



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Andrew C. Kendall in blue ink.

ANDREW C. KENDALL
Senior Assistant General Manager – Power System
Construction, Maintenance, and Operations

Handwritten signature of Martin L. Adams in blue ink.

MARTIN L. ADAMS
Chief Operating Officer

Handwritten signature of David H. Wright in blue ink.

DAVID H. WRIGHT
General Manager

DATE: February 9, 2017

SUBJECT: Amendment No. 1 to Contract No. 7422 for Construction of an
Electrical Underground Conduit System with Northwest Excavating Inc.

SUMMARY

The proposed Amendment No. 1 (Amendment) to Contract No.7422 is to add time and funds to allow LADWP and the contractor to complete construction of Scattergood-Olympic Cable A (Scattergood-Olympic Project). The term of the contract will be extended by 12 months, from December 31, 2016 to December 30, 2017 and will increase the contract's contingency fund amount by \$4,310,000 (budgeted).

This Amendment is necessary to address many unforeseen conditions encountered after the contract was awarded, the most significant of which were delays in LADWP and Northwest Excavating Inc. (Northwest) obtaining the proper permits for 2 jack-and-bore procedures as well as a high voltage bridge crossing. These permits took up to 11 months for review and approval due to Caltrans inexperience with these special construction methods and an extraordinary amount of required documentation (over 600 pages per submittal). Additionally, design changes were required and the project encountered stricter environmental requirements once construction commenced.

The Scattergood-Olympic Project will improve power system reliability by reinforcing the existing Scattergood Transmission System to enhance reliability of electric service to the western Los Angeles area, improve flexibility of the transmission system, comply with federally mandated standards, and reduce the need for emergency system repair.

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

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution and recommending the Los Angeles City Council's approval of the Amendment to increase the contingency fund by \$4,310,000, which would increase the Scattergood-Olympic Project amount from \$47,997,549 to \$52,307,549 and add a 12-month extension period from December 31, 2016, to December 30, 2017.

ALTERNATIVES CONSIDERED

There is no alternative to the Amendment. There is insufficient time to develop, advertise, and award a new contract or to use LADWP resources to perform the remaining work to complete this project. In addition, Northwest is currently installing substructures and conduits under the Scattergood-Olympic Cable Project. Therefore, it is critical to utilize Northwest to complete the installation of the remaining substructures and conduits. Without this amendment, there will be potential impacts to power system reliability.

FINANCIAL INFORMATION

The funds for this amendment are budgeted.

This Amendment will increase the contract limit as follows:

	Original Maximum Expenditure	Requested Amendment No.1	Amended Maximum Expenditure
Original (36 months)	\$47,997,549	0	\$47,997,549
Extension (12 months)	0	\$4,310,000	\$ 4,310,000
Contract Total:	\$47,997,549	\$4,310,000	\$52,307,549

Amendment No. 1 is required to extend the contract duration from December 31, 2016, to December 30, 2017, and increase the Scattergood-Olympic Cable Project's not-to-exceed amount from \$47,997,549 to \$52,307,549.

BACKGROUND

Contract No. 7422 was approved by the Board on November 7, 2013, for an amount not to exceed \$47,997,549 for a term of three years.

Currently, only one transmission line connects Scattergood Generating Station to Olympic Receiving Station K. The additional Scattergood-Olympic Circuit under construction consists of approximately 11.4 miles of 230-kV transmission cable. Upon completion, the second transmission line will reinforce the connection between Scattergood Generating Station and Olympic Receiving Station K, which will lead to increased power system reliability, improved operation of the transmission system,

compliance with NERC standards, and reduced need for system maintenance and repair.

This Amendment is necessary to complete the Scattergood-Olympic Cable Project.

Northwest has performed well under their current and past contracts.

The approved City Administrative Officer (CAO) Report is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), the environmental impacts associated with the Scattergood Olympic Transmission Line Project were evaluated in an Environmental Impact Report, which was certified by the Board of Water and Power Commissioners on July 17, 2012.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Amendment as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- CAO Report