

Los Angeles  Department of Water & Power

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Mayor

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BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
*General Manager*

December 18, 2013

The Honorable City Council  
City of Los Angeles  
Room 395, City Hall  
Los Angeles, California 90012

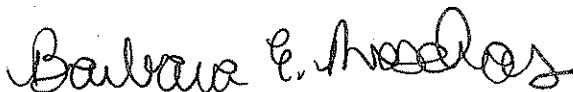
Honorable Members:

Subject: Amendment No. 1 to Agreement No. 47977 with WorleyParsons Group, Incorporated

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 014 120, adopted by the Board of Water and Power Commissioners on December 17, 2013, approved as to form and legality by the City Attorney, which authorizes execution of Agreement No. 47977 (Amendment No. 1) with WorleyParsons Group, Incorporated to provide reclaimed water utilization services. This Amendment will extend the contract by 24 months. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Barbara E. Moschos  
Board Secretary

BEM:oja

Enclosures: LADWP Resolution  
Board Letter  
CAO Report  
Amendment No. 1 to Agreement No. 47977

c/enc: Mayor Eric Garcetti  
Councilmember Felipe Fuentes, Chair, Energy and the Environment Committee  
Gerry F. Miller, Chief Legislative Analyst  
Miguel A. Santana, City Administrative Officer  
Rafael Prieto, Legislative Analyst, CLA  
William R. Koenig, Chief Administrative Analyst  
Winifred Yancy

RESOLUTION NO. 014 120

**WHEREAS**, WorleyParsons Group, Incorporated (WorleyParsons) was awarded Agreement No. 47977 on December 20, 2010, to provide reclaimed water utilization services for three years; and

**WHEREAS**, the Los Angeles Department of Water and Power's (LADWP) Power System recommends approval of Amendment No. 1 to Agreement No. 47977 with WorleyParsons to extend the contract period by 24 months to a revised term of 60 months, from December 20, 2010, to December 19, 2015; and

**WHEREAS**, the amount authorized for Agreement No. 47977 of \$1,200,000 is to remain unchanged; and

**WHEREAS**, Agreement No. 47977 is necessary and proper to maintain necessary support level for various LADWP projects and continue knowledge transfer for existing personnel; and

**WHEREAS**, the term of Agreement No. 47977 exceeds the total contract time period set by ordinance, and in accordance with City Charter Section 373, City Council approval is required.

**NOW, THEREFORE, BE IT RESOLVED** that Amendment No.1 to Agreement No. 47977, approved as to form and legality by the City Attorney and on file with the Secretary of the Board, between LADWP and WorleyParsons, be and the same is hereby approved.

**BE IT FURTHER RESOLVED** that pursuant to City Charter Section 1022, the services to be performed are of a temporary and expert nature and can be performed more economically or feasibly by WorleyParsons as LADWP personnel do not have the appropriate expertise in the specified technical fields and the equipment to perform these type of services.

**BE IT FURTHER RESOLVED** that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.

**BE IT FURTHER RESOLVED** that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or Acting Secretary of the Board be and they are hereby authorized, empowered, and directed to execute said Amendment No. 1 to Agreement No. 47977 for and on behalf of LADWP upon approval by the City Council.

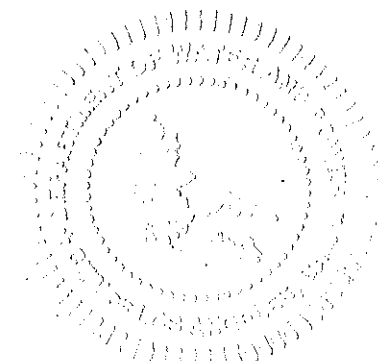
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **DEC 17 2013**

Barbara E. Mascha  
Secretary


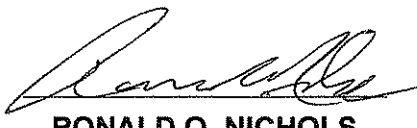
APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

SEP 09 2013

BY Dirk P. Broersma  
DIRK P. BROERSMA  
DEPUTY CITY ATTORNEY



**LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER**

<b>TO: BOARD OF WATER AND POWER COMMISSIONERS</b>	<b>DATE: December 9, 2013</b>	
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">   <b>ARAM BENYAMIN</b>                  Senior Assistant                  General Manager –                  Power System             </div> <div style="text-align: center;">   <b>RONALD O. NICHOLS</b>                  General Manager             </div> </div>  <hr/> <hr/>	<b>SUBJECT:</b>  <b>Amendment No. 1 to Agreement No. 47977</b> <b>Reclaimed Water Utilization Services</b>  Recommended Contract With:  WorleyParsons Group, Incorporated Folsom, CA	
	<b>FOR COMMISSION OFFICE USE:</b>  <b>RESOLUTION NO. _____</b>	
<b>CITY COUNCIL APPROVAL</b> REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<b>IF YES, BY WHICH CITY</b> <b>CHARTER SECTION: 373</b>	

- New Contract
- Replacement Contract
- Amendment to Existing Contract

**PURPOSE**

Transmitted for approval by your Honorable Board is a Resolution, approved as to form and legality by the City Attorney, recommending to the Los Angeles City Council (City Council), approval of Amendment No. 1 (Amendment) to Agreement No. 47977 (Agreement) between LADWP and WorleyParsons Group, Incorporated (WorleyParsons) to provide reclaimed water utilization services.

This Amendment assures continuous reclaimed water utilization services for LADWP. These services are being used to complete engineering studies related to the reclaimed water utilization project. This Amendment will support the LADWP by assisting in determining whether reclaimed water can safely and reliably be used as a potable water substitute at LADWP's generating stations.

This Amendment will extend the contract period by 24 months to a revised term of 60 months, from December 20, 2010, to December 19, 2015. There will be no increase in funding; the total contract limit remains unchanged at \$1,200,000.

## **COST AND DURATION**

The total contract limit remains unchanged at \$1,200,000. Currently, LADWP's contract expires on December 19, 2013. LADWP is requesting to extend the contract term for an additional period of 24 months to December 19, 2015.

## **BACKGROUND**

In March 2010, LADWP issued a Request for Proposal for reclaimed water utilization services. On December 20, 2010, the Board of Water and Power Commissioners awarded Agreement No. 47977 to WorleyParsons for reclaimed water utilization services. This Agreement incorporated a term of three years with a termination date of December 19, 2013, and a not-to-exceed amount of \$1,200,000.

As water supplies diminish, LADWP continues to lead the way in potable water demand-reduction programs. In an effort to reduce its own potable water consumption, the Department has been working to substitute reclaimed water for potable water at its generating stations. Such substitutions include irrigation, cooling water, boiler feed water, evaporative cooler water, and other industrial applications. Due to the high purity water requirements associated with these applications, detailed evaluations and testing are required prior to the implementation of reclaimed water. It is uncommon for reclaimed water to be used as boiler feed water due to the complexity of reclaimed water and the additional water treatment processes needed to meet the required water quality limits. As such, LADWP continues to show its commitment to the environment by going above and beyond standard industry practices.

The Agreement is currently utilized to assist the reclaimed water utilization project in its goal to determine if reclaimed water can be safely, and reliably, substituted for potable water at LADWP's generating stations. Due to unexpected delays in obtaining and converting operational data, the project was delayed causing it to fall outside of the Agreement's contract period. This Agreement is currently scheduled to expire on December 19, 2013, while the reclaimed water utilization study is estimated to be completed on June 30, 2015. The outlying project tasks include operator and engineer training, generating station cycle chemistry improvements, generating station monitoring program improvements, and reclaimed water pilot testing. All of these tasks require WorleyParsons' assistance and the use of this Agreement. In anticipation of unforeseen project delays, we are requesting that the Agreement be extended to December 19, 2015.

Under this Agreement, WorleyParsons can provide water quality services, water treatment services, and treatment equipment services. These services include investigations, inspections, studies, and evaluations of water quality, water treatability, water utilization, steam cycle chemistry, steam purity, water treatment equipment, reclaimed water implementation cost estimates, equipment performance evaluation, process monitoring and testing, and pilot projects. These services are required in the ongoing engineering studies to safely utilize reclaimed water as a potable water substitute. Additionally, WorleyParsons has agreed to maintain pricing through the extended contract period.

The total water usage of LADWP's generating stations is estimated to be 1524 million gallons per year (MGY). Reclaimed water accounts for 707 MGY of the total water usage and is currently utilized for cooling towers and irrigation. The reclaimed water utilization project can potentially substitute an additional 317 MGY of potable water for reclaimed water.

