

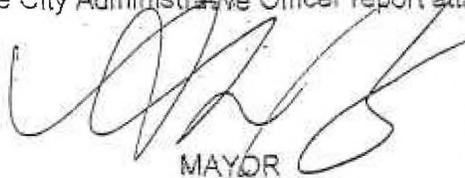
0150-10398-0000

TRANSMITTAL

TO Marcie L. Edwards, General Manager Department of Water and Power	DATE AUG 06 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT NA - Castaic, CA	

FIRST AMENDMENT TO AGREEMENT 47109-3 WITH ETHOSENÉRGY FIELD SERVICES, LLC FOR SPECIALIZED SITE FIELD WORK AT CASTAIC PUMPED-STORAGE POWER PLANT

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

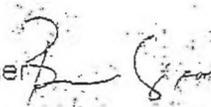
Date: August 5, 2015

CAO File No.: 0150-10398-0000

Council File No.:

Council District: NA – Castaic, CA

To: The Mayor

From: Miguel A. Santana, City Administrative Officer 

Reference: Transmittal from the Department of Water and Power dated April 7, 2015; referred by the Mayor for report on April 17, 2015

Subject: **FIRST AMENDMENT TO AGREEMENT 47109-3 WITH ETHOSENERGY FIELD SERVICES, LLC, FOR SPECIALIZED SITE FIELD WORK AT CASTAIC PUMPED-STORAGE POWER PLANT**

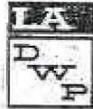
SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the execution of the First Amendment to Agreement 47109-3 (Agreement) with EthosEnergy Field Services LLC (EthosEnergy). This Amendment adds three additional years to the Agreement without additional funding. EthosEnergy provides specialized site field work at the Castaic Pumped-Storage Power Plant (CPP). This work includes: machining of the turbine generator, refurbishment and special machining of the turbine shutoff valve, and the installation of a new generator stator. All other terms and conditions of the Agreement remain the same. The proposed amendment is necessary to repair Units 1 and 6 turbine shutoff valves and any other mechanical failures during the implementation of the new Control System (Automation). Automation of the system is being implemented under a separate Agreement (47941). The CPP has experienced several mechanical failures, causing delays to the automation.

On October 3, 2012, the DWP Board approved Resolution 013-056 allowing DWP to enter into an Agreement (47109-3) with Wood Group Field Services, LLC (Wood Group) for a term of three years. Under this Agreement, Wood Group successfully performed the Special Site Field Work on Unit 1. Additionally, Wood Group repaired the Unit 1 Turbine Shutoff Valve and Generator Stator sole plate shims. On May 14, 2014, Wood Group changed its corporate name to EthosEnergy Field Services, LLC.

The current Agreement, due to expire in October, 2015, provides expenditure authority up to \$12,842,595. Approval of the proposed resolution and First Amendment will extend the contract duration by three years, expiring October 2, 2018, resulting in a cumulative contractual term of six years. Pursuant to City Charter Section 373, City Council approval is required for contracts that exceed three years.

Los Angeles



Department of Water & Power

ERIC GARCETTI
Mayor

Commission
MEI. LEVINE, *President*
WILLIAM W. FUNDERBURK JR., *Vice President*
JILL BANKS BARAD
MICHAEL F. FLEMING
CHRISTINA E. NOONAN
BARBARA E. MOSCHOS, *Secretary*

MARCIE L. EDWARDS
General Manager

April 7, 2015

The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Mail Stop 370

Attention: Ms. Mandy Morales, Legislative Coordinator

Dear Mayor Garcetti:

Subject: Castaic Power Plant Control System Upgrade
Amendment No. 1 to Agreement No. 47109-3

In accordance with Executive Directive No. 4, enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of Amendment No. 1 to Agreement No. 47109-3 between the Los Angeles Department of Water and Power and EthosEnergy Field Services, LLC for specialized site field work at Castaic Pumped-Storage Power Plant.

It is respectfully requested that your review be completed as soon as possible. Once the required City Administrative Officer report has been received, the matter will be scheduled for action by the Los Angeles Board of Water and Power Commissioners and forwarded to the Los Angeles City Council for final consideration.

