



Los Angeles
Department of
Water & Power

BOARD LETTER APPROVAL

RESOLUTION NO. _____

MICHAEL S. WEBSTER
Executive Director – Power System
Engineering and Technical Services

MARTIN L. ADAMS
Chief Operating Officer

DAVID H. WRIGHT
General Manager

DATE: November 22, 2016

SUBJECT: Agreement No. 47415-7 for Safety and Pressure Relief Valve Technical Consulting and Repair Services - Basin Valve Co.

SUMMARY

The proposed Agreement No. 47415-7 (Agreement) is to provide Safety and Pressure Relief Valve (SPRV) technical consulting and repair services on an as-needed basis at the Power System generating stations and other LADWP facilities, for a term of five years, with two one-year renewal options for an amount not to exceed \$2,225,000 (budgeted). The Agreement is the result of a competitive process under Request for Proposal (RFP) No. 90324.

Technical consulting and repair services are needed in order to maintain the safety, reliability, and availability of LADWP's fossil-fired and hydroelectric generating stations and to remain in compliance with American Society of Mechanical Engineers (ASME) and National Board Inspection Code (NBIC) standards. ASME and NBIC require that pressure and safety relief valves must be inspected, maintained, and repaired on a yearly basis by accredited technicians. According to State Boiler and Pressure Vessel Rules and Regulations, repairs to safety relief valves shall be conducted by the manufacturer or a holder of the NBIC "VR" (valve repair) stamp and certification. LADWP does not hold a NBIC "VR" stamp. In addition, LADWP does not have the resources or equipment to perform the services.

City Council approval is required in accordance with Los Angeles Administrative Code Section 373.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of this Agreement to Basin Valve Co. (Basin Valve).

ALTERNATIVES CONSIDERED

An alternative to this agreement is to issue one-time purchase orders under the General Managers authority for SPRV services on an as-needed basis. However, this alternative is not feasible and would leave LADWP vulnerable should SPRV services be required for emergency repairs. These services usually require a 48-hour response time, which would not be possible utilizing the one-time purchase order process.

FINANCIAL INFORMATION

This Agreement is for a term of five years, with two one-year renewal options, for a not-to-exceed amount of \$2,225,000 and is budgeted.

SPRV services are paid for by individual projects and tasks budgeted from multiple LADWP Divisions including the Power System Engineering Division, Power Supply Operations Division, Power Construction and Maintenance Division, Power Integrated Support Services Division, and other Divisions as needed.

BACKGROUND

LADWP has various types of SPRVs on boilers, pressure vessels, steam turbine components, and other equipment needed for safe and reliable power generation. The SPRVs provide protection from over pressurization and explosions of the equipment.

The SPRVs are essential to maintaining the reliability of the equipment at the generating stations. Any impedance such as damaged or malfunctioning SPRVs may result in forced outages and loss revenue for LADWP.

Basin Valve has performed satisfactorily on current and previous Agreements.

Per Los Angeles Administrative Code Section 373, Los Angeles City Council approval is required. Accordingly, attached is the approved City Administrative Officer Report dated October 31, 2016.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that SPRV services is categorically exempt pursuant to Class 1 (b) as described in CEQA Guidelines Section 15301. This exemption applies to the repair, maintenance, or minor alteration of existing facilities used to provide public utility services.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreement
- City Administrative Officer Report