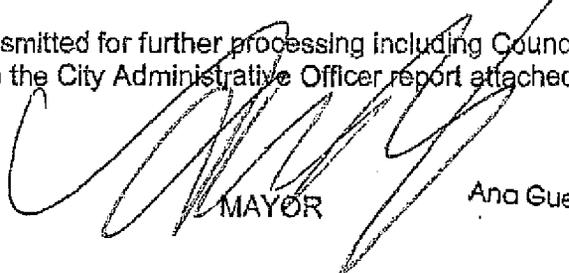


TRANSMITTAL			0220-05684-0000
TO Martin L. Adams, General Manager	DATE MAR 13 2020	COUNCIL FILE NO.	
FROM The Mayor		COUNCIL DISTRICT All	
ORDINANCE REQUESTING CITY COUNCIL APPROVAL TO USE A COMPETITIVE SEALED BID PROPOSAL METHOD TO ESTABLISH DESIGN-BUILD CRITERIA OR ALTERNATIVE DELIVERY METHOD FOR THE POWER PLANT 1 AND POWER PLANT 2 TRANSMISSION LINE UPGRADE PROJECT			
Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.			
 MAYOR		Ana Guerrero	
RHL:IR:10200093			

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 12, 2020

CAO File No.: 0220-05684-0000
Council File No.:
Council District:

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Communication from the Department of Water and Power dated December 13, 2019; referred by the Mayor for report on December 17, 2019

Subject: **ORDINANCE REQUESTING CITY COUNCIL APPROVAL TO USE A COMPETITIVE SEALED BID PROPOSAL METHOD TO ESTABLISH DESIGN-BUILD CRITERIA OR ALTERNATIVE DELIVERY METHOD FOR THE POWER PLANT 1 AND POWER PLANT 2 TRANSMISSION LINE UPGRADE PROJECT**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution and Ordinance for the Power Plant 1 and Power Plant 2 Transmission Line Upgrade Project to:
 - a) Establish criteria by ordinance authorizing the Los Angeles Department of Water and Power to use a competitive sealed bid proposal method in accordance with Charter Section 371 (b); and,
 - b) Award in whole or in part a Design-Build or Alternative Delivery Method contract for the replacement and construction of an existing double circuit transmission line from Haskell Canyon Switching Station to the Olive and Sylmar Switching Stations;
2. Return the proposed Resolution and Ordinance to the Department for further processing, including Council consideration, and approval by a two thirds vote pursuant to Charter Section 371(b) and 674.

SUMMARY

The Los Angeles Department of Water and Power (LADWP) requests approval of a proposed Resolution and Ordinance, authorizing the establishment of criteria using a competitive sealed bid proposal method to award a Design-Build or Alternative Delivery Method contract for the construction

of the proposed Power Plant 1 and Power Plant 2 Transmission Line Upgrade Project. The proposed project is a transmission line replacement project, which includes removal of the existing double circuit 115-kilovolt (kV) lines between Haskell Canyon Switching Station (SS) and Olive SS and installing two new 230 kV transmission lines between Haskell Canyon SS and Sylmar SS. Only one of the two 230 kV lines will be energized. These upgrades will allow for increased transmission capacity between Haskell Canyon SS and Sylmar SS so that additional renewable energy can be transmitted to the Los Angeles basin.

LADWP intends to award a contract in whole or in part, to a highly specialized contractor with construction and installation experience in high-voltage transmission cable systems in steep terrain areas and areas with population density. The Department seeks approval to complete this work by contract due to the complexity of the Project, lack of staffing, uncertainties in permitting process, accelerated timelines, and long lead times necessary to fabricate major components.

Approval of the proposed Resolution, and accompanying Ordinance, will specifically authorize the Department to (1) establish criteria under a competitive sealed bid proposal to award a Design-Build or Alternative Delivery Method contract for the Project; (2) permit negotiations after proposals have been submitted to allow clarifications and changes to the proposals; and (3) award in whole or in part a contract for design, procurement, engineering, preconstruction services, construction, and related services for the design and construction of the Project. The estimated cost of the Project is \$70 million with a term which will not exceed five years in accordance with criteria outlined in Charter Section 371(b). The Department asserts that a competitive sealed proposal method with negotiations is necessary as the project requires specialized expertise.