Please contact Ms. Winifred J. Yancy, Director of Intergovernmental Affairs and Community Relations, at (213) 367-0025 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,

Marcie L. Edwards
General Manager

MM/LB:gg
Enclosures

c/enc: Ms. Patricia M. Whelan, Office of the Mayor
Board of Water and Power Commissioners
Ms. Winifred J. Yancy

OFFICE OF THE
CITY ADMINISTRATIVE OFFICERS
2015 APR 17 PM 12:13
CITY OF LOS ANGELES

2015 APR 17 PM 2:11
CITY ADMINISTRATIVE OFFICERS

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

111 N. Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles, CA 90051-5700
Telephone: (213) 367-4211 www.LADWP.com

DWP states that approximately \$11.3 million of the \$12,842,595 funding has been expended through June 2015 and the Project is approximately 90 percent complete. The Department anticipates that the available \$1.54 million of funding is sufficient for the remaining scope of work. Consequently, this proposed resolution provides for an extension of time only and no additional funding is requested.

BACKGROUND

The CPP was developed in the 1970s and is located north of Castaic Lake in Los Angeles County. The power plant consists of six main pump turbine units, each rated at approximately 271 megawatts (MW), and one small specialized turbine generating unit rated at approximately 54 MW.

The turbines were replaced from 2001 through 2013. DWP reports that the work being performed under this Agreement is not related to manufacturing defects or installation issues.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing the execution of Amendment 1 to Agreement 47109-3 with EthosEnergy Field Services, LLC, to extend the contract duration by three years, without additional funding, expiring October 2, 2018; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution does not result in a fiscal impact. No additional funding is requested. Funding for this agreement was previously approved by the DWP Board of Commissioners and included in the DWP Power System Capital Budget as part of the Multi-Year Expenditure Plan. The proposed agreement complies with the Department's adopted Financial Policies. There is no impact to the City's General Fund.

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:MCD:06160012

Attachments

NOTICE OF COMPLIANCE WITH CONTRACTING OUT POLICY

TO: David H. Wright, Senior Assistant General Manager – Power System
Attn: Lars Black Ext. 43327

NAME OF CONTRACT: Castaic Power Plant Special Site Field Work

CONTRACT NUMBER: Amendment No. 1 to Agreement No. 47109-3

DATE CONTRACT RECEIVED IN LABOR RELATIONS: 08-15-12 and 02-12-15
CONTRACT FORWARDED TO:

LOCAL 18, IBEW () OTHER:

DATE CONTRACT SUBMITTED TO UNION(S): Original NOC on 08-15-12;
Amendment No. 1 on 02-12-15

UNION HAS NO OBJECTION TO CONTRACT Meeting on 09-07-12 with Martin Marrufo and Luis Lozano; Email Sign-off from Local 18 on 09-12-12

5-DAY APPEAL PERIOD HAS LAPSED ()

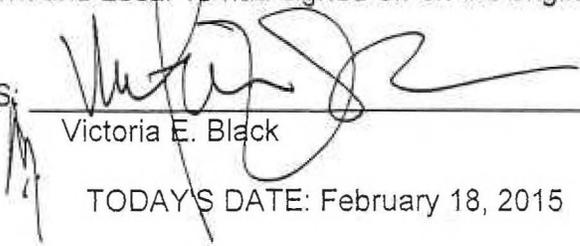
NO BARGAINING UNIT WORK INVOLVED - NOT SENT TO UNION ()

TRAINING WORK INVOLVED - NOT SENT TO UNION ()

OTHER : See note below.

NOTES: This is Amendment No. 1 to Agreement No. 47109-3 with Wood Group Field Services, Inc., for the Castaic Modernization Project Unit 1 Special Site Field Work. This amendment is needed to repair current mechanical failures of two turbine shutoff valves and any unanticipated mechanical failures during the implementation of a new digital control system. A Notice of Compliance was previously approved on September 12, 2012 by Senior Labor Relations Representative, Maureen Jaramillo. The amendment is to extend the contract terms by three (3) years only. The revised contract term is October 3, 2012 through October 2, 2018. The contract amount will remain the same at \$11,167,474.00 with a 15% contingency of \$1,675,121.00 for the total aggregate of \$12,842,595.00. In accordance with the Appendix B contracting out procedures, the Department had engaged with Local 18 regarding the issue of bargaining unit work and Local 18 had signed off on the original NOC request.

