountains and Mojave Desert areas for transmission to the Los Angeles basis.

The entire project spans a distance of approximately 75-miles from the Barren Ridge Switching Station (located north of Mojave), through the new Haskell Switching Station (located in the Santa Clarita Valley), and terminating at Rinaldi Substation (located in Granada Hills). The five main components of the BR RTP include:

- i) Construction of a 230 kV transmission line from the Barren Ridge Switching Station to Haskell Canyon;
- ii) Construction of a 230 kV transmission line from Haskell Canyon to the Castaic Power Plant;
- iii) Upgrade the existing Barren Ridge-Rinaldi 230 kV transmission line with greater capacity;
- iv) Construction of a new Haskell Canyon switching station near the southern boundary of the Angeles National Forest; and
- v) Expansion of the existing Barren Ridge Switching Station.

The above-mentioned aspects of the proposed resolution, ordinance, and this report, are based upon revised information received from the Department subsequent to the initial request submittal.

CONTRACTUAL COMPLIANCE

The City Attorney has approved the proposed resolution and ordinance as to form and legality. According to the Department, information regarding contractual compliance to the City policies and procedures will be available when the proposals are received and after the ordinance related to City Charter Section 371(b) is approved by the City Council.

CONCLUSION

Approval of the proposed resolution and ordinance authorizes the criteria for a Design-Build contract for the Barren Ridge Renewable Transmission Project, in addition to authorizing the DWP Board of Commissioners to award of a contract utilizing the approved criteria pursuant to Charter Sections 371(a), 371(b), 373, and 674 for a term not to exceed five years without further approval by City Council. In consideration of (i) the Department's request for authority to award a long term contract without further Council consideration, (ii) the uncertainty pertaining to the cost of this contract, and (iii) the potential impact to rates, this Office recommends that the DWP submit a report detailing the cost of this project to the Mayor and City Council at least 45 days prior to the award of a contract if the contract amount exceeds the \$307 million estimate provided by the Department. This recommendation is intended to ensure cost transparency for this multi-year project and to provide a limited time for review and analysis by the Mayor, City Council, and the Office of Public Accountability, if the contract cost exceeds the current estimate.

RECOMMENDATION

That the Mayor:

1. Approve the proposed resolution which: i) authorizes by ordinance the criteria for DWP to award one Design-Build contract for the Barren Ridge Renewable Transmission Project; ii) permits negotiations to allow clarifications and changes to the proposals, pursuant to a competitive sealed proposal method; and iii) authorizes the award of one Design-Build contract for design, procurement, and construction of two 230 kV transmission lines with a term not to exceed five years to a bidder with the lowest ultimate cost, as determined by DWP, pursuant to Charter Sections 371(b), and in accordance with Charter Sections 373 and 674 for long term contracts; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration and approval by a two thirds vote pursuant to Charter Section 371(b).
3. Request the Department of Water and Power to submit a report detailing the cost of this project to the Mayor and City Council at least 45 days prior to the award of a contract if the contract amount exceeds the \$307 million estimate provided by the Department.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution and ordinance will not have a fiscal impact; however, the ensuing contract will result in a total expenditure estimated to be approximately \$307 million which is included in the Multi-Year Expenditure Plan of the DWP Power System Capital Budget for fiscal years 2013-14 through 2017-18. Approval of the proposed resolution and ordinance will have no impact on the City's General Fund. The proposed request complies with the Department's adopted Financial Policies.

TIME LIMIT FOR COUNCIL ACTION

The City Attorney has advised that there is no time limitation on this action due to the ordinance approval requirement.

MAS:RPR:10140052

ORDINANCE NO. _____

An ordinance approving the Department of Water and Power's design-build criteria for a Project consisting of a new 230 kV Double Circuit Transmission Line from Barren Ridge Switching Station to the new Haskell Canyon Switching Station, and a new 230 kV Single Circuit Transmission Line from Beacon Solar Project to Barren Ridge Switching Station by award of a contract pursuant to a competitive sealed bid proposal.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Los Angeles Department of Water and Power (LADWP) may enter into one contract on a competitive sealed proposal basis, as provided herein, for the Barren Ridge Renewable Transmission Project (BR RTP).

Section 2. Contract negotiations may be engaged in by LADWP after proposals have been opened to allow clarification and changes in the proposal. LADWP shall take adequate precautions to treat each proposer fairly.

Section 3. Any decision by LADWP to use the competitive sealed proposal method permitting negotiations for contracts shall be supported by a written finding, supported by a written statement of facts, that adherence to the rule that the contract award be made to the lowest responsive and responsible bidder is not practical or advantageous. No award may be made utilizing this method to a proposer whose final proposal is higher as to the ultimate cost to the City than any other responsive proposal submitted.