The City Attorney has approved the proposed Resolution and Ordinance as to form and legality.

BACKGROUND

The LADWP intends to make key upgrades to its transmission and distribution systems to improve and increase in-basin renewable energy as part of LA's Green New Deal and the Mayor's Clean Grid LA Plan. The LADWP Strategic Long-Term Resource Plan (SLTRP) provides a framework and roadmap for meeting the city's future energy needs while ensuring grid reliability and inclusion of environmental initiatives. Specifically, improvements to the infrastructure such as the construction of new or replacement transmission lines, upgrades to existing and local transmission lines, and improvements to facilities are critical to the delivery of electricity from its power generation resources.

The Power Plant 1 and Power Plant 2 Transmission Line Upgrade Project is one of the major transmission upgrade projects in the SLTRP. The proposed project's linear alignment will begin in northwestern Los Angeles County extending from the Haskell Canyon to the community of Sylmar, located south of the City of Santa Clarita. Portions of the alignment cross through the San Gabriel Mountains while other parts will extend through industrial areas, residential neighborhoods and freeways. The project is on LADWP owned land and private properties within an LADWP right of way, and would be located within an established transmission corridor where several other transmission lines run parallel with the existing Power Plant 1 and Power Plant 2 115-kiloVolt (kV)

transmission line, for all, or a portion of the overall transmission line corridor.

The Board of Water and Power Commissioners approved the Environmental Impact Report for this project at its September 10, 2019 meeting in compliance with the California Environmental Quality Act.

Purpose and Scope

The purpose is to increase the transmission capacity between Haskell Canyon SS and Sylmar SS, so that additional renewable energy supplies can be transmitted from the Tehachapi Mountains and Mojave Desert to the Los Angeles basin. The proposed project will replace a 12 mile segment of an existing 115 kV double circuit transmission line with a new 230-kV double circuit transmission line. The new 230-kV line would be strung with two 230-kV three phase circuits; however only one circuit would be energized at this time. The second would be energized in the future based on availability of renewable energy supplies. The old 115-kV line would be removed along with its associated transmission structures and towers.

The project is anticipated to start construction in November 2020, and be completed in May 2022. This project will provide an additional 815 Megawatt (MW) capacity to the area.

Design Build or Alternative Project Delivery Options

Under the proposed competitive sealed method, an agreement would be awarded utilizing a design build or alternative project delivery method for the procurement, design, engineering and construction of the Power Plant 1 and Power Plant 2 Transmission Line Upgrade Project. Alternate project delivery methods can include Construction Manager at Risk, Design-Build, Progressive Design-Build, and Engineer, Procure and Construct.

The criteria for this agreement will permit LADWP to award a contract in whole or in part to a bidder specialized in the engineering, design and construction of high-voltage transmission cable systems in flat, steep, and rugged terrain, crossing commercial and residential zones, freeways, and in close proximity to existing utilities, including power lines. Under this competitive sealed method, negotiations after proposal submissions allow LADWP to obtain the best value for the Project. The Ordinance will authorize a contract term not to exceed five years. The total project cost is estimated at approximately \$70 million. The Local Business Preference shall be applied where a qualified bidder or qualifying subcontractor is awarded additional points for being located in the County of Los Angeles. Consistent with Charter Section 371(b) competitive bidding requirements, Design-Build or other appropriate project delivery method may be used when justified by the type of project and approved by the contracting authority.

The LADWP seeks to complete this work by contract due to its complexity, long lead times necessary to fabricate the components, and insufficient internal construction forces available to meet the current timelines.

City Council approval by Ordinance is required pursuant to Charter Section 371(b) and requires a vote of two thirds by City Council approving the competitive sealed bid proposal method, and under Section 674 to grant power to the Board to let a contract for a project transmitting electrical energy. There is no time limit on this action due to the Ordinance approval requirement.

FISCAL IMPACT STATEMENT

Approval of the proposed Resolution and Ordinance will not have a fiscal impact. However, the ensuing contract will result in a total expenditure estimated at \$70 million. Funding will be budgeted, in the fiscal years 2020-21 and 2021-22, Power Revenue Fund Adopted Budgets for this purpose. Approval of the proposed Resolution and Ordinance will have no impact on the City's General Fund. The proposed request complies with the LADWPs adopted Financial Policies.

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