#### Charter Section 1022

Consistent with City Charter Section 1022, LADWP personnel do not have the skills and equipment to perform the type of work specified in this Agreement, making it more feasible to be performed using outside professionals services.

Per Charter Section 373, City Council approval is required. Accordingly, attached is the City Administrative Officer report.

#### **M/W/O/SB/DVBE SUBCONTRACTING PARTICIPATION**

WorleyParsons has not been able to participate in any subcontracting actions since all task assignments involved engineering studies and technical consultation which are considered to be part of their main business.

#### **ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that reclaimed water utilization services are exempt, pursuant to the General Exemptions described in CEQA Guidelines Section 5061(b)(3), where it can be seen with certainty that there is no possibility that the services provided may have a significant effect on the environment.

Board of Water and Power Commissioners  
Page 4  
December 9, 2013

**RECOMMENDATION**

It is requested that your Honorable Board adopt the attached Resolution recommending the City Council approval of Amendment No. 1 to Agreement No. 47977 between LADWP and WorleyParsons.

VBP:sk

Attachments

e-c/att: Ronald O. Nichols  
Richard M. Brown  
Aram Benyamin  
James B. McDaniel  
Philip Leiber  
Gary Wong  
Marvin D. Moon  
Vito B. Pasquariello



POWER SYSTEM

DEC 10 2013

EXECUTIVE OFFICE

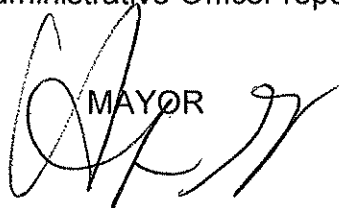
0150-10087-0000

**TRANSMITTAL**

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE DEC 06 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**PROPOSED RESOLUTION AUTHORIZING FIRST AMENDMENT TO AGREEMENT NO. 47977  
BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND  
WORLEYPARSONS GROUP, INCORPORATED**

Approved and transmitted for further processing including Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR (Ana Guerrero)



REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: November 5, 2013

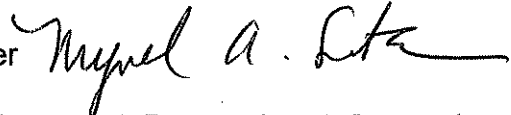
CAO File No.: 0150-10087-0000

Council File No.:

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated September 19, 2013; referred by the Mayor for report on October 3, 2013

Subject: **PROPOSED RESOLUTION AUTHORIZING FIRST AMENDMENT TO AGREEMENT NO. 47977 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND WORLEYPARSONS GROUP, INCORPORATED**

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### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the execution of the First Amendment to Agreement No. 47977 (Agreement) with WorleyParsons Group, Incorporated (WorleyParsons) for reclaimed water utilization services. Approval of the proposed amendment will extend the current three year Agreement with an additional two years resulting in a five year term, expiring on December 19, 2015; however, no additional expenditure authority is requested. WorleyParsons has agreed to maintain pricing through the extended contract term. Pursuant to Charter Section 373, for long term contracts, City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

In support of water conservation goals, the DWP is determining its own ability to reduce potable water usage by substituting reclaimed water in irrigation, equipment operation, and other industrial applications. On December 20, 2010, the DWP Board of Commissioners (Board) awarded the competitively bid original Agreement to WorleyParsons to conduct reclaimed water utilization services to determine whether reclaimed water can be safely and reliably substituted for potable water at DWP power generating stations, which could result in a reduction of potable water usage by approximately 160 million gallons per year. The original Agreement included a term of three years, expiring December 19, 2013, and a not-to-exceed expenditure authority of \$1,200,000.

Due to delays in obtaining and converting project data, the timeline for completing the water utilization services was impacted and extended beyond the contract term. It is estimated that the completion of the services will require an additional 18 months although this request includes 24 months to allow for unforeseen project delays. The reclaimed water utilization services that require WorleyParsons assistance and continuation of this Agreement consist of (i) Operator and engineer training, (ii) Generating station cycle chemistry improvements, (iii) Generating station

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monitoring program improvements, and (iv) Reclaimed water pilot testing.

