



RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

*Simon Zewdu*

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**SIMON ZEWDU**  
Senior Assistant General Manager  
Power System

*Aram Benyamin*  
Aram Benyamin (Apr 10, 2024 12:15 PDT)

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**ARAM BENYAMIN**  
Chief Operating Officer

*Martin L. Adams*

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**MARTIN L. ADAMS**  
General Manager and Chief Engineer

**DATE:** March 28, 2024

**SUBJECT:** Contract No. 395 for Medium Voltage Cable for Federally Funded Projects with WESCO Distribution, Inc.

**SUMMARY**

The proposed Contract No. 395 (Contract) is to furnish and deliver medium voltage cable for federally funded projects for a term of one year with two one-year optional renewal periods. The total estimated expenditure is \$34,995,957 and for an amount not to exceed \$43,744,947(budgeted). The Contract is a result of a competitive bid process.

The cables furnished under this Contract are for warehouse stock and will be used in LADWP cable relocations primarily to support Metropolitan Transit Authority (MTA) projects or other projects that arise and receive federal funding. Materials used in federally funded projects are generally subject to the Code of Federal Regulations Title 49 (CFR Title 49) Buy America requirements. The MTA reimburses a large percentage of the total costs associated with these projects to LADWP.

City Council approval is not required.

## **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing award of the Contract to WESCO Distribution, Inc. (WESCO), the lowest responsive bidder under Groups I, II, and III, and the lowest bidder under Group IV.

## **ALTERNATIVES CONSIDERED**

There are no other alternatives at this time. LADWP does not have the capability or facilities to fabricate the medium voltage cable materials included in this Contract. LADWP has historically purchased medium voltage cables. Without this Contract, LADWP will not be able to support MTA projects and other federally funded projects that are subject to the Buy America requirements outlined in CFR Title 49.

## **FINANCIAL INFORMATION**

The Contract is for a term of one year with two one-year optional renewal periods and is budgeted.

<u>Groups I - IV</u>	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Contractual Period	\$ 2,916,330	\$ 11,665,319	\$ 14,581,649
First Optional Period		11,665,319	14,581,649
Second Optional Period		11,665,319	14,581,649
Total	\$ 2,916,330	\$ 34,995,957	\$ 43,744,947

LADWP agrees to a minimum expenditure of 25 percent and a maximum expenditure of 125 percent of the estimated expenditures. The maximum expenditure will not exceed \$43,744,947.

The total quotation of \$34,995,957 is approximately 21 percent lower than LADWP's estimated cost of \$44,380,407. The estimate was developed using vendor quotations submitted during the development of Invitation for Bid (IFB) No. 395. The variance is attributed to competition, fluctuations in commodity prices, and a price reduction due to the extended delivery lead time that reflects current market conditions.

## **BACKGROUND**

The MTA has several projects that require the extension or relocation of LADWP's existing cables and underground structures to facilitate street improvements before commencing public transit construction. These extensions and relocations will require the installation of new cables that meets the Buy America requirements outlined in CFR Title 49.

The specification is divided into four groups that can be awarded separately. The items are grouped based on the voltage rating and construction type to represent some of the common types of cable that are used within the LADWP power distribution system. These groups cover 8-kV, 15-kV, and 35-kV rated cables with either ethylene propylene rubber or cross-linked polyethylene insulation.

IFB No. 395R1 is a result of a rebid. Under the original IFB No. 395, all bids were deemed non-responsive due to not meeting delivery lead time requirements. Subsequently, IFB No. 395R1 was advertised with modified delivery lead time requirements reflective of the current market.

WESCO is a distributor of electrical utility equipment established in 1922, and is headquartered in Pittsburgh, PA. They are proposing cable manufactured by Southwire Company, LLC (Southwire). Southwire is a domestic cable manufacturing company headquartered in Carrollton, GA, providing cable since 1950.

