

ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to requesting the Los Angeles City Council to establish design-build criteria in connection with the Barren Ridge Renewable Transmission Project pursuant to Charter Section 371.

Recommendations for Council, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the Board of Water and Power Commissioners' (Board) November 19, 2014 action, Resolution No. 014-098, requesting the Los Angeles City Council to establish design-build criteria in connection with the Barren Ridge Renewable Transmission Project pursuant to Charter Section 371.
2. PRESENT and ADOPT the accompanying ORDINANCE approving the Los Angeles Department of Water and Power's (LADWP) design-build criteria for a project consisting of a new 230 Kilovolt (kV) double circuit transmission line from Barren Ridge Switching Station to the new Haskell Canyon Switching Station, and a new 230 kV single circuit transmission line from Beacon Solar Project to Barren Ridge Switching Station by award of a contract pursuant to a competitive bid proposal.
3. REQUEST the LADWP to submit a report detailing the cost of this project to the Mayor and City Council at least 45 days prior to the award of a contract if the contract amount exceeds the \$307 million estimate that has been provided by the LADWP in its November 21, 2013 report, attached to the Council file.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that concurring with Resolution No. 14-098 and approval of the proposed Ordinance will not have a fiscal impact; however, the ensuing contract will result in a total expenditure estimated to be approximately \$307 million which is included in the Multi-Year Expenditure Plan of the LADWP Power System Capital Budget for Fiscal Years 2013-14 through 2017-18. Concurring with Resolution and approval of the proposed Ordinance will have no impact on the City's General Fund. The proposed request complies with the Department's adopted Financial Policies.

Community Impact Statement: None submitted.

On March 5, 2014, your Committee considered a November 21, 2013 Board, November 5, 2013 CAO, and December 9, 2013 City Attorney reports, Resolution No. 014-098, and Ordinance relative to requesting the Los Angeles City Council to establish design-build criteria in connection with the Barren Ridge Renewable Transmission Project pursuant to Charter Section 371. According to the CAO, the LADWP is requesting concurrence with a proposed Resolution (Resolution No. 014-098), which authorizes by Ordinance, the criteria for a Design-Build contract for the Barren Ridge Renewable Transmission Project (BRRTP) that the LADWP intends to award using a competitive sealed bid proposal method. Completion of the new transmission lines will ultimately provide an increased power transmission capacity to support existing power generating station including the three Owens Valley Gorge Hydro Power Plants, Pine Tree Wind Project, and Beacon Solar, in addition to the future wind and solar energy opportunities that could be potentially developed within the Tehachapi Mountains and Mohave Dessert region.

Resolution No. 014-098 and the accompanying Ordinance will speechify authorize the LADWP to: 1)

establish criteria for the LADWP to award one Design-Build contract for the Project; 2) permit negotiations to allow clarifications and changes to the proposals, pursuant to a competitive sealed proposal method; and 3) award one Design-Build contract for design, procurement, and construction of two 230 kV transmission lines with a term not to exceed five years to a bidder with the lowest ultimate cost, as determined by the LADWP. The LADWP asserts that a competitive sealed proposal with negotiations is necessary due to the complexity and technical details of the Project that make it impractical to write detailed specifications, advertise, open bids publicly, and award a contract without any clarifications, changes, or negotiations,

Pursuant to Charter Section 371 (a) and Los Angeles Administrative Code (LAAC) Section 10.47, the Local Business Preference Program will apply. Pursuant to Charter Section 371 (b), a vote of two-thirds the City Council approving the contract selection criteria is required to award a contract using a competitive sealed proposal method. Furthermore, pursuant to Charter Sections 373 and 674, approval by City Council is required for long term contracts. The City Attorney has approved the proposed resolution and ordinance as to form and legality.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with Resolution No. 014-098 and approving the accompanying Ordinance which would establish design-build criteria in connection with the Barren Ridge Renewable Transmission Project pursuant to Charter Section 371 as detailed in the November 21, 2013 Board report. This matter is submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

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

ARL
3/5/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-