



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: DECEMBER 8, 2025

SUBJECT: SERVICES AGREEMENT TO REQUEST FOR PROPOSAL NO. 2476 WITH LANS COMPRESSORS, INC. OF GLENDORA, CALIFORNIA TO PERFORM AIR COMPRESSOR MAINTENANCE AT RIVERSIDE ENERGY RESOURCE CENTER UNITS 3 AND 4 AND SPRINGS POWER PLANT FOR A FIVE-YEAR TERM ENDING DECEMBER 31, 2030, IN THE AMOUNT OF \$536,713.

ISSUE:

Consider approving the Services Agreement to Request for Proposal No. 2476 with Lans Compressors, Inc. of Glendora, California to perform air compressor maintenance at Riverside Energy Resource Center Units 3 and 4 and Springs Power Plant for a five-year term ending December 31, 2030, in the amount of \$536,713.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Services Agreement to Request for Proposal No. 2476 with Lans Compressors, Inc. of Glendora, California to perform air compressor maintenance at Riverside Energy Resource Center Units 3 and 4 and Springs Power Plant for a five-year term ending December 31, 2030, in the amount of \$536,713; and
2. Authorize the City Manager, or his designee, to execute the Services Agreement with Lans Compressors, Inc., including making non-substantive changes.

BACKGROUND:

The Springs Power Plant (Springs), commissioned in 2002, and Riverside Energy Resource Center (RERC) Units 3 and 4, commissioned in 2011, were each equipped with air compressors and air dryers as part of their original construction. These compressors operate daily to provide pressurized air that supports a wide range of plant systems. A steady and continuous supply of clean, dry, compressed air is critical to ensure the reliable performance of the many pneumatically operated components and control systems.

Units 3 and 4 at RERC are supported by three air compressors and two air dryers, while Springs has a similar setup with three compressors and two dryers. All units have been well maintained and have operated reliably since their installation. To date, the RERC compressors have logged more than 48,000 operating hours, and the Springs compressors have exceeded 77,000 hours. At this stage in their service life, maintenance now requires more detailed inspections and replacement of components subject to normal wear.

Annual maintenance has been performed during scheduled outages in accordance with manufacturer recommendations. To ensure long-term reliability and cost stability, staff recommend a five-year service agreement with a vendor that has the required equipment expertise. Vendor options for air compressor maintenance are limited and most providers service only specific compressor manufacturers, further narrowing the available choices.

Ingersoll Rand Air Compressors and Dryer Systems for RERC 3 & 4



Ingersoll Rand Air Compressors and Dryer Systems at Springs



DISCUSSION:

On November 7, 2024, the City's Purchasing Division, on behalf of Riverside Public Utilities (RPU), issued Request for Proposal (RFP) No. 2427 through PlanetBids to solicit qualified vendors for a five-year air compressor maintenance contract at RERC and Springs. On December 19, 2024, only two proposals were received. The top-rated proposal was deemed non-responsive for not meeting the solicitation requirements and the other proposal had a significantly higher price than what was anticipated. As a result, the scope was revised with a goal of attracting more

competitive proposals.

Table 1. Proposal Summary (RFP No. 2427)

Vendors	Location	Bid Amount	Rank
Ingersoll-Rand Industrial U.S., Inc.	City of Industry, CA	\$334,868.43	1
C.E. Mechanical, Inc.	Chino, CA	\$527,741.70	2

On May 8, 2025, the Purchasing Division reissued the solicitation as RFP No. 2476 on PlanetBids. The notification summary is provided in the following table:

Table 2. Notification Summary (RFP No. 2476)

Action	Number of Vendors
External Vendors Notified	106
City of Riverside Vendors Notified	15
Vendors Who Downloaded the RFP	9
Proposals Received	4

On June 17, 2025, four proposals were received in response to RFP No. 2476, and the results are summarized in the table below:

Table 3. Proposal Summary (RFP No. 2476)

Vendors	Location	Bid Amount	Rank
LANS Compressors	Glendora, CA	\$291,465.63	1
Energy Link Industrial Services	Bakersfield, CA	\$206,483.78	2
C.E. Mechanical, Inc.	Chino, CA	\$324,319.46	3
Associated Compressor & Equipment, LLC.	Fresno, CA	\$368,519.63	4