IFB No. 395R1 has a price adjustment clause based on three commodities. The base unit price of cable will be adjusted quarterly based on commodity prices of copper, aluminum, and rubber and plastic.

WESCO 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 which 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 medium voltage cable for federally funded projects 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: WESCO Distribution, Inc.
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: October 2, 2023 C. Pre-Bid Conference Date: N/A D. Bid Due Date: November 7, 2023 E. Number of Downloads of Solicitation: 19 (19 primes, 0 subcontractors)* F. Number of Bids/Proposals Received: 4 G. Protest Received: No
4.	Buyer Assigned: Daisy Curaming
5.	Contract Administrator: Vince X. Nguyen
6.	LADWP System/Division: Power / Power Contracts and External Generation
7.	Contact Person for Item: Daniel Baker

\*Note: Downloads do not accurately reflect vendor interests as multiple individuals in an organization can download solicitations.

### A. Summary of Bids Received

#### Group I

Term	American Wire Group	WESCO	OneSource Supply Solutions	The Okonite Company
Original Period	<del>\$1,552,000</del>	<b>\$ 4,297,095</b>	\$ 4,663,611	\$ 4,946,395
1 <sup>st</sup> Optional Period	<del>\$1,552,000</del>	<b>\$ 4,297,095</b>	\$ 4,663,611	\$ 4,946,395
2 <sup>nd</sup> Optional Period	<del>\$1,552,000</del>	<b>\$ 4,297,095</b>	\$ 4,663,611	\$ 4,946,395
Total of Bid Amount	<del>\$4,656,000</del>	<b>\$12,891,285</b>	\$13,990,833	\$14,839,185
Less Discount (if applicable)	<del>\$ 93,120</del>	-	-	-
Less LBPP (if applicable)	-	<b>\$ 1,000,000*</b>	-	-
Total Evaluated Amount	<del>\$4,562,880</del> Non-Responsive	<b>\$11,891,285</b>	\$13,990,833	\$14,839,185

\*LBPP applied is the maximum cap of \$1M

#### Group II

Term	American Wire Group	WESCO	OneSource Supply Solutions	The Okonite Company
Original Period	<del>\$ 372,000</del>	<b>\$ 955,155</b>	\$1,036,716	\$1,123,890
1 <sup>st</sup> Optional Period	<del>\$ 372,000</del>	<b>\$ 955,155</b>	\$1,036,716	\$1,123,890
2 <sup>nd</sup> Optional Period	<del>\$ 372,000</del>	<b>\$ 955,155</b>	\$1,036,716	\$1,123,890
Total of Bid Amount	<del>\$1,116,000</del>	<b>\$2,865,465</b>	\$3,110,148	\$3,371,670
Less Discount (if applicable)	<del>\$ 22,320</del>	-	-	-
Less LBPP (if applicable)	-	<b>\$ 229,237</b>	-	-
Total Evaluated Amount	<del>\$1,093,680</del> Non-Responsive	<b>\$2,636,228</b>	\$3,110,149	\$3,371,670

### Group III

Term	American Wire Group	WESCO	OneSource Supply Solutions	The Okonite Company
Original Period	\$197,500	\$ 650,250	\$ 700,732	\$ 786,940
1 <sup>st</sup> Optional Period	\$197,500	\$ 650,250	\$ 700,732	\$ 786,940
2 <sup>nd</sup> Optional Period	\$197,500	\$ 650,250	\$ 700,732	\$ 786,940
Total of Bid Amount	\$592,500	\$1,950,750	\$2,102,196	\$2,360,820
Less Discount (if applicable)	\$ 11,850	-	-	-
Less LBPP (if applicable)	-	\$ 156,060	-	-
Total Evaluated Amount	\$580,650 Non-Responsive	\$1,794,690	\$2,102,196	\$2,360,820

