



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

A handwritten signature in blue ink, appearing to read 'Reiko O. Kerr', is written above a horizontal line.

REIKO KERR
Senior Assistant General Manager – Power System
Engineering, Planning, and Technical Services

A handwritten signature in blue ink, appearing to read 'Martin L. Adams', is written above a horizontal line.

MARTIN L. ADAMS
Chief Operating Officer

A handwritten signature in blue ink, appearing to read 'David H. Wright', is written above a horizontal line.

DAVID H. WRIGHT
General Manager

DATE: March 14, 2019

SUBJECT: Barren Ridge Switching Station Static VAR Compensator (SVC)/Static Synchronous Compensator (STATCOM) Project Ordinance Requesting the Los Angeles City Council to Establish Design-Build Criteria Pursuant to Section 371(b) of the City Charter

SUMMARY

Transmitted for approval is a Resolution, approved as to form and legality by the City Attorney, recommending to the Los Angeles City Council approval of criteria for the design and construction of the Barren Ridge SVC/STATCOM Project (Project).

The ordinance will authorize the Los Angeles Department of Water and Power (LADWP) to pursue a design-build contract with two parts pursuant to a competitive-sealed proposal method, permitting negotiations relating to the engineering, procurement, and construction of the Project based on the criteria established by the ordinance. Part One will be to design, engineer, and procure the Project, and Part Two to perform the full or partial construction of the Project. The ordinance will authorize a term not-to-exceed five years for the contract.

Pursuant to a competitive-sealed proposal method, design-build criteria adopted by the Ordinance will permit an award to a bidder specialized in the design and manufacture of SVC/STATCOM systems, and the construction and commissioning of SVC/STATCOM systems. The sealed proposal method, per City Charter Section 371(b), permits negotiations after proposals have been opened to allow clarifications and changes to the proposal. Per City Charter Section 371(a) and Los Angeles Administrative Code Section 10.47, the Local Business Preference Program will apply. The extended term of the contract is necessary because of the complexity of the project, the lengthy duration to fabricate major components, schedule uncertainties in the permitting process, and the possible inclusion of extended warranties in the contract.

The approach will be to advertise one Request for Proposal (RFP) with one agreement containing two parts, which may be awarded in whole or in part at LADWP's discretion. Part One will be for the engineering, design, and procurement of the SVC/STATCOM system. Part Two will be for the full or partial construction of all equipment and material designed and procured under Part One. The balance of the work will be performed by LADWP construction forces.

City Council approval, by ordinance, is required pursuant to City Charter Sections 371 (b) and 674.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending the Los Angeles City Council's approval by Ordinance to allow the use of competitive-sealed bid proposal method in accordance with City Charter Section 371(b), to allow a contract term not-to-exceed five years, and to grant the Board the power to let a contract for a project transmitting electric energy in accordance with City Charter Section 674.

FINANCIAL INFORMATION

The total estimated cost for the Project is approximately \$32 Million. The duration of the proposed contract will not exceed five years.

BACKGROUND

LADWP transmission studies have shown the need for voltage support solution in order to accommodate further interconnection requests in the Barren Ridge area. The proposed Project will alleviate the transmission line constraints by maintaining operational reliability of the Barren Ridge Renewable Transmission Corridor's important role in order to meet LADWP's increasing renewable portfolio standards goals.

City Administrative Officer Report

The approved City Administrative Officer (CAO) Report dated March 11, 2019 is attached.

ENVIRONMENTAL DETERMINATION

In compliance with California Environmental Quality Act (CEQA) Guidelines sections 15080-15097 and 15164, an Environmental Impact Report (EIR) was previously adopted and addendum prepared. In accordance with CEQA, an EIR was prepared to analyze the impacts associated with the construction and operation of the Barren Ridge Renewable Transmission Project (BR RTP). On September 18, 2012, the Board of Water and Power Commissioners certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations; and approved the project which included several components, including an expansion of

the Barren Ridge Switching Station. Since that time, changes to the project have been proposed, including an additional expansion of the station. The impacts of the revised project, for which this equipment is needed, were analyzed in an addendum to the EIR, which concluded that implementation of the changes to the BR RTP would not result in any new significant environmental impacts or a substantial increase in the severity of a previously identified significant impact.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Ordinance
- CAO Report