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REPORT NO. R 19 - 0207
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REPORT RE:

DRAFT ORDINANCE ESTABLISHING THE SELECTION CRITERIA FOR AND AUTHORIZING THE BOARD OF WATER AND POWER COMMISSIONERS TO AWARD A DESIGN-BUILD CONTRACT PURSUANT TO A COMPETITIVE SEALED PROPOSAL METHOD FOR THE BARREN RIDGE SWITCHING STATION STATIC VAR COMPENSATOR (SVC)/STATIC SYNCHRONOUS COMPENSATOR (STATCOM) PROJECT IN ACCORDANCE WITH SECTIONS 371(b) AND 674 OF THE LOS ANGELES CITY CHARTER

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance will specifically authorize the Los Angeles Department of Water and Power (LADWP) to: (1) establish criteria under a competitive sealed bid proposal to award a Design-Build contract for the Barren Ridge Static Var Compensator (SVC)/Static Synchronous Compensator (STATCOM) Project (Project); (2) permit negotiations after proposals have been submitted to allow clarifications and changes to the proposals; and (3) award in whole or in part a design-build contract for design, procurement, and construction of a SVC and/or a STATCOM project with a term not to exceed five years in accordance with criteria outlined in Los Angeles Charter Sections 371(b) and 674, and Los Angeles Administrative Code Section 10.47.

Pursuant to a competitive-sealed proposal method, design-build criteria adopted by the draft ordinance will permit an award to a bidder specialized in the design and manufacture of the Project and the construction and commissioning of the Project. The

sealed proposal method, per City Charter Section 371(b), permits negotiations after proposals have been opened and allows clarifications and changes to the proposal. Pursuant to Los Angeles City Charter Section 371(a) and Los Angeles Administrative Code Section 10.47, the Local Business Preference Program will apply. The five-year term of the contract is necessary because of the complexity of the Project, the lengthy duration to fabricate components, schedule uncertainties in the permitting process, and the possible inclusion of extended warranties in the contract. Los Angeles City Charter Section 674 requires City Council approval of the ordinance to authorize the LADWP Board to let a contract for a project transmitting electric energy.

Background

The Barren Ridge Renewable Transmission Project (BRRTP) was completed in 2016 and is a major component of LADWP's Integrated Resources Plan (IRP) and brings renewable wind and solar energy from the Mojave Desert to Los Angeles. The BRRTP is located in Kern and Los Angeles Counties and is 75 miles in length from the Barren Ridge Switching Station to Rinaldi Substation and 12 miles in length from Castaic Power Plant to the proposed Haskell Canyon Switching Station. Additional station improvements and expansions were recommended in the Environmental Impact Report (EIR) to maintain operational reliability due to transmission line constraints.

LADWP studies indicate that an SVC or STATCOM system is required at the Barren Ridge Switching Station to augment voltage with reactive power allowing for an increase in flow to support requests for energy in the Barren Ridge area and to meet LADWP's Renewable Portfolio Standards goals. A SVC device regulates and controls the voltage to the required set point under normal steady state and contingency conditions to ensure reliable service. A STATCOM is also a voltage regulating device that detects and instantly compensates for voltage fluctuations or flicker, as well as controls power factor.

LADWP proposes to build the Project with the support of a specialized contractor who has the expertise and proprietary knowledge to design and construct the Project.

Charter Compliance

This draft ordinance is transmitted for your approval pursuant to Charter Sections 371(b) and 674. Los Angeles Charter Section 371(b) requires a vote of at least two-thirds of the City Council approving the contract selection criteria to award a contract using a competitive sealed proposal method. City Council approval of the ordinance is also required under Los Angeles Charter Section 674 to grant the LADWP Board the power to let a contract for a project transmitting electric energy.

CEQA Findings

To comply with the California Environmental Quality Act (CEQA) Guidelines Sections 1508-15097 and 15164, an Environmental Impact Report (EIR) was previously adopted and addendum prepared. In accordance with CEQA, an EIR was prepared to analyze the impacts associated with the construction and operation of the BR RTP. On September 18, 2012, the Board of Water and Power Commissioners certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations; and approved the project which included several components, including an expansion of the Barren Ridge Switching Station. Since that time, changes to the project have been proposed, including an additional expansion of the station. The impacts of the revised project, for which this equipment is needed, were analyzed in an addendum to the EIR, which concluded that implementation of the changes to the BR RTP would not result in any new significant environmental impacts or a substantial increase in the severity of a previously identified significant impact.


Council Rule 38 Referral

The draft ordinance has been approved by the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney Mark Reusch at (213) 367-4619. He or another member this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By 
DAVID MICHAELSON
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DM/MR:jy
Transmittal