



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Reiko A. Kerr in blue ink.

REIKO A. KERR

Senior Assistant General Manager – Power System
Engineering, Planning, and Technical Services

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: August 29, 2017

SUBJECT: Agreement Nos. 47439A, 47439B, 47439C, 47439D, 47439E, and 47439F for Professional, Technical, and Engineering Consulting Services – WorleyParsons Group, Inc., AECOM Technical Services, Inc.; Black & Veatch Corporation; HDR Engineering, Inc.; Integrated Engineers & Contractors Corporation; and Stantec Consulting Services Inc., Respectively

SUMMARY

The proposed Agreement Nos. 47439A, 47439B, 47439C, 47439D, 47439E, and 47439F (Agreements) for Professional, Technical, and Engineering Consulting Services with WorleyParsons Group, Inc. (WorleyParsons), AECOM Technical Services, Inc. (AECOM); Black & Veatch Corporation (Black & Veatch); HDR Engineering, Inc. (HDR); Integrated Engineers & Contractors Corporation (IEC); and Stantec Consulting, Services Inc. (Stantec) will provide intermittent, as-needed, professional, technical, engineering and training services to support the planning, development, and implementation of Power System initiatives, programs and projects for a term of five years and for a cumulative total amount not-to-exceed \$78,360,000 (budgeted). The proposed Agreements are the result of a competitive process under Request for Proposal (RFP) No. 90370.

The projects that will be supported by these Agreements are necessary in order to bring the Power System into compliance with new Federal Energy Regulatory Commission (FERC), North American Electric Reliability Corporation (NERC), and Western Electricity Coordinating Council (WECC) reliability standards while maintaining compliance with existing standards; projects to comply with enacted legislation, including renewable energy, electric vehicle, and energy storage regulations; Power System Reliability Program projects to renew aged infrastructure to industry standards; and efforts to introduce best industry practices to Power System planning, design, maintenance, and operations. Consultants will be required to transfer their expert knowledge and industry-specific experience.

The work assigned under these Agreements will be managed using the task management process where each task manager will be responsible for authorizing and approving the work in each task. The Contract Administrator will be responsible for overseeing the overall budget for the Agreements.

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

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of execution of Agreement Nos. 47439A with WorleyParsons, 47439B with AECOM, 47439C with Black & Veatch, 47439D with HDR, 47439E with IEC, and 47439F with Stantec.

ALTERNATIVES CONSIDERED

LADWP does not currently have enough staff, even with the use of overtime, to meet critical compliance deadlines for new FERC, NERC, and WECC reliability standards, legal compliance deadlines and Renewable Portfolio Standard (RPS) targets. The Power System will also be unable to satisfy the performance targets specified by the Board at its January 19, 2016 meeting, which typically require expenditures for key infrastructure projects to fall within 15 percent of budget.

FINANCIAL INFORMATION

These Agreements are for a term of five years with a cumulative not-to-exceed amount of \$78,360,000 for all six agreements. These funds are currently budgeted in the various groups responsible for these projects. The Agreements have no minimum expenditure requirement and there will be no impact on the City of Los Angeles' General Fund.

BACKGROUND

The work under the Agreements will be assigned through a competitively bid task management system on an as-needed basis. Knowledge transfer is a requirement for each contracted task so that specialized knowledge and expertise will be retained by

LADWP staff and the need for continued outside services will be reduced. This is particularly important where contracted work fills a knowledge gap in the expertise currently available in-house, such as would occur when developing and acquiring new power system technologies and practices.

The services covered under these Agreements primarily include professional, technical, engineering, and training services to support Power System projects, including:

- Resource Development Services for both renewable and conventional energy plans, including energy storage solutions.
- Generation, Transmission, and Distribution Services for planning studies; root cause analyses of major Power System events/failures; system protection and controls; WECC model validation testing and reporting; RPS certification, accounting, and maintenance; overhead, underground, and station engineering; and project management.
- Owner's Representative Services associated with generating stations; electric substations; high voltage alternating-current/ high voltage direct-current (HVAC/HVDC) converter stations; energy storage projects; physical security; critical infrastructure protection and cyber security compliance; distributed energy resources; electric vehicle programs; utility-built and Feed-In Tariff (FiT) solar programs and Solar Incentive Program; Net Energy Metering; energy efficiency; and other Power System projects.

Board actions have consistently upheld environmental stewardship alongside the safety, reliability, and cost-effectiveness of electric service. Policies have been adopted to meet the mandated Renewable Portfolio Standard (RPS) targets of 33 percent by 2020, 40 percent by 2024, 45 percent by 2027, and 50 percent by and beyond 2030. Senate Bill 100 (SB100), should it be enacted, would increase these RPS mandates to 45 percent by 2023, 50 percent by 2026, and 60 percent by 2030. SB100 would also establish the aspirational goal of 100 percent by 2045. The 2016-2020 electric rates provide for the replacement of aging infrastructure and the transformation of power supply necessary to satisfy the mandates. The work to be performed contributes toward LADWP's values and goals by:

- Increasing energy efficiency and reducing energy use 15 percent by 2020
- Accelerating the replacement of aged power equipment already serving well beyond their useful lives;
- Developing and acquiring renewable and lower emissions energy resources;
- Developing and upgrading transmission and distribution systems;
- Adding 178MW of energy storage capacity by 2021;
- Divesting LADWP of its interests in the coal-fired Intermountain Power Plant by 2025; and
- Developing and administering a 75MW FiT Program.

WorleyParsons, AECOM, Black & Veatch, HDR, IEC, and Stantec, have performed satisfactorily on current and previous Agreements.

The LADWP has entered into a Letter of Intent with the International Brotherhood of Electrical Workers, Local 18, related to these contracts, pursuant to Appendix B and D provisions of the Operation, Maintenance, and Services Unit and Supervisory Blue Collar Unit Memoranda of Understanding and Board Resolution No. 008-042.

The City Administrative Officer Report dated June 23, 2017, is attached.

ENVIRONMENTAL DETERMINATION

In accordance with Section 15060 (c)(3) of the California Environmental Quality Act (CEQA) Guidelines, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition of a project.

These Agreements will provide various professional, technical, engineering, and training support for several Power Systems projects, which will each comply with CEQA. However, awarding these contracts are not an action subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreements
- Letter of Intent
- CAO Report