Section 4. Proposals shall be solicited by the issuance of a Request for Proposal (RFP) to obtain bids from qualified firms or from firms at large. The RFP shall be published in the same manner as notices for public works contracts performed by LADWP. The RFP shall state the time and place at which the proposals will be received by LADWP. Proposals received after the time and date specified shall be returned and shall not be considered. LADWP retains the right to reject all proposals.

Section 5. Pursuant to City Charter Section 371 (a) & (b), the following design-build criteria and Local Bid Preference, approved by the Board of Water and Power Commissioners, Resolution No. _____, on file with the City Clerk, are hereby approved.

Section 6. The design-build criteria for this contract award shall be as follows:

- (a) Qualifications – Bidder’s proposal shall contain at a minimum the following:
- (i) Bidder’s experience in the designing, organizing, managing, scheduling and construction of high voltage transmission projects in flat, steep, and rugged terrain comparable to the double and triple circuit 230 kV Transmission Line Project;
 - (ii) Financial, labor, material procurement and equipment resources available for the Project;
 - (iii) Bidder’s labor, management, erection capability and equipment resources available for a double and triple circuit 230 kV Transmission Line;
 - (iv) Bidder’s safety record of Insurance Modifier Rate generally used by the insurance industry and based on OSHA reportable over the last five years;
 - (v) Whether Bidder has been debarred by a federal, state or local government agency from consideration for any contract;
 - (vi) Bidder’s experience in meeting stringent environmental requirements with respect to erosion control and working in sensitive endangered species area; and
 - (vii) Bidder’s capability in the planning and installation of a 230 kV temporary by-pass.
- (b) Bidder’s proposal shall provide proposed contract terms and conditions, and commercial factors for the 230 kV Transmission Line Project including:
- (i) Evaluated cost, including proposal prices, estimated lump sum cost, schedule of payments, future tower replacement and the time value of money;
 - (ii) Capability and resources to meet schedule requirements;
 - (iii) Quality assurance/control plan and program to ensure the quality of transmission towers, conductors, insulators and hardware assemblies installed for the Project;
 - (iv) Capability and resources to procure project specified equipment and materials;
 - (v) Insurance and performance bond requirements to manage the risk;
 - (vi) Liquidated damages to critical items such as milestone schedule;
 - (vii) Warranties and guarantees to make corrections due to defects and failures to function properly according to requirements;
 - (viii) Selection plan for sub contractors, including a certified list of

- prospective Small/Disabled Veteran/Minority/Women/Other Business Enterprises for use on the Project that meets the LADWP specified requirements and which is sufficient to ensure that fair practices are used in such selection;
- (ix) Safety program (Injury and illness prevention plan) and security program to meet federal, state and local safety requirements and;
 - (x) Authorized auditors to audit contractor, contractor's subcontractors, and suppliers; and
 - (xi) Authorized inspectors to perform examination, inspection and test of equipment, material and workmanship.
- (c) Bidder's proposal shall provide proposed technical factors including:
- (i) Scope of work for a complete and functional 65-mile, Double Circuit 230 kV Transmission Line that would transmit the power from Barren Ridge Switching Station to new Haskell Canyon Switching Station, paralleling an existing high voltage transmission corridor located in Kern County and Los Angeles Counties and a functional 3-mile, Single Circuit 230 kV Transmission Line that would transmit the power from Beacon Solar Project to Barren Ridge Switching Station, located in Kern County and;
 - (ii) Design capability in the areas of 230 kV Transmission Line to include, access roads, structure design, wire stringing plan, conductor offset calculations, and pulling/tensioning sites;
 - (iii) Construction plan to include qualified personnel and construction equipment to erect lattice structures and complete 230 kV Transmission Line installation including access roads servicing all tower locations;
 - (iv) Regulatory compliance to meet all local, state, and federal requirements;
 - (v) Application of the latest edition of design and construction standards and codes to install towers, conductors, insulators, and hardware assemblies for two complete and functional 230 kV Transmission Lines;
 - (vi) Demonstration of ability to design strict erosion control requirements for the construction of roads and transmission line located in very rugged steep terrain;
 - (vii) Demonstration of ability to work in a very sensitive endangered species area and to work effectively with LADWP designated field contact representative;
 - (viii) Demonstration of ability to design and build construction roads requiring unusually steep grades and unknown

