



FISCAL YEAR 2023-24 ANNUAL PURCHASE ORDERS

Riverside Public Utilities

Board of Public Utilities
June 12, 2023

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BACKGROUND

1. Riverside City Charter Section 1202(b) requires that the Board of Public Utilities (Board) approve all expenditures in excess of \$50,000.
2. Purchasing Resolution No. 23914 (Purchasing Resolution) Section 404 entitled "Utilities Exception" recognizes that there are certain supplies and materials which are "peculiar to the needs" of the City's Public Utilities Department (RPU) and may be acquired through an open market procurement process, so long as the expenditures have been approved by the Board.



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DISCUSSION

1. Informal bids apply to either purchases of goods and services of \$50,000 or less and purchases of any amount falling under the Purchasing Resolution Section 404 for Utilities Exception, which have no monetary cap. Informal bids mean that the City receives a minimum of three price quotes from vendors outside of the formal procurement process and may negotiate terms, conditions, and pricing with the vendors via email, phone call or eProcurement platform (PlanetBids.)
2. Formal bids apply to all other purchases over \$50,000 and conducted online through PlanetBids.



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DISCUSSION

3. The competitive bid process for goods and services may be waived for various reasons, including availability from a sole source and "following on" another governmental contract when it is in the best interest of the City to do so or for other reasons as set forth in the City's purchasing rules.



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DISCUSSION

Purchasing overview:

1. Annual Purchase Order
2. Purchasing Process
3. Utilities Exception – Purchasing Resolution Section 404

Examples of Utilities Exceptions

1. Capacitors	6. Pumps and repairs
2. Chemicals	7. Road and backfill
3. Conduit and duct	8. Switches and switchgear
4. Meter and metering devices	9. Transformers
5. Utility poles	



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ANNUAL PURCHASE ORDERS – ELECTRIC AND WATER

1. Fiscal Year 2023-24 Annual Purchase Orders for Electric and Water include an estimated expenditure of \$3,176,918.
2. The vendors listed are the current vendors for each of the goods and material and are subject to change based on procurement activity.
3. Bids are evaluated and awarded in compliance with purchasing policy and procedures. Items that require formal bidding and that are not exempt under the utilities' exception are presented to the Board for individual action throughout the fiscal year.



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ANNUAL PURCHASE ORDERS – CENTRAL STORES

1. Fiscal Year 2023-24 Annual Purchase Orders for Central Stores include an estimated expenditure of \$21,365,100.
2. Central Stores provides warehousing and accounting control of supplies and materials on behalf of all City departments. The materials and supplies included on this list are primarily used by the Electric and Water operations.
3. The vendors listed are the current vendors for each of the goods and material and are subject to change based on procurement activity. Bids are evaluated and awarded in compliance with purchasing policy and procedures. Items that require formal bidding and that are not exempt under the utilities' exception are presented to the Board for individual action throughout the fiscal year.
4. Due to the anticipated continuing supply cost increases, a not to exceed 30% allowance for Producer Price Index (PPI) increases for 16 Fiscal Year 2023-24 Annual Purchase Orders for Central Stores for orders benefiting Electric and Water operations is requested.



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PURCHASE ORDERS FOR EXISTING CONTRACTS

1. Fiscal Year 2023-24 Existing Contract Purchase Orders include several contracts previously approved by the Board for an estimated amount of \$18,898,002.
2. Many of the contracts were approved for multi-year terms or options for extensions. At contract approval, the budget was only available for first year of the contract. Subsequent years are budgeted through the budget process.
3. The vendors listed are continuing vendors for each material or service.



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ANNUALLY RECURRING EXPENDITURES

1. Fiscal Year 2023-24 Annual Recurring Expenditures including the SHARE program and annual memberships and subscriptions.
2. The expenses are either greater than \$50,000 per year or could over a number of years, cumulatively exceed \$50,000 for multi-year expenses, for an estimated expenditure of \$3,824,577.



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MULTIYEAR EXPENDITURES OVER \$50,000

1. Fiscal Year 2023-24 Multi-year Expenditures Over \$50,000 include multiple expenses for an estimated amount of \$2,633,042.
2. The City issues purchase orders for such goods and materials that are routinely used by RPU during the fiscal year for its daily utility operations.
3. The City's Purchasing Division selects vendors via a competitive bid process which can be informal or formal. When the cumulative cost for multi-year services is greater than \$50,000, the Purchasing Resolution requires Board approval for the expenses.



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 5 - High Performing Government

Goal 5.2 – Utilize technology, data and process improvement strategies to increase efficiencies, guide decision making and ensure services are accessible throughout the City.

Goal 5.3 – Enhance communication and collaboration with community members to improve transparency, build public trust.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve the expenditure for 14 Fiscal Year 2023-24 Annual Purchase Orders for Electric and Water operations, with an estimated amount of \$3,176,918;
2. Approve the expenditure for 16 Fiscal Year 2023-24 Annual Purchase Orders for Central Stores for orders benefitting Electric and Water operations, with an estimated amount of \$21,365,100;
3. Approve a not-to-exceed 30% allowance for Producer Price Index (PPI) increases for 16 Fiscal Year 2023-24 Annual Purchase Orders for Central Stores for orders benefitting Electric and Water operations;



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RECOMMENDATIONS

4. Approve the expenditure for 61 Fiscal Year 2023-24 Existing Contract Purchase Orders for Fiscal Year 2023-24 with an estimated total amount of \$18,898,002;
5. Approve the expenditure for 15 Fiscal Year 2023-24 Annually Recurring Expenditures for SHARE, memberships and subscription expenses that are either greater than \$50,000 per year or that could over a number of years cumulatively exceed \$50,000 for multi-year expenses, with an estimated total amount of \$3,824,577;



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RECOMMENDATIONS

6. Approve the expenditure for 64 Fiscal Year 2023-24 Purchase Orders with cumulative multiple year costs equal to or greater than \$50,000 with an estimated total amount of \$2,633,042; and
7. Approve the expenditure for the annual legal budget for FY 2021-2022 for the law firm of Thompson Coburn in an amount not to exceed \$558,000.



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