The above-mentioned aspects of the proposed First Amendment, and this report, are based upon information received from the Department subsequent to the initial request submittal.

## **RECOMMENDATION**

That the Mayor:

1. Approve the proposed resolution authorizing the execution of the First Amendment to Agreement No. 47977 with WorleyParsons Group, Incorporated, that extends the term two-years resulting in a five-year term, expiring on December 19, 2015; and
2. Return the proposed resolution to the Department for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed resolution will have no impact on the DWP Power Revenue Fund or the City's General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

## **TIME LIMIT FOR COUNCIL ACTION**

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

*MAS:RPR:10140082*

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Amendment No. 1  
Agreement No. 47977  
Between  
Los Angeles Department of Water and Power  
And  
WorleyParsons Group, Incorporated

THIS AMENDMENT NO. 1 to Agreement No. 47977 (Agreement) is made and entered into by and between the City of Los Angeles, a municipal corporation acting by and through the Los Angeles Department of Water and Power, (LADWP) and WorleyParsons Group, Incorporated (WorleyParsons).

WHEREAS, on December 20, 2010, LADWP and WorleyParsons entered into the Agreement, wherein WorleyParsons agreed to assist LADWP to provide reclaimed water utilization services; and

WHEREAS, the Agreement is necessary and proper to maintain necessary support level for various LADWP projects and continue knowledge transfer for existing personnel; and

WHEREAS, LADWP and WorleyParsons are desirous of amending the Agreement for the purpose of extending the contractual period by 24 months to a revised term of 60 months, from December 19, 2013, to December 19, 2015.

NOW, THEREFORE, LADWP and WorleyParsons agree to amend the Agreement as follows:

1. Page 4, Section 201 Term of the Agreement, is now amended to read: "The term of this Agreement shall commence, provided the events identified in Exhibit E, PSC-4 have occurred, upon execution of this Agreement by all Parties hereto and shall terminate **60 months** thereafter, subject to the termination provisions herein. Performance shall not begin until the Consultant has obtained Department approval of insurance required herein."
2. Page 2, Section 102.1A, Authorized Representatives, is now amended to read: "The authorized representatives of the Department shall be, unless otherwise stated in the Agreement:

Ms. Karen A. Iseri, P.E.  
Manager of Generating Station Engineering  
Power System Engineering Division  
City of Los Angeles  
Department of Water and Power  
111 North Hope Street, Room 1141  
Los Angeles, California 90012-2694  
Facsimile Number: 213-367-2716

With copies to:

Mr. Nabil A. Assaf, P.E.  
Engineer of Generation Mechanical Engineering III  
Power System Engineering Division  
City of Los Angeles  
Department of Water and Power  
111 North Hope Street, Room 1141  
Los Angeles, California 90012-2694  
Phone Number: 213-367-2245"

3. Page 3, Section 102.1B, Authorized Representatives, is amended to read:  
"The authorized representatives of the Consultant shall be:

Mr. Bob Anders  
Manager of Operations, WorleyParsons Power  
2330 E. Bidwell, Suite 150  
Folsom, CA 95630  
E-mail: [bob.anders@WorleyParsons.com](mailto:bob.anders@WorleyParsons.com)

And

Mr. Kim Stucki  
Project Manager  
2330 E. Bidwell, Suite 150  
Folsom, CA 95630  
E-mail: [kim.stucki@worleyparsons.com](mailto:kim.stucki@worleyparsons.com)"

Except as amended herein and as previously amended, all terms and conditions of Agreement shall remain the same and are incorporated herein as if fully set forth.



IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Agreement No. 47977 to be executed by their authorized representatives on the day and year written below.

WORLEYPARSONS GROUP,  
INCORPORATED

DEPARTMENT OF WATER AND POWER  
OF THE CITY OF LOS ANGELES BY  
BOARD OF WATER AND POWER  
COMMISSIONERS  
OF THE CITY OF LOS ANGELES

By: 

Title: OFFICE MANAGER

Date: 11/25/13

By: \_\_\_\_\_  
RONALD O. NICHOLS  
General Manager

Date: \_\_\_\_\_

And: \_\_\_\_\_  
BARBARA E. MOSCHOS  
Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY  
NOV 25 2013  
BY \_\_\_\_\_  
DIRK P. BROERSMA  
DEPUTY CITY ATTORNEY

