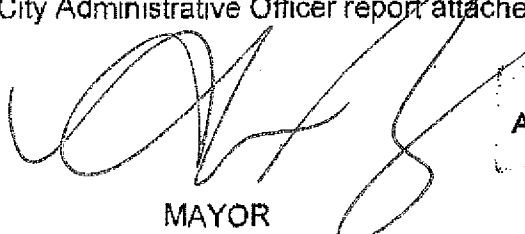


POWER SYSTEM  
JAN 04 2016  
EXECUTIVE OFFICE

<b>TRANSMITTAL</b>		0150-10479-0000
TO Marcie L. Edwards, General Manager Department of Water and Power	DATE <b>DEC 29 2015</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
<p><b>PROPOSED AGREEMENT NO. 47344 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND QUALSPEC, LLC FOR NONDESTRUCTIVE EXAMINATION SERVICES</b></p> <p>Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.</p> <p style="text-align: center;"> MAYOR</p> <p style="text-align: right;">Ana Guerrero</p>		

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: December 28, 2015

CAO File No.: 0150-10479-0000

Council File No.:

Council District: Citywide

To: The Mayor

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Communication from the Department of Water and Power dated July 31, 2015; referred by the Mayor for report on August 7, 2015

Subject: **PROPOSED AGREEMENT 47344 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND QUALSPEC, LLC FOR NONDESTRUCTIVE EXAMINATION SERVICES**

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### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing competitively bid Agreement 47344 (Agreement) between the Department and QualSpec, LLC (QualSpec) to provide Nondestructive Examination (NDE) services. The term of the proposed Agreement is five years effective upon execution, with two one-year renewal options, for a total of seven years. The total expenditure authority is not to exceed \$2,200,000 over the seven year term.

NDE services consist of inspections and tests of equipment including pressure vessels, boilers, and piping systems that do not damage the equipment or infrastructure being tested. The Department states NDE services are needed on an intermittent basis for use on construction projects, maintenance work, and on preventative maintenance examinations of equipment and pipelines at various DWP facilities including generating stations. In compliance with the American Society of Mechanical Engineer's Boiler Pressure Vessel Code requirements, NDE services must confirm that new construction, repairs and alterations are structurally sound prior to being placed in operation.

The Department issued a Request for Proposal on June 4, 2014 and held a pre-bid conference on June 10, 2014. Three proposals were received. However, one proposal was found non-responsive to the pass/fail requirements as a result of submitting an incomplete City Ethics Commission Form 55. Scoring of the proposals is summarized as follows:

QualSpec	99.4
TEAM Industrial, Inc.	76.3
Integrated Quality Services	Non-responsive

A panel of departmental staff determined that QualSpec offers the most experience, best technical approach and fee schedule between the two responsive proposers. The Department reports no protests were received.

QualSpec, formerly known as International Energy Services Company (IESCO), has provided NDE services for DWP under previous Agreements beginning in January 2005. DWP states that QualSpec has performed in an acceptable manner on all previous Agreements.

Compensation for this Agreement is task order based, with authorized expenditures for services to be performed, tasks to be implemented, and deliverables to be provided as specified in individual tasks orders. d

### **CONTRACT COMPLIANCE**

The Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the General Exemptions described in Section 15061(b)(3) of the Los Angeles City CEQA Guidelines. In accordance with Charter Section 1022, DWP has been determined that the work specified in the Agreement can be performed more feasibly by Independent Contractors than by City employees.

Pursuant to Charter Section 373 and the Los Angeles Administrative Code Section 10.5, City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution and Agreement as to form.

### **RECOMMENDATIONS**

That the Mayor:

1. Approve the proposed resolution which authorizes the execution of Agreement 47344 between the Department of Water and Power and QualSpec, LLC to provide Nondestructive Examination Services for a term of five years, with two one-year extension options for a total of seven years and an amount not to exceed \$2,200,000; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

### **FISCAL IMPACT STATEMENT**

Approval of this proposed resolution will result in a total expenditure not to exceed \$2,200,000 from the Power Revenue Fund over the seven year duration of the Agreement. There is no impact to 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 and the Los Angeles Administrative Code Section 10.5, 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:JJ:06160054*