

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 4 to Agreement No. 47941 with Systems Integrated LP (Systems Integrated) for the Castaic Power Plant Control System Upgrade.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' (Board) action of April 23, 2015, Resolution No. 015-189, approving Amendment No. 4 to Agreement No. 47941 with Systems Integrated for the Castaic Power Plant Control System Upgrade.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no additional fiscal impact, as proposed Amendment No. 4 to Agreement No. 47941 extends the term without exceeding the approved contract amount of \$13,574,555.42 from the Power Revenue Fund. The proposed Amendment complies with the Los Angeles Department of Water (LADWP) and Power's adopted Financial Policies. Approval of the proposed resolution will not impact the City General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - JUNE 25, 2015

(LAST DAY FOR COUNCIL ACTION - JUNE 24, 2015)

Summary:

On June 3, 2015, your Committee considered an April 27, 2015 Board and February 17, 2015 CAO reports and Resolution No. 015-189 relative to proposed Amendment No. 4 to Agreement No. 47941 with Systems Integrated for the Castaic Power Plant Control System Upgrade. According to the CAO, the LADWP is requesting approval of proposed Fourth Amendment to Contract No. 47941 (Agreement) with Systems Integrated to provide hardware, software, testing and commissioning for the Digital Control System (DCS) as part of the implementation of the Castaic Power Plant Control System Upgrade. This Amendment extends the contract term for an additional three years for a cumulative total term of eight years, expiring in May 2018. This Amendment extends the term without exceeding the approved contract amount of \$13,574,555.42. The DCS is 78 percent complete with approximately \$2,951,000 in available funding remaining.

The Amendment also agrees to approve a change order in the amount of \$322,450 for Systems Integrated's bonding and insurance costs, and project management and site support during the contract extension period. This amount is covered under the existing contract with contingency limits. The five year warranty for the DCS has expired and the Department has issued a request for proposal for this need. The LADWP executed the original Agreement, Resolution No. 010-275 on May 11, 2010, with a total expenditure authority of \$12,641,008 and a three year term, expiring in May 2013. Three months into the Agreement, the Castaic Power Plant UnH 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.

The Unit 1 outage was originally scheduled to start on October 1, 2011, creating a one year delay for the mechanical and control system upgrades of Unit 1. The proposed amendment is necessary to

assure continuous services at Castaic Power Plant for the implementation of the DCS. There were delays in completing the project as scheduled due to the complexity of the system. Additionally, LADWP engineers and field labor created delays towards integrating the new DCS due to additional upgrades for older equipment and increased scope.

The LADWP also encountered unanticipated forced outages and power system demands which created delays and altered the schedule of control system upgrades for each unit. These delays created by the LADWP resulted in delays for Systems Integrated.

The amendments to Agreement No. 47941 are summarized as follows:

- a. The First Amendment revised Article 302 of the Agreement to allow the LADWP to approve invoices based on actual work performed.
- b. The Second Amendment issued a temporary extension for one year while waiting for the approval of the necessary Notice of Compliance for the Third Amendment.
- c. The Third Amendment added Cyber Security Version 3 into the DCS, adding one additional year and \$933,547.42 in funding to the Agreement.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with Resolution No. 015-189 to approve the Fourth Amendment to Agreement No. 47941 with Systems Integrated. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	YES
KORETZ:	YES

ARL

6/3/15

-NOT OFFICIAL UNTIL COUNCIL ACTS-