



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Simon Zewdu

SIMON ZEWDU
Senior Assistant General Manager
Power System

Aram Benyamin
Aram Benyamin (Jul 28, 2024 07:42 PDT)

ARAM BENYAMIN
Chief Operating Officer

Janisse Quiñones

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: July 15, 2024

SUBJECT: Contract Nos. 678A, and 678B for Medium Voltage Cable with Taihan Electric USA, Ltd. and CME Wire and Cable, Inc., Respectively

SUMMARY

The proposed Contract Nos. 678A and 678B (Contracts) are to purchase medium voltage cable for a term of one year with two one-year renewal options (estimated expiration date of August 2027), for an estimated expenditure of \$74,119,011 and an amount not to exceed \$92,648,763 (budgeted). The Contracts are the result of a competitive bid process.

The cable is for warehouse stock and will be used for new installations, replacement of old and deteriorating cable, and support for the Power System Reliability Program (PSRP). PSRP annual goals require the replacement of aging underground distribution cables that are nearing the end of their design life. The new cable installations are expected to reduce outage frequency and duration, thus maintaining the reliability of power distributed to LADWP customers.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached resolution authorizing the award of Contract No. 678A to Taihan Electric USA, Ltd. (Taihan), the lowest bidder under Group I, and Contract No. 678B to CME Wire and Cable, Inc. (CME), the lowest bidder under Groups II and III.

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 the Contracts. LADWP has historically purchased medium voltage cable. Failure to procure this cable will result in an inability to construct projects that require this material.

FINANCIAL INFORMATION

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

<u>Contract 678A – Taihan Group No. I</u>	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Contractual Period	\$ 4,606,475	\$18,425,900	\$23,032,375
First Optional Period		18,425,900	23,032,375
Second Optional Period		<u>18,425,900</u>	<u>23,032,375</u>
Contract Total	\$ 4,606,475	\$55,277,700	\$69,097,125

<u>Contract 678B - CME Group Nos. II and III</u>	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Contractual Period	\$ 1,570,109	\$ 6,280,437	\$ 7,850,546
First Optional Period		6,280,437	7,850,546
Second Optional Period		<u>6,280,437</u>	<u>7,850,546</u>
Contract Total	\$ 1,570,109	\$18,841,311	\$ 23,551,638

<u>Total for Group Nos. I through III</u>	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Contractual Period	\$6,176,584	\$24,706,337	\$ 30,882,921
First Optional Period		24,706,337	30,882,921
Second Optional Period		<u>24,706,337</u>	<u>30,882,921</u>
Total Contract Amount	\$6,176,584	\$74,119,011	\$ 92,648,763

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 \$92,648,763.

The total quotation of \$74,119,011 is approximately 22 percent lower than LADWP's estimated cost of \$94,826,689. The estimate was developed using a quotation obtained from a domestic manufacturer. The variance is attributed to receiving competitive pricing from an international manufacturer.

BACKGROUND

The cables under the Contracts are essential elements of the LADWP's 34.5kiloVolt (kV) and 4.8kV underground power distribution systems. LADWP's medium voltage cables consist of an aluminum or copper conductor that is surrounded by various layers of insulation, shielding, and jacketing that make the cable suitable for each particular underground application. These cables are for warehouse stock. The new cable installations are expected to reduce outage frequency and duration, thus maintaining the reliability of power distributed to the customers of LADWP.

The specification is divided into three groups that can be awarded separately. The items are grouped based on the voltage rating and construction type. The groups cover 5kV, 8kV, 15kV, and 35kV rated cables with either ethylene propylene rubber or cross-linked polyethylene insulation. Based on past experience, LADWP was able to increase bidder participation by having separate groups.

Invitation for Bid No. 678 has escalation clauses based on three commodities. The base unit price of cable will be adjusted quarterly based on the commodity prices of copper, aluminum, rubber, and plastics.

Taihan and CME have performed satisfactorily on previous and current contracts.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 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 contract for medium voltage cable 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): Taihan Electric USA Ltd. (Taihan) and CME Wire and Cable, Inc. (CME)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: March 11, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: May 8, 2024 E. Number of Downloads of Solicitation: 31* (24 primes, 7 subcontractors) F. Number of Bids/Proposals Received: 3 G. Protest Received: No
4.	Buyer Assigned: Daisy Curaming
5.	Contract Administrator: Vinh X. Nguyen
6.	LADWP System/Division: Power Capital Projects and External Generation Division
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	Taihan	CME	WESCO Distribution, Inc.
Original Period	\$18,425,900	\$24,930,143	\$26,786,994
1 st Optional Period	\$18,425,900	\$24,930,143	\$26,786,994
2 nd Optional Period	\$18,425,900	\$24,930,143	\$26,786,994
Total of Bid Amount	\$55,277,700	\$74,790,429	\$80,360,982
Less Cash Term Discount	-	-	-
Less LBPP	(\$1,000,000)*	-	(\$1,000,000)*
Total Evaluated Amount	\$54,277,700	\$74,790,429	\$79,360,982