- (ix) geotechnical soil conditions;
 - (x) Design and implement wire stringing plan;
 - (xi) Erection plan if helicopters are used for any part of the lattice tower construction work;
 - (xii) Implementation of a Construction Monitoring Program during all phases of construction;
 - (xiii) Preparation and implementation of Storm Water Pollution Prevention Plan based on a template plan provided by LADWP;
 - (xiv) Incorporation of design modifications and field changes and submittal of as-built drawings; and
 - (xv) Preparation and implementation of a guard structure plan to protect existing facilities.
- (d) Bidder shall submit the following:
- (i) A sealed cost proposal; and
 - (ii) A proposal security in the form of a cash deposit or proposal bond not less than 10 percent of the bid amount of the contract, as established by each proposal. Said deposit or bond shall be forfeited if a proposal is accepted but the responder fails to execute the contract; and
 - (iii) Other relevant information.
- (e) Bidder's proposals submitted for this effort will be evaluated against the following criteria ranked in order of relative importance, and pass or fail criteria:
1. Qualification of Firm
 2. Project Schedule
 3. Environmental Compliance and Approach
 4. Technical Compliance and Approach
 5. Project Cost
 6. Commercial Compliance
 7. Qualification of Personnel
 8. Project Management Approach
 9. Project Payment and Cancellation Schedule
 10. Local Bid Preference (additional to final score)
 11. Supplemental Information (additional to final score)
- Pass/Fail – SBE/DVBE Program Requirements
Pass/Fail – Financial Stability
Pass/Fail – Compliance With Minimum Requirements
Pass/Fail – Compliance With Mandatory Requirements
- (f) Set forth procedures applicable to discussions and negotiations

with bidders, including safeguards to preserve confidential and proprietary information supplied by bidders, and other appropriate precautions to treat each bidder fairly. Bidder's sealed cost proposal shall not be considered confidential nor proprietary information.

- (g) Procedures for acting on and indemnifying and holding harmless the LADWP with respect protests relating to solicitation, negotiation or award of the contract.
- (h) LADWP's other standard contract terms and conditions, including but not limited to the right to reject all bids, shall apply.

Section 7. For the agreement described in section 6, a Local Business Preference shall be applied. A proposer qualified as a Local Business shall be awarded additional points to the proposer's final score such that the score awarded to the proposer is increased by eight percent of the total possible evaluation points. To be qualified as a Local Business, a proposer must satisfy all of the following criteria, as certified by the Designated Administrative Agency, the Los Angeles Department of Public Works, Bureau of Contract Administration:

- (a) The business must occupy space within the County of Los Angeles. The business must submit proof of occupancy to the City by supplying evidence of a lease, deed or other sufficient evidence demonstrating that the business is located within the County.
- (b) The business must submit proof to the LADWP demonstrating that the business is in compliance with all applicable laws relating to licensing and is not delinquent on any Los Angeles City or Los Angeles County taxes.
- (c) The business must submit proof to the LADWP demonstrating one of the following:
 - (i) That at least 50 of full-time employees of the business perform work within the boundaries of the County at least 60 percent of their total, regular hours worked on an annual basis; or
 - (ii) That at least half of the full-time employees of the business work within the boundaries of the County at minimum of 60 percent of their total, regular hours worked on an annual basis; or
 - (iii) That the business is headquartered in the County. For purposes of the Local Business Preference, the term "headquartered" shall mean that the business physically

conducts and manages all of its operations from a location in Los Angeles County.

A business that has not yet established operations in Los Angeles and therefore is unable to qualify as a Local Business may, as an alternative, qualify as a Local Business on a provisional basis if the proposer satisfies all of the following criteria, as certified by the Designated Administrative Agency:

- (a) The proposed Contract between the proposer and the LADWP involves consideration valued at no less than \$1,000,000 and has a term of no less than three years;
- (b) The proposer can demonstrate that the proposer is a party to an enforceable, contractual right to occupy commercial space within the County and its occupancy will commence no later than 60 days after the date on which the Contract with the LADWP is executed. The proposer must demonstrate proof of occupancy or an enforceable right to occupancy in the County of Los Angeles by submitting to the LADWP a lease, deed or other sufficient evidence; and
- (c) The proposer can demonstrate that, before the proposer is scheduled to begin performance under the Contract with the LADWP, the proposer qualifies as a Local Business, by submitting proof to the LADWP that it meets the criteria of Subsection C of Section 10.47.2 of the Los Angeles Administrative Code. The proposer must demonstrate proof of ability to satisfy the requirements of Section 10.47.2(C) by submitting to the LADWP a business plan or other evidence deemed sufficient by the Designated Administrative Agency.

A business that does not qualify as a Local Business, but that identifies a qualifying Local Subcontractor to perform work under the Contract, shall be awarded a preference of up to five percent, provided the Local Subcontractor satisfies the criteria enumerated in Sections 10.47.2 and 10.47.7 of the Los Angeles Administrative Code. The score awarded to a proposer will be increased by one percent for every ten percent of the total cost of the proposed work under the Contract to be performed by a Local Subcontractor; provided that each Local Subcontractor, the work of the Local Subcontractor, and the cost of the work of the Local Subcontractor are specified clearly in the proposal. The maximum preference possible is five percent.

