

ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to a request from the Los Angeles Department of Water and Power (LADWP) for approval of Design-Build contract selection criteria for replacement of two Direct Current (DC) electrode cables as part of the Sylmar Ground Return System Replacement Project.

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

1. CONCUR with the Board of Water and Power Commissioners' (Board) action of June 7, 2016, Resolution No. 016-297, authorizing the Design-Build contract selection criteria for replacement of two DC electrode cables as part of the Sylmar Ground Return System Replacement Project.
2. PRESENT and ADOPT the accompanying ORDINANCE dated September 14, 2016 authorizing the Board to award an agreement pursuant to a competitive sealed proposal method to permit negotiations relating to the engineering, procurement and construction of a project consisting of the construction of two new DC cables, rated at a minimum of 25-kV, extending from Kenter Canyon Terminal Tower to the Santa Monica Bay, where it would continue to approximately three miles offshore at a new electrode array location.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed Ordinance will result in a total expenditure estimated at \$114 million which is included in the Power System Capital Budget as part of the Multi-Year Expenditure Plan. The LADWP will receive cost reimbursements estimated at \$68.4 million (60 percent) from the other Sylmar Converter Station participants resulting in a net estimated cost to LADWP of \$45.6 million. The proposed agreement complies with the LADWP's adopted financial policies and will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

Summary:

At a meeting held on November 2, 2016, the Energy and Environment Committee considered reports from the City Attorney, Board of Water and Power Commissioners, and City Administrative Officer, Resolution No. 016-297 and Ordinance relative to a request from the LADWP for approval of Design-Build contract selection criteria for replacement of two DC electrode cables as part of the Sylmar Ground Return System Replacement Project. After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	ABSENT
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	YES
O'FARRELL:	YES



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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**