



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

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DAVID H. WRIGHT
Senior Assistant General Manager
Power System

A blue ink signature of Marcie L. Edwards, written in a cursive style, is positioned above a horizontal line.

MARCIE L. EDWARDS
General Manager

DATE: April 10, 2015

SUBJECT: Amendment No. 4 to Agreement No. 47941 With Systems Integrated, LP
for the Castaic Power Plant Control System Upgrade

SUMMARY

The purpose of this proposed Amendment No. 4 to Agreement No. 47941 (Agreement) is to extend the term for three additional years without any additional funding. All other terms and conditions of the Agreement will remain the same.

This proposed amendment is necessary to assure continuous services at Castaic Power Plant for the implementation of the Digital Control System (DCS). There were delays in completing the project as scheduled due to the complexity of the system, and difficulty obtaining unit outages. LADWP engineers and field labor created delays to integrate the new DCS due to additional upgrades for older equipment and increases to LADWP's scope. Originally, LADWP scheduled a maximum of two unit outages per year, but encountered unanticipated forced outages and power system demands limiting the number of unit outages per year, and delaying the schedule of control system upgrades for each unit. The delays created by LADWP resulted in delays for the contractor, Systems Integrated, LP (SI), who is providing hardware, software, test, and commissioning for the DCS.

Los Angeles City Council approval is required according to Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of Amendment No. 4 of Agreement No. 47941 per Charter Section 373.

ALTERNATIVES CONSIDERED

The alternative to the proposed amendment is to issue a Request for Proposal to award a new contract. However, it is not practical for a new contractor to complete the project.

If SI is not selected to do these modifications, then LADWP may be required to replace the entire control system, thereby incurring additional costs.

FINANCIAL INFORMATION

The Agreement currently expires on May 10, 2015, with a contract limit of \$13,574,555.42. The proposed Amendment No. 4 would extend the Agreement by three years to May 10, 2018, without exceeding the approved contract amount of \$13,574,555.42.

BACKGROUND

On May 11, 2010, the Board approved Resolution No. 010-275 allowing LADWP to enter into an Agreement with SI for a term of 36 months. Under the Agreement, SI is providing hardware, software, startup activities, and training in the implementation of the Castaic Power Plant Control System Upgrade. LADWP is providing engineering and field labor to install the new control system. SI has effectively provided knowledge and material in the implementation of the DCS. The new control system upgrade is approximately 70 percent complete.

On August 4, 2010, the Castaic Power Plant Unit 6 generator failed. The failure caused extensive damage to the generator stator and required immediate repair. As a result, equipment from Unit 1 was installed to repair the generator stator. Originally, Unit 1 outage was scheduled to start on October 1, 2011, but resulted in a one year delay for the mechanical and control system upgrades of Unit 1.

On June 7, 2011, the Board approved Resolution No. 011-294 thereby approving Amendment No. 1 to the Agreement. The purpose of the Amendment was to revise Article 302 of the Agreement to allow LADWP to approve invoices based on actual work performed.

On April 2, 2013, the Board approved Resolution No. 013-226 thereby approving Amendment No. 2, and Resolution No. 013-227 thereby approving Amendment No. 3 to the Agreement. The purpose of Amendment No. 2 was to issue a temporary extension of one year while waiting approval of the necessary Notice of Compliance for Amendment No. 3. The purpose of Amendment No. 3 was to include Cyber Security Version 3 into the DCS and add a two-year extension to the Agreement. The total Agreement cost was limited to \$13,574,555.42 and the duration extended to May 10, 2015.

Amendment No. 4 is being recommended for approval to provide continuous services for the implementation of the DCS. The complexity of integrating a new digital control system, inaccurate as-built drawings, engineering staff shortage, unit outage availability due to power system needs have resulted in delays.

The City Administrative Officer (CAO) report, dated February 17, 2015, is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the Castaic Power Plant Modernization Project is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

CITY ATTORNEY

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

ATTACHMENTS

- A. Procurement Summary
- B. Resolution
- C. Amendment
- D. CAO Report