The preferences authorized under the Local Business Preference Program shall be subject to the following additional requirements:

- (a) Preferences awarded for services shall be applied only if the services are provided directly by the Local Business or Local Subcontractor using employees whose exclusive, primary working location is in Los Angeles County;
- (b) Preferences awarded for equipment, goods or materials shall be applied only if the Local Business or Local Subcontractor substantially acts as the supplier or dealer, or substantially designs, manufactures or assembles the equipment, goods or materials, at a business location in Los Angeles County. As used in this Section, "substantially" means not less than two thirds of the work performed under the Contract must be performed, respectively, by the Local Business or Local Subcontractor;
- (c) The maximum bid or proposal preference shall not exceed \$1,000,000 for any bid or proposal;
- (d) Preferences applied pursuant to the Local Business Preference Program shall be utilized solely for the purpose of evaluating and selecting the Contractor to be awarded the corresponding Contract. Except as provided in Los Angeles Administrative Code Section 10.47.9, the preference points shall in no way lower or alter the Contract price, which shall in the case of a proposal reflect the amount proposed by the Local Business in the proposal before the application of preference points;
- (e) This Section neither creates a right to receive a proposal preference, nor the duty to grant a proposal preference;
- (f) The LADWP may, at any time before the award of a contract, determine that it is not in the LADWP's best interest to grant a proposal preference and award the contract to the proposer eligible for the award without consideration of the provisions of this Section; and
- (g) This Section applies only to contracts that involve the expenditure of funds entirely within the City's control and shall not apply to contracts that involve the expenditure of funds that are not entirely within the City's control, such as state and federal grant funds, that due to legal restrictions prohibit its application.

Should a Local Business fail to maintain its Local Business status:

- (a) If for any reason the Contractor fails to qualify as a Local Business for more than 60 days during the entire term of the Contract, the LADWP shall be entitled to withhold or recover funds from the Contractor in an amount that represents the value of the Proposal Preference.
- (b) If for any reason the Local Subcontractor, providing the basis for a Local Subcontractor Preference, is unable to, or does not, perform the work under the Contract, the Contractor shall, within 60 days, replace that Local Subcontractor with another Local Subcontractor. If the Contractor is unable to replace the Local Subcontractor specified in the Contract with another Local Subcontractor within 60 days, the LADWP shall be entitled to withhold or recover funds from the Contractor in an amount that represents the value of the Proposal Preference.
- (c) For purposes of determining the value of the Proposal Preference in Subsections (a) and (b), above, the LADWP may withhold or recover the difference in proposal price between the Contractor's proposal and the proposal of the next most competitive proposer that did not receive the award of the Contract by the LADWP. In addition, the LADWP may withhold or recover any other additional cost or detriment to the City from the Contractor's failure to maintain the Contractor's Local Business status for more than 60 days during the term of the Contract.
- (d) If a Contractor fails to maintain the Contractor's Local Business status for more than 60 days during the term of the Contract, as specified in Subsections (a) and (b), above, the failure is subject to the recording and reporting requirements of Articles 13 and 14, Chapter 1, Division 10 of the Los Angeles Administrative Code.
- (e) The remedies available to the LADWP under this Section are cumulative to all other rights and remedies available to the LADWP.

Section 8. in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act, the Los Angeles Department of Water and Power along with its federal co-lead agencies the United States Forest Service and Bureau of Land Management, prepared a joint Environmental Impact Statement/Environmental Impact Report (EIS/EIR) to evaluate and disclose the potential environmental impacts associated with the construction and operation of the Barren Ridge Renewable Transmission Project. The Board of Water and Power Commissioners certified the EIR, adopted mitigation measures and approved the BR RTP on September 18, 2012.

Section 9. Pursuant to Charter Section 1022, the services advertised for

in this Request for Proposal are for expert services which require knowledge and skills that are not available within LADWP and can therefore be performed more economically and feasibly by independent contractors than by City employees.

Section 10. Notwithstanding any other ordinance, rule or law of the City of Los Angeles to the contrary, the Board of Water and Power Commissioners may award a contract or contracts using the aforementioned criteria pursuant to sections 371(a), 371(b), 373 and 674 of the Charter of the City of Los Angeles as to the equipment and services described in sections 1 and 6 for a term not to exceed 5 years without further approval by the Los Angeles City Council.

Section 11. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the Main Street entrance to City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by a two-thirds vote of the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____

ERIC ROSENBLATT
Deputy City Attorney

Date _____

File No. _____

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

OCT 11 2013

BY FOR REVIEW
ERIC ROSENBLATT
DEPUTY CITY ATTORNEY