



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL


David W. Hanson (Aug 29, 2024 12:20 PDT)

DAVID W. HANSON
Senior Assistant General Manager
Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer


Aram Benyamin (Aug 29, 2024 12:21 PDT)

ARAM BENYAMIN
Chief Operating Officer

DATE: August 28, 2024

SUBJECT: Contract No. 490 for 38-kV SF6 and Novec Insulated Switchgear with WESCO Distribution, Inc.

SUMMARY

The proposed contract is to furnish and deliver 38-kiloVolt (kV) sulfur hexafluoride (SF6) and Novec insulated switchgear (Switchgear), for a period of one year with two one-year optional renewal periods (estimated expiration date of September 2027). The total maximum expenditure will not exceed \$75,000,000 (budgeted).

The Switchgear is for warehouse stock and will be used to protect transformers, clear downstream faults, de-energize equipment to allow work to be done, switch from a normal to an emergency circuit, and serve as an intertie switch for customers having their own co-generation plant. The Switchgear also allows circuits to be sectionalized, which minimizes downtime duration and limits service disruptions.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing the approval of Contract No. 490 (Contract) with WESCO Distribution, Inc. (WESCO), the lowest bidder.

ALTERNATIVES CONSIDERED

There are no other alternatives at this time. LADWP does not have the capability to fabricate materials being furnished under this Contract. LADWP has historically purchased Switchgear. Failure to procure the Switchgear will result in reduced power system reliability.

FINANCIAL INFORMATION

This Contract is for one year with two one-year optional renewal periods and is budgeted.

	<u>Minimum Expenditure</u>	<u>Maximum Expenditure</u>
Original Contractual Period	\$ 6,250,000	\$ 25,000,000
First Optional Period	0	25,000,000
Second Optional Period	0	25,000,000
Contract Total	<u>\$ 6,250,000</u>	<u>\$ 75,000,000</u>

LADWP agrees to a minimum expenditure of 25 percent. The maximum expenditure will not exceed \$75,000,000.

The total quotation of \$135,125,625 from WESCO is approximately 5 percent lower than LADWP's estimated cost of \$141,614,485. The estimate was based on current pricing and previous price trends. Having a large number of items listed in the Contract results in a cost estimate that is larger than the actual anticipated usage. As a result, the total maximum expenditure has been limited to \$25,000,000 per year, per Article 6 of Division F1 of the Information for Bid (IFB) No. 490.

BACKGROUND

The Switchgear is furnished in various configurations for particular applications within the power system. Models configured with enhanced relay and communication capabilities are utilized in Feed-in Tariff projects and allow LADWP to interconnect customers that have their own solar or co-generation systems. Other Switchgear configurations contain automatic transfer switching capability to provide an emergency circuit for some electric services that serve critical loads. Some Switchgear configurations have wall-mounting provisions to allow them to be installed in high-rise buildings where pad-mount installation is not possible.

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

Additionally, due to California Air Resource Board (CARB) regulations, Switchgear containing SF6 can no longer be purchased in California beginning in the year 2025. As a result, this solicitation includes a secondary set of units that use an alternative gas that is compliant with the CARB regulations.

WESCO is a distributor of the material being furnished under this Contract. WESCO, founded in 1922 and located in Cerritos, CA, is offering insulated switchgear manufactured by S&C Electric (S&C). S&C will utilize a manufacturing location in Chicago, IL to provide material being furnished under this Contract. S&C has provided similar material in the past and has performed satisfactorily.

IFB No. 490 has price adjustment clauses based on one commodity. The base unit price of the Switchgear will be adjusted quarterly based on commodity prices of the United States Bureau of Labor Statistics' Switchgear Manufacturing index.

WESCO has performed satisfactorily on current and previous 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)(2) states that continuing administrative or maintenance activities, such as purchases for supplies, do not meet that definition. Therefore, the bid to purchase Switchgear 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): WESCO Distribution, Inc. (WESCO)
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 23, 2024 E. Number of Downloads of Solicitation: 29* (26 primes, 3 subcontractors) F. Number of Bids/Proposals Received: 2 G. Protest Received: No
4.	Buyer Assigned: Kien Hua
5.	Contract Administrator: Andrew Tsau
6.	LADWP System/Division: Power / Capital Projects and External Generation
7.	Contact Person for Item: Daniel Baker

* Note: eRSP (electronic Request-Solicit-Procure) 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

Term	WESCO	Onesource Supply Solutions
Original Period	\$45,041,875	\$46,412.663
First Optional Period	\$45,041,875	\$46,412.663
Second Optional Period	\$45,041,875	\$46,412.663
Less: Cash Term Discount	-	-
Less: LBPP	\$1,000,000*	-
Total Evaluated Amount	\$134,125,625	\$139,237,989

*LBPP applied is the maximum cap of \$1 million.

B. Evaluation of Bid

LADWP received two bids in response to IFB No. 490. WESCO submitted the lowest bid.

Prices submitted under IFB No. 490 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
211	WESCO Distribution, Inc.	One Year with Two One-Year Renewal Periods	09/20/2021	09/19/2024	\$80,761,095

541	Onesource Distributors	One Year with Four One-Year Renewal Periods	09/15/2016	09/14/2021	\$119,139,075
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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 five years.

WESCO					
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
395	Medium Voltage Cable for Federally Funded Projects	One Year with Two One-Year Renewal Periods	05/09/24	05/08/2027	\$43,744,947
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	08/07/23	08/06/26	\$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	04/02/22	04/01/25	\$49,087,273
211	38kV SF6 Insulated Switchgear	One Year with Two One-Year Renewal Periods	09/20/21	09/19/24	\$80,753,493
199	Watthour Smart Meters	One Year with Two One-Year Renewal Periods	08/09/21	08/08/24	\$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	04/20/18	04/19/23	\$18,168,265
762B	Medium Voltage Cable for Federally Funded Projects	One Year with Two One-Year Renewal Periods	07/24/17	07/23/20	\$8,578,953

D. Local Business Preference Program (LBPP)

LBPP was included in the 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 City of Los Angeles Regional Alliance Marketplace for Procurement website.
- The IFB 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) Participation

Not applicable as this is a contract for materials.