### Group IV

Term	WESCO	OneSource Supply Solutions	The Okonite Company
Original Period	\$ 5,762,819	\$ 6,350,176	\$ 6,044,544
1 <sup>st</sup> Optional Period	\$ 5,762,819	\$ 6,350,176	\$ 6,044,544
2 <sup>nd</sup> Optional Period	\$ 5,762,819	\$ 6,350,176	\$ 6,044,544
Total of Bid Amount	\$17,288,457	\$19,050,528	\$18,133,632
Less Discount (if applicable)	-	-	-
Less LBPP (if applicable)	\$ 1,000,000*	-	-
Total Evaluated Amount	\$16,288,457	\$19,050,528	\$18,133,632

\*LBPP applied is the maximum cap of \$1M

## B. Evaluation of Bid

A total of four bids were received under IFB No. 395R1 under Groups I, II, and III, and three bids were received under Group IV.

IFB No. 395R1 was subject to the Buy America provisions of Title 49 which provides the requirements for all manufactured products used by LADWP for utility relocations and funded by the Federal Transit Administration and Federal Highway Administration. To comply with these provisions, bidders were required to submit the mandatory Form 15 – Buy America Certificate certifying whether or not the products offered comply with Title 49.

American Wire Group (AWG) submitted the lowest bid under Groups I, II, and III. However, AWG submitted Form 15 – Buy America Certificate indicating that their proposed cable cannot comply with the requirements of Title 49. Therefore, AWG's bid is deemed non-responsive and no award can be made to this firm under Groups I, II and III.

WESCO submitted the next lowest bid under Groups I, II, and III, and the lowest bid under Group IV and is in full compliance with all requirements.

Prices submitted under IFB No. 395R1 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
2169A	WESCO Distribution, Inc	One Year with Two One-Year Renewal Periods	11/23/20	11/22/23	\$9,079,725
2169B	The Okonite Company	One Year with Two One-Year Renewal Periods	11/23/20	11/22/23	\$14,076,147
762A	The Okonite Company	One Year with Two One-Year Renewal Periods	7/24/17	7/23/20	\$4,599,123
762B	WESCO Distribution, Inc.	One Year with Two One-Year Renewal Periods	7/24/17	7/23/20	\$8,578,953

WESCO has an extensive award history. The following table is a partial listing of recent annual contracts awarded by the Board of Water and Power Commissioners during the past 5 years.

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
310B	600-Volts Underground and Overhead, And Misc. Wire and Cable	One Year with Two One-Year Renewal Periods	10/31/23	10/30/26	\$76,109,835
296B	Wire and Cable, 600-Volts Instrument and Control	One Year with Two One-Year Renewal Periods	8/07/23	8/06/26	\$15,293,499
254	Galvanized Steel Dist. Poles, Fiberglass Dist. Poles, Ductile Iron Dist. Poles & Fiberglass Crossarms	One Year with Two One-Year Renewal Periods	4/02/22	4/01/25	\$49,087,273
211	38kV SF6 Insulated Switchgear	One Year with Two One-Year Renewal Periods	9/20/21	9/19/24	\$80,753,493
199	Watthour Smart Meters	One Year with Two One-Year Renewal Periods	8/09/21	8/08/24	\$152,307,086
2169A	Medium Voltage Cable for Federally Funded Projects	One Year with Two One-Year Renewal Periods	11/23/20	11/22/23	\$9,079,725
778B	Cable, 600-Volts Underground and Overhead, And Misc. Wire & Cable	One Year with Four One-Year Renewal Periods	4/20/18	4/19/23	\$18,168,265
762B	Medium Voltage Cable for Federally Funded Projects	One Year with Two One-Year Renewal Periods	7/24/17	7/23/20	\$8,578,953

#### **D. Local Business Preference Program (LBPP)**

LBPP was included in this bid. WESCO is a certified local business. 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 LADWP website and the City of Los Angeles Regional Alliance Marketplace for Procurement website.
- The bid was electronically advertised in eRSP 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) Subcontracting Participation**

Not applicable as this is a contract for materials.