

COMMUNICATION FROM CHAIR, ENERGY AND ENVIRONMENT COMMITTEE relative to proposed Agreement No. 47068-2 (Amendment No. 1) with Alstom Power, Inc. (Alstom) in connection with the Castaic Power Plant Unit 7 Reliability Improvement Project.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' (Board) action of December 16, 2014, Resolution No. 15-107, approving Agreement No. 47068-2 (Amendment No. 1) with Alstom to extend the contract duration for one year, expiring February 7, 2016, at no additional cost in connection with the Castaic Power Plant Unit 7 Reliability Improvement Project.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Agreement No. 47068-2 with Alstom will have no fiscal impact. Funding for this agreement was previously approved by the Board of Water and Power Commissioners and included in the Los Angeles Department of Water (LADWP) and Power System Capital Budget as part of the Multi-Year Expenditure Plan. The proposed agreement complies with the LADWP's adopted Financial Policies. There is no impact on the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 15, 2015

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 13, 2015)

Summary:

On January 7, 2015, the Chair and one member of the Energy and Environment Committee considered December 17, 2014 Board and November 7, 2014 CAO reports and Resolution No. 15-107 relative to proposed Agreement No. 47068-2 (Amendment No. 1) with Alstom to extend the contract duration for one year, expiring February 7, 2016, at no additional cost in connection with the Castaic Power Plant Unit 7 Reliability Improvement Project. According to the CAO, the LADWP is requesting approval of Resolution No. 15-107 authorizing the execution of the First Amendment to competitively bid Agreement 47068-2 with Alstom in connection with the Castaic Power Plant (CPP) Unit 7 Reliability Improvement Project (Project). The Agreement provides engineering, procurement, and construction services to replace the CPP Unit 7 turbine, generator, and controls, along with the refurbishment or replacement of associated mechanical and electrical equipment.

In January 2012, the Board approved Resolution 12-158 which authorized the original three year Agreement expiring February 7, 2015, and provided expenditure authority of \$33.5 million. Approval of the Resolution and First Amendment will extend the contract duration by one year, expiring February 7, 2016, resulting in a cumulative contractual term of four years. The LADWP states that approximately \$23.4 million of the \$33.5 million funding has been expended through August 2014 and the Project is approximately 70 percent complete. The LADWP anticipates that the available \$10.1 million of funding is sufficient for the remaining scope of work. Consequently, this proposed resolution provides for an extension of time only and no additional funding is requested.

After consideration and having provided an opportunity for public comment, the Committee Chair moved to recommend approval of Agreement No. 47068-2 (Amendment No. 1) with Alstom and

concurring with Resolution No. 15-107. The matter is submitted to Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER FELIPE FUENTES, CHAIR

ENERGY AND ENVIRONMENT COMMITTEE

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

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1/7/15

-NOT OFFICIAL UNTIL COUNCIL ACTS-