MANAGER OF LABOR RELATIONS:


Victoria E. Black

EXTENSION: 71918

TODAY'S DATE: February 18, 2015

14

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

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: September 7, 2012
  ARAM BENYAMIN Senior Assistant General Manager – Power System		SUBJECT: Agreement No. 47109-3 with Wood Group Field Services, Inc. Castaic Modernization Project Unit 1 Special Site Work
		FOR COMMISSION OFFICE USE: RESOLUTION NO. <u>013 056</u> SEP 18 2012 COPY RESO TO : 3- Sr. AGM- Power } 10-2-12 System
CITY COUNCIL APPROVAL REQUIRED: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION:	

- New Contract
- Replacement Contract
- Amendment to Existing Contract

PURPOSE

The attached Resolution recommends approval of Agreement No. 47109-3 (Agreement) between LADWP and Wood Group Field Services, Inc. (Wood Group) to execute the Unit 1 Special Site Work at Castaic Pumped-Storage Power Plant (Castaic). LADWP intends to oversee the construction, refurbishment, and all associated financing costs of the Castaic Unit 1 Special Site Work (Project).

The purpose of the Project is to maintain LADWP's high level of electric service reliability and increase capacity by modernizing the 40-year-old Unit 1 at Castaic. The Unit 1 Special Site Work will include special machining of the turbine generator, refurbishment and special machining of the turbine shutoff valve, and installation of a new generator stator.

COST AND DURATION

Agreement No. 47109-3 is for a duration not to exceed three years, and shall not exceed an amount of \$12,842,595, which includes a total contract base amount of \$11,167,474 and a fifteen percent contingency of \$1,675,121. The fifteen percent contingency is recommended based on the current condition of Unit 1, which includes age, erosion, corrosion, and the potential for discovering broken or damaged equipment upon unit

disassembly. Contingency funds shall be authorized in accordance with Section 3.12, Change Requests, of the Agreement.

BACKGROUND

LADWP developed and approved an Integrated Resource Plan which calls for multiple major power projects, including the modernization of hydroelectric power plants such as the Castaic Project.

The Castaic plant was originally developed in the 1970s to provide energy production and peaking capacity. The Castaic main power plant contains six vertical-shaft reversible pump-turbines. Units 2 through 6 have been mechanically overhauled and rated at approximately 270 megawatts generating output under 1,050 feet net head. Unit 1 is the remaining unit to be mechanically overhauled.

METHOD OF SELECTION

Competitive Cooperative Purchase Sole Source Single Source

On April 20, 2012, LADWP released a Request for Proposal (RFP No. 90057) seeking proposals from qualified organizations to implement the Castaic Project.

On June 1, 2012, one qualified organization responded.

In response to RFP No. 90057, an evaluation committee was formed, comprised of five LADWP employees – two from the Power System Engineering Division and three from Internal Generation Division.

Evaluation of the one written proposal received was based on the criteria defined in RFP No. 90057 and include:

- A. Mandatory attendance at the proposal conference.
- B. Mandatory attendance at the site visit.
- C. Compliance with the supplier diversity and Good Faith Effort requirements.
- D. Submittal of a bidder's bond.
- E. Compliance with RFP requirements consisting of writing and submittal requirements.
- F. Qualifications of the organization.
- G. Qualifications of the organization's personnel and resources.
- H. Technical approach of the organization.
- I. Cost competitiveness.
- J. Organization's payment schedule.

- K. Organization's operations and maintenance training programs.
- L. Adherence to project schedule.
- M. Organization's project management approach.
- N. Compliance with the job opportunities and training program.
- O. Quality of supplemental information.
- P. Oral presentation of the proposal.

Wood Group was found to be the most qualified firm based on the evaluation criteria. Wood Group also has prior experience with LADWP, including the special site work for Castaic Units 3, 4, and 5.

