

RESOLUTION NO. 27618

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5260 with Solar Turbines Incorporated to increase the contract authority by \$3,000,000, for new total not to exceed \$12,227,860, and extend the term through February 13, 2024, with a one (1)-year renewal option, covering ongoing maintenance and repair of two (2) cogeneration turbines and related equipment for Los Angeles World Airports; and

WHEREAS, the cogeneration turbines run on natural gas, rotate at high speeds, and perform two (2) specific functions: generating power and creating steam. Each turbine in the Central Utility Plant (CUP) can produce a maximum output of 4.2 megawatts or 4,200 kilowatts of electricity, which is used to power various Los Angeles International Airport (LAX) parking structures, traffic signals, and the CUP equipment, specifically five (5) electric chiller machines and water circulating pumps. Any excess power produced is exported to the City of Los Angeles Department of Water and Power for credit to Los Angeles World Airports (LAWA). The turbines also create steam through exhaust heat, which is used for heating and cooling in central terminal area buildings, the Administration East building, and the LAX Theme Building; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

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Commissioners**

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Justin Erbacci
Chief Executive Officer

WHEREAS, the contract with Solar Turbines Incorporated (Solar Turbines) does not have sufficient authority to continue necessary maintenance while a new competitive procurement process is conducted. The terms of the contract include an annual escalation rate of up to 6%. The \$3,000,000 increase in authority will cover monthly maintenance services in the amount of \$1,500,000 and provides a contingency amount of \$1,500,000 for repairs, materials, and other related costs through the end of the contract extension; and

WHEREAS, LAWA was working on a scope of work (SOW) for a Request for Proposals (RFP) to replace the current cogeneration turbines installed at the LAX CUP. However, during this time, new technology has emerged that might change the combustion turbine generators, which would require a change in the way the machines are serviced. Said new technology would allow for more environmentally friendly, greener power generation. Therefore, staff decided to take the time to conduct additional research and determine the viability of using newer, green technologies. Once the research, a resulting new SOW, and a corresponding RFP process are completed, the Board of Airport Commissioners will be requested to approve a new contract; and

WHEREAS, funds for the contract are available in the Fiscal Year 2022-2023 LAWA Operating Budget in LAX Cost Center 1150070 – Central Utility Plant, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual operating budget process; and

WHEREAS, this item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines. In addition, operation, repair, maintenance or minor alteration of existing facilities of both investor and publicly owned utilities, electrical power, natural gas, sewage, water, telephone, and mechanical systems serving existing facilities, including alterations to accommodate a specific use, is exempt from CEQA requirements pursuant to Article III, Class 1 (2); and

WHEREAS, Solar Turbines is required by contract to comply with the provisions of the Living Wage Ordinance, Affirmative Action Program, and Child Support Obligation Ordinance; and

WHEREAS, Solar Turbines has been assigned Business Tax Registration Certificate 0002747073-0001-1; and



WHEREAS, Solar Turbines has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, pursuant to Charter Section 1022, staff determined that the work specified in the contract can be performed more feasibly and economically by Independent Contractors than by City employees; and

WHEREAS, Solar Turbines has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Solar Turbines must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Second Amendment; and

WHEREAS, Solar Turbines will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, Solar Turbines has submitted the Bidder Contributions CEC Form 55 and Bidder Contributions MLO CEC Form 50, and will comply with their provisions; and

WHEREAS, Solar Turbines will comply with the provisions of the Iran Contracting Act; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f and Article III, Class 1 (2) of the Los Angeles City CEQA Guidelines; approved the Second Amendment to Contract DA-5260 with Solar Turbines Incorporated to increase the contract authority by \$3,000,000, for new total not to exceed \$12,227,860, and extend the term through February 13, 2024, with a one (1)-year renewal option, covering ongoing maintenance and repair of two (2) cogeneration turbines and related equipment for Los Angeles World Airports; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5260 with Solar Turbines Incorporated after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27618 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 3, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS