

0150-11048-0000

**TRANSMITTAL**

TO David H. Wright, General Manager Department of Water and Power	DATE <b>JAN 19 2018</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**AGREEMENT 47430 WITH SUPERHEAT FGH SERVICES TO PROVIDE HEAT TREATMENT SERVICES**

Approved and transmitted for further processing including Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR Ana Guerrero

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: January 5, 2018

CAO File No.: 0150-11048-0000

Council File No.:

Council District:

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Communication from the Department of Water and Power dated December 4, 2017

Subject: **AGREEMENT 47430 WITH SUPERHEAT FGH SERVICES TO PROVIDE HEAT TREATMENT SERVICES**

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### RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing Agreement 47430 with Superheat FGH Services for a term of five years, with two one-year extension options, resulting in a total term of up to seven years and an expenditure authority not to exceed \$1,200,000; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing competitively-bid Agreement 47430 (Agreement) with Superheat FGH Services (Superheat) to provide heat treatment services of welds used on steel piping, valves, boilers, and pressure vessels at power generating stations. Heat treatment services are necessary for welds performed on new construction, repairs, and alterations. Furthermore, heat treatment services are mandatory for compliance with various building codes including (i) the American Society of Mechanical Engineers Boiler and Pressure Vessel Code and (ii) the DWP Welding Procedure Specifications and Quality Control System Manual.

DWP states this Agreement is necessary as it does not have the certified technicians and expertise to perform these services.

The term of the proposed Agreement is five years effective upon execution, with two one-year renewal options, for a total of seven years. The total expenditure authority is not to exceed \$1,200,000 over the seven year term. The fee schedule remains unchanged during the original five year term and increases incrementally during the optional sixth and seventh years of the Agreement.

Work will be performed on a task-order basis and there is no minimum payment required. Furthermore, the proposed Agreement can be terminated by DWP with 30 days written notice. Superheat has performed satisfactorily under previous agreements with DWP.

Council approval is required pursuant to Charter Section 373. In accordance with the Los Angeles Administrative Code Section 10.5, unless the Council takes action disapproving the proposed Agreement within 60 days of submission, the Agreement will be deemed approved. The City Attorney has approved the proposed resolution as to form and legality.

### **FISCAL IMPACT STATEMENT**

Approval of the proposed resolution will impact the DWP Power Revenue Fund. The proposed Agreement complies with the Department's adopted Financial Policies. There is no fiscal impact to the City General Fund.

*RHL:RR:10180054*