VENDOR HISTORY

Contract No.	Original Contract Limit	Description	Start Date	End Date
47471-6	\$23,954,872.60	Castaic Modernization, Units 3, 4, 5	10/17/05	6/29/09

OUTREACH EFFORTS TAKEN

<u>Notices Issued</u>				<u>Responses Received</u>			
<u>Total</u>	<u>MBE</u>	<u>WBE</u>	<u>OBE</u>	<u>Total</u>	<u>MBE</u>	<u>WBE</u>	<u>OBE</u>
5	2	0	3	1	0	0	1

* Minority Business Enterprise (MBE)
 * Women Business Enterprise (WBE)
 * Other Business Enterprise (OBE)

In addition to the original bid list, the following outreach efforts were taken:

- RFP No. 90057 was posted on the LADWP and LABAVN Website.
- RFP No. 90057 was advertised on LADWP's Electronic Request Solicit Procure System (eRSP). Based on eRSP statistical reporting, RFP No. 90057 was downloaded by 93 vendors and viewed by to approximately 7,743 registered users.

Of the five firms receiving written notices, one firm, Wood Group responded with a written proposal. Alstom Power Inc. and Andritz Hydro Corp. chose not respond due to the high risk involved with installing another manufacturer's equipment and the cost of preparing a bid proposal. The remaining two firms who did not submit a bid proposal, Voith Hydro and Toshiba, indicated a shortage of skilled employees to perform the work and an inability to meet the project schedule.

M/W/OBE SUBCONTRACTING PARTICIPATION

Wood Group enumerated the steps taken regarding a Good Faith Effort (GFE) to reach out to MBE, WBE, and OBE firms. Based on the information provided, this bidder met LADWP's GFE requirement and reported an estimated WBE participation of 3.77 percent or approximately \$421,190, an estimated OBE participation of 28.40 percent or approximately \$3.2 million, and an estimated MBE participation of 1.45 percent or approximately \$162,175.

MBE SUBCONTRACTING

Name	Description of Subcontracting Work	Dollar Amount	Percentage
Purakal	Turbine servomotors scope	\$ 162,175	1.45%
Total:		\$ 162,175	1.45%

WBE SUBCONTRACTING

Name	Description of Subcontracting Work	Dollar Amount	Percentage
McCormick	Lead abatement and sandblast	\$ 421,190	3.77%
Total:		\$ 421,190	3.77%

OBE SUBCONTRACTING

Name	Description of Subcontracting Work	Dollar Amount	Percentage
In Place Machining	General Machining	\$1,250,000	11.19%
Pioneer Bearing	Bearing Refurbishment	266,376	2.39%
AGT Services	Generator Stator Work	1,200,000	10.75%
Team	Non Destructive Test	100,000	0.90%
Brand Scaffolding	Scaffolding Support	27,000	0.24%
Penhall	Generator Sole Plate Work	1,700	0.02%
Hill Crane	Sole Plate Relocation	45,000	0.40%
Hexagon	Generator & Turbine Work	60,500	0.54%
Machine Support Technologies	Stay Vane scope of work	47,000	0.42%
Allied Packing & Rubber	Supply o-rings & gaskets	500	0.004%
Henry Mayo Newhall	First Aid Supplies	1,000	0.01%
Jack-X-Change	Hydraulic Tool Rental	21,000	0.19%
Phillips Steel Co	Steel Material	5,300	0.05%
Piazza Trucking	Trucking/Deliveries	2,500	0.02%
Praxair Rentals	Welding Supplies	10,000	0.09%
Jack Rubin & Sons Inc	Rigging Supplies	50,000	0.45%
Torque Tools California	Hydraulic Tool Rental	5,000	0.04%
Total Equipment Rental Inc	Forklift Rental	25,000	0.22%
McMaster-Carr Supply Co	Tools/Supplies	20,000	0.18%
Grainger	Tools/Supplies	2,500	0.02%
First Care Occupational Med	First Aid/Medical Care	2,000	0.02%
Business Systems Diversified	Office Machine Rental	2,000	0.02%
First Care Walk-In Med	Emergency Medical Care	2,000	0.02%
Orkid Rae Power	Air Mover Rental	6,000	0.05%
Avion Tool Manufacturing	Tooling	2,000	0.02%
Precision Instrument	Tool Calibration	2,683	0.02%
Vernon Machine	Machine Shop Services	15,000	0.13%
Total:		\$3,172,059	28.40%

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that Agreement No. 47109-3 is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15301.

Board of Water and Power Commissioners

Page 6

September 7, 2012

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached Resolution authorizing execution of Agreement No. 47109-3 between the LADWP and Wood Group.

CC:gg

Attachments

e-c/att: Ronald O. Nichols
Richard M. Brown
Aram Benyamin
James B. McDaniel
Phillip Leiber
Gary Wong
John C. Kokoska
John R. Dennis
Christopher Cinkornpumin
Nazih S. Batarseh
Mokhtar Moulay
File Net

DEPARTMENT OF WATER AND POWER
CITY OF LOS ANGELES

COMMISSION OFFICE

September 3, 2012

ARAM BENYAMIN
Senior Assistant General Manager – Power System
Room 921, JFB

Attached herewith is a DUPLICATE ORIGINAL TO BE FORWARDED TO

CONTRACTOR AND A CONFORMED COPY OF AGREEMENT FOR YOUR FILE.

FILE NO.	DATE	NAME
Agreement No. 47109-3	9-18-12	Wood Group Field Services, Inc. - Agreement No. 47109-3 - Authorizes for Castaic Modernization Project Unit 1 Special Site Work. Authorized by Resolution No. 013-056, adopted September 18, 2012.



BARBARA E. MOSCHOS

Title

Board Secretary

WHEREAS, the City of Los Angeles Department of Water and Power (LADWP) has developed and approved the Integrated Resource Plan (IRP), which calls for multiple major power projects, including the modernization of hydroelectric power plants such as the Castaic Pumped Storage Power Plant (Castaic); and

WHEREAS, LADWP intends to perform project management, quality assurance, and cost control of the Castaic Unit 1 Special Site Work (Project); and

WHEREAS, Unit 1 was originally commissioned in 1973, and currently requires high maintenance. In recent years, this unit has experienced major outages due to equipment failures. Unit 1 operates as a generator, pump, and condenser under LADWP's Power System; and

WHEREAS, the goal of this project is to improve the equipment reliability, efficiency, and capacity of Unit 1 for another 30 years; and

WHEREAS, on April 20, 2012, LADWP released a Request for Proposal (RFP) No. 90057 seeking proposals from qualified firms to implement the Castaic Project, and one firm responded; and

WHEREAS, LADWP evaluated the received proposal submitted in response to RFP No. 90057, interviewed the firm, contacted references, and selected Wood Group as being the most qualified firm to implement the Castaic Project; and

WHEREAS, the Contractor has reviewed the work to be provided by the Contractor incorporated in the Agreement, and represents that it has the qualities, expertise, skills, and abilities to perform such work; and

WHEREAS, LADWP proposes to enter into Agreement No. 47109-3 with Wood Group to implement the Castaic Project for a duration not to exceed three years, and for an amount not to exceed \$12,842,595, which includes a total contract base amount of \$11,167,474 and a 15 percent contingency of \$1,675,121.

NOW, THEREFORE, BE IT RESOLVED that Agreement No. 47109-3 between the LADWP and Wood Group Field Services, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, be and the same is hereby approved.

BE IT FURTHER RESOLVED that, pursuant to Charter Section 1022, such services can be performed more feasibly by an independent contractor than by City employees.

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 the Acting Secretary of the Board be and

they are hereby authorized, empowered, and directed to execute said Agreement for and on behalf of the LADWP.

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

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held SEP 18 2012

Barbara E. Anselmo
Secretary

APPROVED AS TO FORM AND LEGALITY
GARMEN A. TRUTKINICH, CITY ATTORNEY

AUG 27 2012

BY _____
DIRK BROERSMA
DEPUTY CITY ATTORNEY

SIGNATURE AUTHORIZING AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives on the day and year written below.

For: DEPARTMENT OF WATER AND
POWER
CITY OF LOS ANGELES
BOARD OF WATER AND
POWER COMMISSIONERS OF
THE CITY OF LOS ANGELES

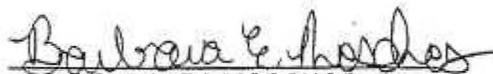
By: 
RONALD O. NICHOLS
General Manager

Date: 10/3/12

For: WOOD GROUP FIELD
SERVICES, INC

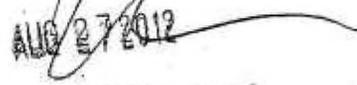
By: 
MIKE FIELDHOUSE
Vice President of Operations

Date: 8/29/12

And: 
BARBARA MOSCHOS
Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

AUG 27 2012

BY 
DIRK BROERSMA
DEPUTY CITY ATTORNEY

AUTHORIZED BY RES. 013 056
SEP 18 2012