RPU staff evaluated the four proposals based on the following criteria:

- Pricing (35% - 35 points)
- Approach and Methodology (35% - 35 points)
- Experience, Qualifications, and Professional References (30% - 30 points)

After a thorough evaluation, the proposal from LANS Compressors (LANS) received the highest overall score. Following the completion of the evaluations, staff conducted a negotiation meeting with LANS which resulted in the best and final offer as shown in the table below:

Table 4. Best and Final Offer (RFP No. 2476)

Vendors	Location	Bid Amount	Best and Final Offer
LANS Compressors	Glendora, CA	\$291,465.63	\$236,712.50

LANS offered a more comprehensive maintenance plan with a condition-based approach, performing certain service items only as needed in accordance with manufacturer specifications. This allows RPU to defer maintenance when it is not required, which reduced the total cost to \$236,712.50.

In the proposal, LANS also included the cost of replacing the desiccant, a drying agent in the air dryers, twice a year at RERC while the other proposals did not. This is a cost of approximately \$22,000 that has already been included in the total cost of the proposal.

After negotiations and during the Best and Final Offer (BAFO), LANS provided the City with a cost

proposal of aftermarket parts for the five-year term, allowing RPU the option to further reduce maintenance costs while maintaining manufacturer standards. Given the age of these compressors, using aftermarket parts is a favorable option as Original Equipment Manufacturer (OEM) parts are increasingly difficult to source, have longer lead times, and come at higher costs. Utilizing quality aftermarket parts could reduce total costs by approximately \$65,000 and minimize equipment downtime.

LANS has over 65 years of industry expertise, including more than five years of experience maintaining and repairing Ingersoll Rand compressors in municipal and commercial settings. LANS offers technical knowledge and site-specific understanding to support the continued performance of the air compressors at RERC and Springs.

Purchasing Resolution 24101 Section 508(c) states, “Contract procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder, except that...(c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications...”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101.

The RFP included the ability to address any minor, unanticipated items that are discovered while performing the maintenance. To facilitate this, vendors were instructed to submit hourly labor rates for the next five years. Considering the age of the equipment, there is significant potential for an increase in components that have exceeded the service life and require replacement. Staff recommend including an annual limit of \$60,000 for additional maintenance items. This is not guaranteed payment to the vendor and only Riverside staff approved expenditures will be encumbered. With the limited amount of time scheduled to perform this maintenance, promptly addressing these minor repairs at the earliest stage is the best and most cost-effective approach that ensures overall plant availability.

A purchase order for the fixed annual amount will be issued to the vendor each fiscal year. The amount of \$60,000 per year for as-needed repairs is not guaranteed payment to the vendor. Staff will review all additional recommendations and will only authorize the vendor to perform items that are vital to the overall performance and reliability of the power plants. Only approved repairs will be encumbered, and any unused funds will remain in the generation budget. In Table 5 below, this additional \$60,000 per year has been allocated proportionally across both facilities.

Table 5. Fiscal Year Breakdown

Fiscal Year	RERC	Springs	Total
FY 26/27	\$64,059	\$32,526	\$96,585
FY 27/28	\$78,812	\$33,600	\$112,412
FY 28/29	\$66,741	\$34,744	\$101,485
FY 29/30	\$83,350	\$35,962	\$119,312
FY 30/31	\$69,659	\$37,260	\$106,919
5-Year Total:			\$536,713

FISCAL IMPACT:

The total fiscal impact is \$536,713 for a five-year term ending December 31, 2030. Sufficient funds for both facilities in the amount of \$96,585 for fiscal year 2026/27 are available in the RERC Maintenance-Generating Plants Account No. 6120130-424131 and the Springs Maintenance-Generating Plants Account No. 6120120-424131.

Future years' funding, as shown in Table 5, will be included as part of the biennial budget process for the term of the agreement.

Prepared by:	Scott Lesch, Utilities Assistant General Manager/Power Resources
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Bid Award Recommendation
2. Services Agreement with Lans Compressors, Inc.
3. Presentation