



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

David W Hanson (Aug 29, 2024 12:19 PDT)

DAVID W. HANSON
Senior Assistant General Manager
Power System

Aram Benyamini (Aug 29, 2024 12:20 PDT)

ARAM BENYAMIN
Chief Operating Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: August 28, 2024

SUBJECT: Contract No. 8011 for Transformer, 235-kV to 225-kV, 1290-MVA, 3-Phase, for Sylmar Switching Station with Baoding Tianwei Baobian Electric Co., Ltd.

SUMMARY

The proposed Contract No. 8011 (Contract) is to make a one-time purchase of large power transformers for the Sylmar Switching Station, including manufacturer's representative services, for an amount not to exceed \$11,016,900 (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 the Sylmar Switching Station.

City Council approval is not required.

RECOMMENDATION

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

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 these transformers. 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 \$11,016,900.

The total quotation is approximately 9 percent lower than LADWP's estimated cost of \$12,168,025. The estimate was based on prices from the previous advertisement. The variance is attributed to competition and fluctuations in commodity prices.

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. The transformers furnished under this Contract will be used to replace aging and high-maintenance transformers at the Sylmar Switching Station.

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 responsive bidder.

Baoding has performed satisfactorily on current and previous contracts.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301. In accordance with this section, the purchase of electrical transformers to replace existing electrical transformers at the Sylmar Switching Station is categorically exempt pursuant to Class 1(b) as described in CEQA Guidelines Section

15301. This exemption applies to the repair or minor alteration of existing public or private facilities and mechanical equipment involving negligible or no expansion of use.

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: April 9, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: April 30, 2024 E. Number of Downloads of Solicitation: 23* (18 primes, 5 subcontractors) F. Number of Bids/Proposals Received: 2 G. Protest Received: No
4.	Buyer Assigned: Daisy Curaming
5.	Contract Administrator: Gabriel Rodriguez
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	Baoding	JSHP Transformer
Original Period	\$11,016,900.00	\$11,446,250.00
Less Cash Discount	-	-
Add Cost of Transformer Losses	\$4,936,000.00	\$4,065,000.00
Less LBPP	-	-
Total Evaluated Amount	\$15,952,900.00	\$15,511,250.00

B. Evaluation of Bid

These requirements were advertised three times.

Under IFB No. 8011, two bids were received from the same bidder. As a result of limited competition and several technical related questions received during the advertisement period, it was determined to be in the best interest of LADWP to reject all bids and address the technical questions received. The new requirements were rebid under IFB No. 8011R1.

Under IFB No. 8011R1, three bids were received. However, all bidders were deemed non-responsive. Mandatory forms were not fully completed and technical information such as seismic calculations and pump information was omitted. Due to missing information, it was not possible to determine if the transformers proposed met technical requirements of the specifications. Bidders were informed of the reasons that deemed their bids non-responsive, additional outreach was performed, and requirements were rebid under IFB No. 8011R2.

Two bid responses were received under IFB No. 8011R2. JSHP Transformer USA Corp. (JSHP) submitted the lowest evaluated bid. However, this firm took exceptions to LADWP's technical bushing, winding temperature rise, and forced-air cooler class transformer requirements. Therefore, JSHP's bid is deemed nonresponsive, and no award can be made to this firm.

Baoding submitted the lowest evaluated responsive bid utilizing the TOC equation and is in full compliance with the specifications.

Prices submitted under Bid No. 8011R2 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
7893	TBEA USA Co.	One Time Purchase	03/10/2023	-	\$10,819,750
44397-3	TBEA USA Co.	One Time Purchase	09/13/2022	-	\$2,716,740
7780	TBEA USA Co.	One Time Purchase	03/14/2019	-	\$12,751,235
7564	Baoding	One Time Purchase	12/31/2015		\$15,801,360

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
378	Transformer, Power, 160-MVA, 3-Ph, 230 and 128-kV for Various RS	One Year with Two One-Year Renewal Periods	02/09/2024	02/08/2027	\$26,228,025
44553-3	Transformer, PWR, Phase-Shifting, 600-MVA, 3Ph, 138-kV, For RS-L	One Time Purchase	03/08/2023	-	\$4,395,000
43894-2	Transformer, Power, 100/130/160 MVA, 230-kV for RS-X	One Time Purchase	10/25/2021	-	\$4,096,518

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.

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 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.