

0150-12220-0000

TRANSMITTAL

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 06/13/2023	COUNCIL FILE
FROM The Mayor	COUNCIL DISTRICT All	

**PROPOSED RESOLUTION AND CONTRACT AMENDMENT NO. 1 TO DEPARTMENT OF
WATER AND POWER CONTRACT NO. 02028 WITH GRAYBAR ELECTRIC COMPANY, INC.
FOR TELECOMMUNICATIONS EQUIPMENT, SUPPLIES, AND ACCESSORIES**

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Chris Thompson for)

CONTRACTMWS:PJH/JVW:JFH:10230087t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 09, 2023

CAO File No. 0150-12220-0000

Council File No.

Council District: All

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Department of Water and Power Dated October 27, 2022;
Referred by the Mayor for Report on November 1, 2022

Subject: **PROPOSED RESOLUTION AUTHORIZING THE EXECUTION OF CONTRACT AMENDMENT NO. 1 TO DEPARTMENT OF WATER AND POWER CONTRACT NO. 02028 WITH GRAYBAR ELECTRIC COMPANY, INC. FOR TELECOMMUNICATIONS EQUIPMENT, SUPPLIES, AND ACCESSORIES**

RECOMMENDATION

That the Mayor:

1. Approve Los Angeles Department of Water and Power (LADWP) proposed Resolution authorizing the execution of Amendment No. 1 to Cooperative Purchasing Contract No. 02028 with Graybar Electric Company, Inc. to provide for continued purchasing of telecommunications equipment, supplies, and accessories for an additional six years from January 31, 2023 to January 31, 2029, and increase the contract amount by \$9,000,000 from \$5,000,000 to \$14,000,000;
2. Authorize an administrative change to the contract number from 02028 to 00333;
3. Adopt the California Environmental Quality Act (CEQA) determinations of the proposed October 27, 2022 Los Angeles Board of Water and Power Commissioners Resolution that the action is exempt from CEQA pursuant to Sections 15060(c)(2) and 15378(b)(5) that state an organizational or administrative activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment;
4. Authorize and direct, upon proper certification, the Chief Accounting Employee to draw demands on the Power Revenue Fund over the term of the agreement incurred by such agreement; and
5. Return the proposed Resolution to the Department for further processing, including Council consideration.

SUMMARY

The Los Angeles Department of Water and Power requests approval to execute Amendment No.1 to Contract No. 02028 with Graybar Electric Company, Inc. to extend the term by six years from January 31, 2023 to January 31, 2028, and increase the contract limit by \$9,000,000 from \$5,000,000 to \$14,000,000. The proposed amendment will also make an administrative change in the contract number from 02028 to 00333 to reflect a change in the contract from a General Manager-awarded contract to a Board of Water and Power Commissioners-awarded contract. The proposed amendment provides a mechanism for the continued purchase of essential telecommunications equipment, supplies, and accessories such as fiber optic cable, innerducts, and network routers to maintain and provide for the required expansion of the Department's telecommunications infrastructure.

The proposed amendment has been approved as to form by the City Attorney. Pursuant to Charter Section 373, Council approval is required because the cumulative contract term exceeds five years. Our office has reviewed the request and recommends approval.

BACKGROUND

Department of Water and Power Contract No. 02028 with Greybar Electric Company, Inc. is a piggyback contract utilizing City Contract No. ARC-20000000017-1. The Department's utilization of the City Contract to purchase telecommunications supplies was approved by the General Manager on April 30, 2020, for a term of two years and nine months.

The materials furnished under the contract support the LADWP Information Technology Services Fiber Optic Enterprise, Wireless Transport Engineering, and Cable Transport Engineering Groups. The Fiber Optic Enterprise Group provides fiber optic circuits for internal control systems, the corporate network, and special projects such as distribution automation. The Group also leases excess fiber optic cable capacity to commercial businesses. The customers include businesses involved in the entertainment industry, health and educational institutions, and other entities of the City of Los Angeles.

The proposed amendment is essential to allow the Department to continue to build high speed fiber optic network transport services requested by various LADWP sections, including Network Engineering and Security, Water Engineering and Technical Services, Security Planning and Engineering Services, and Overhead Transmission. The amendment is also required to accomplish a technology refresh that is driven by the obsolescence of Time Division Multiplexing (TDM) networks.

Critical LADWP communications circuits such as power transmission line tele-protection and supervisory control and data acquisition are currently being supported by legacy TDM Technology for which replacement parts are increasingly scarce requiring the ongoing replacement of this obsolete technology. The Department indicates that without the proposed amendment, it will be impossible to operate and maintain the existing fiber infrastructure that is often impacted by fires, rodents, and human activity.

The Department reports that Graybar's performance has been satisfactory under the existing agreement.

Alternatives Considered – LADWP considered several other options to the amendment, such as purchasing materials through one-time purchase orders or blanket purchase orders and advertising and awarding a new contract. Both of these alternatives would require significant administrative resources and would be inefficient and time consuming. Use of known state or federal cooperative contracts is not viable as existing agreements expired on October 22, 2022.

CITY COMPLIANCE

The City Attorney has approved the proposed amendment as to form and legality. In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5(e), the amendment requires City Council approval because the total term of the agreement is greater than five years.

California Environmental Quality Act (CEQA) – The Department has determined that the proposed contract amendment involves an administrative activity and project that will not involve physical changes in the environment. The amendment is, therefore, administratively and categorically exempt from CEQA pursuant to Sections 15060(c)(2) and 15378(b)(5) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

Approval of proposed Contract Amendment No. 1 to Los Angeles Department of Water and Power (LADWP) Contract No. 02028 with Graybar Electric Company, Inc. increases the contract limit by \$9,000,000, from \$5,000,000 to \$14,000,000, and extends the term by six years from two years and nine months to eight years and nine months. The cost of the amendment will be financed through the Power Revenue Fund. The proposed contract amendment complies with the LADWP Financial Policies. There is no impact on the General Fund.

Attachment – October 27, 2022 DWP Board Report and Resolution

MWS/PJH/JVW:JFH:10230087