Group II	CME	Taihan	WESCO Distribution, Inc.
Original Period	\$5,043,323	\$5,742,890	\$5,846,618
1 st Optional Period	\$5,043,323	\$5,742,890	\$5,846,618
2 nd Optional Period	\$5,043,323	\$5,742,890	\$5,846,618
Total of Bid Amount	\$15,129,969	\$17,228,670	\$17,539,854
Less Cash Term Discount	-	-	-
Less LBPP	-	(\$1,000,000)*	(\$1,000,000)*
Total Evaluated Amount	\$15,129,969	\$16,228,670	\$16,539,854

Group III	CME	WESCO Distribution, Inc.
Original Period	\$1,237,114	\$2,928,168
1 st Optional Period	\$1,237,114	\$2,928,168
2 nd Optional Period	\$1,237,114	\$2,928,168
Total of Bid Amount	\$3,711,342	\$8,784,504
Less Cash Term Discount	-	-
Less LBPP	-	(\$1,000,000)*
Total Evaluated Amount	\$3,711,342	\$8,081,744

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

B. Evaluation of Bid

LADWP received three bids for Groups I and II and two bids for Group III.

Taihan submitted the lowest bid for Group I. CME submitted the lowest bid for Groups II and III.

Prices submitted under Bid No. 678 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
651A	Taihan Electric USA, Ltd.	One Year with Two Optional One Year Periods	10/19/2021	10/18/2024	\$63,009,789
651B	The Okonite Company	One Year with Two Optional One Year Periods	10/19/2021	10/18/2024	\$13,899,594
651C	CME Wire and Cable, Inc.	One Year with Two Optional One Year Periods	10/19/2021	10/18/2024	\$4,279,683
857A	Taihan Electric USA, Ltd.	One Year with Two Optional One Year Periods	10/02/2018	10/01/2021	\$17,422,536
857B	The Okonite Company	One Year with Two Optional One Year Periods	10/02/2018	10/01/2021	\$11,346,210
857C	WESCO Distribution, Inc.	One Year with Two Optional One Year Periods	10/02/2018	10/01/2021	\$3,135,228
566	OneSource Distributors	One Year with Two Optional One Year Periods	11/12/2014	11/11/2017	\$35,906,238
170A	Taihan Electric USA, Ltd.	One Year with Two Optional One-Year Periods	5/27/2011	5/26/2014	\$21,869,506
170B	OneSource Distributors	One Year with Two Optional One-Year Periods	5/27/2011	5/26/2014	\$8,406,649

170C	The Okonite Company	One Year with Two Optional One-Year Periods	5/27/2011	5/26/2014	\$27,134,961
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TAIHAN					
Vendor Experience – Number of Contracts Vendor had with LADWP During the past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	End Date	Contract Amount
41267	Cable and Terminations	One Time Purchase	5/31/2024	-	\$255,362
402	Medium Voltage EPR Insulated Cable	One Year with Two Optional One-Year Periods	5/30/2024	05/28/2027	\$55,416,189
41212	EPR Cable	One Time Purchase	5/07/2024	-	\$3,374,801
2688	Medium Voltage Cable	One Time Purchase	7/19/2022	7/18/2025	\$5,636,250
651A	Medium Voltage Cable	One Year with Two Optional One-Year Periods	10/19/2021	10/18/2024	\$63,009,789
153	Medium Voltage EPR Insulated Cable	One Year with Two Optional One-Year Periods	1/25/2021	1/24/2024	\$26,584,200
44138	Hardware, Cables A & B, Stainless Steel	One Time Purchase	03/28/2022	-	\$173,000
01767	EPR Medium Voltage Cable with Gas Tube	One Year with Two Optional One-Year Periods	6/24/2019	6/23/2022	\$3,885,375
857A	Medium Voltage Cable	One Year with Two Optional One-Year Periods	10/02/2018	10/01/2021	\$17,422,536
43443	230-kV Cable and Accessories for RS-X	One Time Purchase	2/09/2021	-	\$2,013,541
43295	Cable ACSR 15kV #2, 1/0, 3/0	One Time Purchase	8/13/2020	-	\$355,750
34753	Wire, ACSR	One Time Purchase	1/23/2020	-	\$14,400
43003	Cables, Voltage	One Time Purchase	1/13/2020	-	\$164,100
42955	Terminations and Joints for 138 kV XLPE	One Time Purchase	10/10/2019	-	\$76,466

CME					
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
310C	600 Volts Underground and Overhead, And Miscellaneous Wire and Cable	One Year with Two Optional One-Year Periods	10/31/2023	10/30/2026	\$6,942,237

2530	600-Volt Locomotive Cable	One Year with Two Optional One-Year Periods	1/31/2022	1/30/2025	\$3,262,743
43975 2	Cable, Copper and Aluminum	One Time Purchase	11/15/2021	-	\$1,920,151
651C	Medium Voltage Cable	One Year with Two Optional One-Year Periods	10/19/2021	10/18/2024	\$4,279,683

D. Local Business Preference Program (LBPP)

The LBPP was included in this Bid. However, LBPP was not a determining factor in the evaluation and recommendation of award for this Contract. Taihan and WESCO Distribution, Inc. are certified local business enterprises.

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 (RAMP) website.
- The IFB was electronically advertised on 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) Participation

Not applicable as this is a contract for materials.