

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT relative to proposed Agreement No. 47430 with Superheat FGH Services, Inc. (Superheat FGH Services) for welding preheat and postweld heat treatment services.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of March 13, 2018, Resolution No. 018-167, authorizing Agreement No. 47430 with Superheat FGH Services for welding preheat and postweld heat treatment services for a term of five years with two one-year extension options and an expenditure authority not to exceed \$1,200,000.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Resolution No. 018-167 will impact the Los Angeles Department of Water and Power's (LADWP) Power Revenue Fund. The proposed Agreement complies with the LADWP's adopted Financial Policies. There is no fiscal impact to the City General Fund.

Community Impact Statement: None submitted.

Summary:

On March 20, 2018, your Committee considered March 14, 2018 Board and January 5, 2018 CAO reports and Resolution No. 018-137 relative to proposed Agreement No. 47430 with Superheat FGH Services for welding preheat and postweld heat treatment services. The Agreement provides for a term of five years with two one-year extension options and an expenditure authority not to exceed \$1,200,000. According to the CAO, Agreement No. 47430 will 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: the American Society of Mechanical Engineers Boiler and Pressure Vessel Code; and the LADWP Welding Procedure Specifications and Quality Control System Manual. The LADWP 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.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of Resolution No. 018-167 as detailed in the March 14, 2018 Board report and detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE

*Mary Martinez*

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

ARL  
3/20/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**