

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 6, 2016

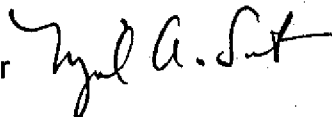
CAO File No.: 0220-05251-0000

Council File No.:

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated July 13, 2016; referred by the Mayor for report on July 18, 2016

Subject: **FIRST AMENDMENT TO AGREEMENT 47325-5 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND MBC APPLIED ENVIRONMENTAL SCIENCES, INC.**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the First Amendment to Agreement 47325-5 (Agreement) with MBC Applied Environmental Sciences, Inc. (MBC) for professional, scientific, and technical services relating to receiving water monitoring and related studies. The current Agreement, competitively bid in 2014, includes expenditure authority not to exceed \$8,000,000 and a three year term effective June 29, 2015 through June 28, 2018. No options to extend the term were included in the current Agreement.

Approval of the proposed resolution and Amendment provides DWP with two one-year extension options resulting in a new maximum term up to five years expiring on June 28, 2020. As of July 2016, DWP has expended \$1,033,000 of the \$8 million expenditure authority provided under this contract. As a result, no additional funding is requested.

DWP asserts the options to extend the contract are necessary to ensure continuity of scientific studies while the Department complies with several federal and state mandates. Additionally, National Pollutant Discharge Elimination System (NPDES) permits affecting three coastal DWP generating stations (Harbor, Haynes, and Scattergood) and the Castaic Power Plant require routine physical, chemical, and biological monitoring of receiving waters. Specific monitoring services provided by MBC include, but are not limited to: water column monitoring, sediment monitoring, fish impingement and mussel bio-accumulation studies, thermal studies, mixing zone studies, and other studies as deemed necessary for regulatory support and compliance.

Pursuant to Charter Section 373 and the Los Angeles Administrative Code Section 10.5, City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

ALTERNATIVES

The Department acknowledges a new request for proposals (RFP) could be issued before expiration of the current Agreement on June 28, 2018. However, continuing the services of MBC is crucial to ongoing negotiations with the California State Water Resources Control Board (SWRCB) regarding DWP's elimination of once-through-cooling (OTC) by December 31, 2020. DWP states that a successor contractor at this stage of negotiations is prohibitive due to the risk of disruption and delay during this process.

Furthermore, the process of developing an RFP and selecting a new contractor is anticipated by DWP to adversely affect its ability to handle regulatory compliance issues due to a limited availability of internal resources. The proposed amendment allowing the term to be extended up to two years is considered a more cost-effective use of internal resources.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing the First Amendment to Agreement 47325-5 with MBC Applied Environmental Sciences, Inc. providing DWP with two one-year extension options resulting in a maximum duration up to five years; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution continues the current expenditure authority not to exceed \$8,000,000 impacting the Power Revenue Fund and the Water Revenue Fund. The proposed Agreement complies with the DWP's adopted Financial Policies. Approval of the proposed resolution will not impact the City's General Fund.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.