



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Simon Zewdu

SIMON ZEWDU
Senior Assistant General Manager
Power System

AR
Aram Benyamin (Jun 5, 2024 08:24 PDT)

ARAM BENYAMIN
Chief Operating Officer

Janisse Quiñones
Janisse Quiñones (Jun 6, 2024 22:30 PDT)

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: May 30, 2024

SUBJECT: Contract No. 8024 for Various Large Power Transformers for Various Substations with Baoding Tianwei Baobian Electric Co., Ltd.

SUMMARY

The proposed Contract No. 8024 (Contract) is to make a one-time purchase of various large power transformers for various substations, including manufacturer's representative services, for an amount not to exceed \$21,642,005 (budgeted). The Contract is a result of a competitive bid process.

Transformers furnished under this Contract are essential elements of LADWP's power system. The transformers will be used to replace aging and high-maintenance transformers at Receiving Station L, Receiving Station E, and Mead Substation.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing award to Baoding Tianwei Baobian Electric Co., Ltd. (Baoding), the lowest evaluated bidder for Groups I and II, and lowest responsive bidder for Group III.

ALTERNATIVES CONSIDERED

There are no other alternatives at this time. LADWP does not have the capability or facilities to fabricate transformers. LADWP has historically purchased this equipment. Failure to procure transformers will result in reduced power system reliability.

FINANCIAL INFORMATION

This Contract is for a one-time purchase and is budgeted. The contract expenditure will not exceed \$21,642,005.

The total quotation of \$21,642,005, for all groups, is approximately 2 percent lower than LADWP's estimated cost of \$22,174,404. The estimate was based on budgetary quotations from transformer manufacturers.

BACKGROUND

Transformers are an integral part of the design of LADWP's power system. They are used to connect transmission lines that operate at different voltages, allow power to be routed efficiently, and ensure reliability by providing an additional path for power to flow during maintenance or emergency periods. Transformers that have reached the end of their service life may reduce the reliability of the power system.

In addition to supplying transformers, the Contract will include manufacturer's representative services to guide LADWP construction personnel in the setup and installation of procured transformers.

As part of the bid evaluation, LADWP evaluates transformer losses. These losses are electrical losses which are also known as "no-load" losses and "load" losses. The total of the prices quoted, and their transformer losses determine the total evaluated cost for each bidder. The electric utility industry uses the total operation cost (TOC) equation to factor in the long-term cost of a transformer with the up-front cost. The upfront cost is the initial price, and the long-term cost is the energy lost due to energizing the transformer and passing power through. Utilizing the TOC equation, Baoding is the lowest evaluated bidder for Groups I and II.

Baoding has performed satisfactorily on current and previous contracts.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(4) states that government fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not

meet that definition. Therefore, the purchase of large power transformers is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Baoding Tianwei Baobian Electric Co., Ltd. (Baoding)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: January 10, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: March 12, 2024 E. Number of Downloads of Solicitation: 45* (29 primes, 16 subs) F. Number of Bids/Proposals Received: 3 G. Protest Received: No
4.	Buyer Assigned: Kien Hua
5.	Contract Administrator: Gabriel Rodriguez
6.	LADWP System/Division: Power / Capital Projects and External Generation
7.	Contact Person for Item: Daniel Baker

* Note: eRSP requires vendors to express interest either as a prime contractor or subcontractor only in order to download solicitation documents. Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Summary of Bids Received

GROUP I			
Term	Baoding Tianwei Baobian Electric Co., Ltd.	Transformers and Rectifiers (India) Limited	JSHP Transformer
Original Period	\$5,100,000.00	\$5,455,250.00	\$5,789,500.00
Less: Combined Award Discount	-	-	(\$86,842.50)*
Less: Cash Discount	-	(\$13,638.13)	-
Add: Cost of Transformer Losses	\$1,426,000.00	\$1,375,000.00	\$1,703,500.00
Less: LBPP	-	-	-
Total Evaluated Amount	\$6,526,000.00	\$6,816,611.87	\$7,406,157.50

GROUP II			
Term	Baoding Tianwei Baobian Electric Co., Ltd.	Transformers and Rectifiers (India) Limited	JSHP Transformer
Original Period	\$12,576,005.00	\$13,811,015.00	\$16,065,990.00
Less: Combined Award Discount	-	-	(\$240,989.85)*
Less: Cash Discount	-	(\$34,527.54)	-
Add: Cost of Transformer Losses	\$3,806,000.00	\$3,952,000.00	\$3,966,400.00
Less: LBPP	-	-	-
Total Evaluated Amount	\$16,382,005.00	\$17,728,487.46	\$19,791,400.15

GROUP III			
Term	Baoding Tianwei Baobian Electric Co., Ltd.	Transformers and Rectifiers (India) Limited	JSHP Transformer
Original Period	\$3,966,000.00	\$3,786,840.00	\$5,035,740.00
Less: Combined Award Discount	-	-	(\$75,536.10)*
Less: Cash Discount	-	(\$9,467.10)	-
Add: Cost of Transformer Losses	\$964,500.00	\$959,500.00	\$910,500.00
Less: LBPP	-	-	-
Total Evaluated Amount	\$4,930,500.00	\$4,736,872.90 Non-responsive	\$5,870,703.90

*Combined Award Discount of 1.5% for award of Groups 1, 2 and 3.

B. Evaluation of Bid

LADWP received 3 bids for Groups I through III. Baoding is the lowest evaluated bidder for Groups I and II.

Transformers and Rectifiers (India) Limited (Transformers and Rectifiers), submitted the lowest bid under Group III. However, they were deemed non-responsive for not submitting Form 15 - Detailed Information as provided in Addendum 5. Form 15 requires the bidder to provide detailed information for the proposed equipment to be furnished to ensure the equipment meets LADWP's technical specifications. Therefore, Transformers and Rectifiers' bid under Group III is deemed non-responsive and no award can be made to this firm.

Baoding submitted the lowest evaluated responsive bid for Group III.

Prices submitted under IFB No. 8024 have been determined to be fair and reasonable based on a competitive bid process.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
07893-3	TBEA USA Co.	One Time Purchase	3/10/2023	-	\$10,819,750
44397-3	TBEA USA Co.	One Time Purchase	12/27/2022	-	\$2,716,740
07780-9	TBEA USA Co.	One Time Purchase	3/6/2019	-	\$12,751,235

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
00378	Transformer, Power, 160-MVA, 3-ph, 230 And 138-kV For Various RS	One Year with Two Optional One-Year Periods	2/9/2024	2/8/2027	\$26,228,025
44553-3	Transformer, Pwr, Phase-Shifting, 600-Mva, 3ph, 138-Kv, For Rs-L	One Time Purchase	3/15/2023	-	\$4,396,000
43894-2	Transformer, Power, 100/130/160 MVA, 230-kV for RS-X	One Time Purchase	11/2/2021	-	\$4,096,518

D. Local Business Preference Program (LBPP)

LBPP was included in the bid. However, LBPP was not a determining factor in the evaluation and recommendation of award for this Contract.

E. Additional Outreach Efforts Taken

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

- The IFB was posted on the City of Los Angeles Regional Alliance Marketplace for Procurement website.
- The IFB was electronically advertised in eRSP (electronic Request-Solicit-Procure) for direct download.

F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Participation

Not applicable as this is a contract for materials.