

RESOLUTION NO. 28417

WHEREAS, Los Angeles World Airports management presented for approval, a five (5)-year Contract with Solar Turbines Incorporated covering service, maintenance, and repairs for two (2) Mercury 50 gas turbines located at the Central Utility Plant at Los Angeles International Airport, for cost not to exceed \$16,000,000; and

WHEREAS, in March 2014, two (2) Solar Turbines Incorporated (Solar Turbines) Mercury 50 gas turbines natural gas cogeneration turbines were installed in the Central Utility Plant (CUP) as part of the competitively bid CUP project. Each of the units produces 4.2 megawatts of electricity that power the CUP, certain Central Terminal Area parking structures, and traffic signals. The turbines are also power chillers that provide cooling to all existing terminals, the Clifton A. Moore Administration Building, and the Theme Building. Any power produced that exceeds the requirements is exported back to the City of Los Angeles Department of Water and Power (LADWP) for which Los Angeles World Airports (LAWA) receives credit. From January 2024 to September 2025, LADWP issued \$330,950 in credits to LAWA; and

WHEREAS, said two (2) turbines are essential for meeting the thermal energy demands of the CUP, and their absence would significantly impact LAWA's ability to maintain adequate heating across its facilities. The use of the cogeneration turbines saves LAWA an estimated \$45,000 in utility costs daily by not having to purchase additional electricity from LADWP; and

WHEREAS, Solar Turbines is the original equipment manufacturer and the only authorized provider of specialized parts, service, and maintenance for the equipment currently in use. The company's direct involvement is essential to ensure system compatibility, maintain warranty coverage, and avoid operational disruptions; and

WHEREAS, currently, there are no personnel certified to service and repair the Mercury 50 turbines other than Solar Turbines-certified mechanics. The LAWA Facilities Management Division requires a contract for LAWA's solar turbines to ensure their optimal performance and reliability; and

WHEREAS, prior contracts for maintenance of the turbines were established as sole source contracts directly with Solar Turbines since it would not be practical or feasible to seek alternate providers of the service. Solar Turbines manufactured the installed turbines, and the company has neither recognized any third party as authorized to repair or overhaul the turbines nor licensed their intellectual property relative to the turbines to any third party; and

WHEREAS, if a new contract is not approved, LAWA may have to take the turbines out of service and purchase additional electricity from LADWP to maintain air conditioning and heating for all relevant facilities. However, while power can be imported from LADWP, it will not be sufficient to support heating loads without the operation of both CoGen units; and

WHEREAS, the new Contract with Solar Turbines was awarded through a non-competitive sole source procurement. The selection was based on the vendor's unique qualifications, proprietary capabilities, and/or continuity of service that could not be reasonably replicated through a competitive process; and

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WHEREAS, funds for the Contract are available in the Fiscal Year 2026 LAWA Operating Budget in Cost Center 1150070 – Central Utility Plant, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, the new Contract will cover maintenance coordination, remote troubleshooting and support, onsite maintenance, component replacement, and scheduled inspections:

Beneficial Use Service Agreement (BUSA) + Additional Scope Requested (Estimated 2026 Pricing*)		
Anticipated utilization throughout the five (5)-year term of the contract		
Year	Estimated Cost	Description
5-year	\$ 4,865,910.78	BUSA
<i>Additional Scope Requested:</i>		
2027	\$ 338,559.03	Oil Change / Cleaning
2027	\$ 363,664.29	Turbine Removal & Install / Overhaul
2027	\$ 4,360,200.00	Turbine Overhaul
As needed	\$ 3,306,249.74	Recuperator Assembly
As needed	\$ 363,664.29	Recuperator Removal & Installation
As needed	\$ 1,116,160.06	Generator Major Repair
As needed	\$ 94,932.46	Medium Voltage Electrical Support
Term Total	\$14,809,340.65; and	

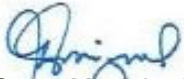
* The prices listed, excluding the BUSA amount, do not include annual escalation fees, which will range between 2% and 6%, based on Bureau of Labor Statistics indices.

**The additional scope pricing applies only if these services are utilized.

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the staff report; further adopted staff's determination that the requested action is exempt from the California Environmental Quality Act (CEQ) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; found that Charter Section 1022 is applicable to the requested action; further found that the requested action is exempt from the competitive bid process requirements per Los Angeles City Charter Section 371 (e)(7) and Administrative Code Section 10.15 (a)(810) in that, under the circumstances, competitive bidding would be undesirable because Solar Turbines Incorporated is the manufacturer of the Mercury turbines and only its certified technicians are trained to perform maintenance or repair services to the manufacturer's specifications; approved the five (5)-year Contract with Solar Turbines Incorporated covering service, maintenance, and repairs for two (2) Mercury 50 gas turbines located at the Central Utility Plant at Los Angeles International Airport, for cost not to exceed \$16,000,000; and authorized the Chief Executive Officer, or designee, to execute said Contract with Solar Turbines Incorporated subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

I hereby certify that this Resolution No. 28417 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 9, 2026.

A handwritten signature in blue ink, appearing to read "Grace Miguel".

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS