



Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

Handwritten signature of Michael S. Webster in blue ink.

**MICHAEL S. WEBSTER**  
Executive Director – Power System  
Engineering and Technical Services

Handwritten signature of Marcie L. Edwards in blue ink.

**MARCIE L. EDWARDS**  
General Manager

**DATE:** January 21, 2016

**SUBJECT:** Amendment No. 2 to Agreement No. 47977 for Reclaimed  
Water Utilization Services, With WorleyParsons Group, Inc.

**SUMMARY**

This proposed Amendment No. 2 (Amendment) is to extend the term of the Agreement by 36 months to December 19, 2018. All other terms and conditions will remain the same, including the not-to-exceed amount of \$1,200,000 (budgeted).

This Amendment allows for the implementation of changes to the generating stations' water chemistry monitoring programs to meet industry standards. The extension of the Agreement also allows the execution of pilot tests that ensure the new modifications to the chemistry monitoring programs are properly implemented. Though the tasks completed by WorleyParsons under the Agreement have shown that it is feasible to utilize reclaimed water at the generating stations, implementing WorleyParsons' recommended changes to the monitoring program will improve the ability to detect variances in the water quality while conducting a pilot test will allow LADWP to monitor the effects of reclaimed water on the system, identify problems, and address unforeseen issues, with as minimal impact to operations as possible. Though LADWP will be implementing these changes, setting up the pilot tests, and monitoring the data during and after the pilot tests, the remaining tasks will require WorleyParsons' expertise and resources in interpreting the data and troubleshooting, as needed.

City Council approval is required in accordance with Charter Section 373.

## **RECOMMENDATION**

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of proposed Amendment to Agreement No. 47977 with WorleyParsons Group, Inc. (WorleyParsons), as required in Charter Section 373.

## **ALTERNATIVES CONSIDERED**

The alternative to the proposed Amendment is to develop, advertise and award a new contract. However, this alternative is not considered because WorleyParsons has already completed the preliminary assessments at LADWP's generating stations and has developed an expertise that guarantees continuity and consistency in completing the project requirements. Awarding to a new contractor at this stage in the project would require transition planning and additional assessments that could delay the project. An extension to the Agreement would therefore ensure uninterrupted services, which are crucial in completing the required feasibility assessments.

## **FINANCIAL INFORMATION**

The existing Agreement expires on December 19, 2015. The proposed Amendment extends the Agreement by 36 months to December 19, 2018, and will not affect the original not-to-exceed amount of \$1,200,000.

	Current Maximum Expenditure	Amendment No. 1	Requested Amendment No. 2	Amendment Maximum Expenditure
Original Contract Total (36 mos.)	\$1,200,000	-	-	\$1,200,000
Amendment No. 1 (24 mos.)		\$0	-	\$0
Amendment No. 2 (36 mos.)		-	\$0	\$0
<b>Revised Contract Total</b>	<b>\$1,200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,200,000</b>

## **BACKGROUND**

On December 20, 2010, LADWP's Board of Commissioners awarded Agreement No. 47977 to WorleyParsons for a term of 36 months. The services provided under this Agreement include engineering studies, which could potentially lead to additional potable water savings of up to 160 million gallons a year. However, the reclaimed water utilization project fell behind schedule due to unexpected delays in collecting historical plant operating data for analysis. As a result, on December 17, 2013, LADWP's Board of Commissioners approved Amendment No. 1 to extend the contract term by 24 months to a revised term of 60 months, from December 20, 2010, to December 19, 2015, with no changes to the maximum expenditure limit. Amendment No. 1 was adopted by the City Council on February 18, 2014.

To date, WorleyParsons has completed their assessments of the LADWP generating stations' steam cycle performance which will serve as a baseline for proposed pilot tests on the boiler water makeup system of select generating stations. WorleyParsons has also provided LADWP with its recommendations to meet industry standards. Though reclaimed water is successfully being utilized at other facilities, LADWP's chemistry monitoring programs are currently not in line with industry standards. In order to accurately monitor and troubleshoot the water chemistry, current industry practices require LADWP to install additional chemistry analyzers and automate data storage. Since LADWP continues to work on the implementation of the recommended improvements to the generating stations' steam cycle chemistry and monitoring programs, the pilot tests at select generating stations are projected to begin in late 2016 and end by June 30, 2018. The remaining tasks require WorleyParsons' assistance in interpreting the data and troubleshooting during the pilot tests as needed..

WorleyParsons has satisfactorily performed the services under the existing contract.

The City Administrative Officer Report, dated December 21, 2015, is attached.

### **ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that reclaimed water utilization services are exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

### **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Amendment to Agreement No. 47977 and the Resolution as to form and legality.

### **ATTACHMENTS**

- Procurement Summary
- Resolution
- Amendment No. 2 to Agreement No. 47977
- CAO Report Dated December 21, 2015