



*City of Arts & Innovation*

# City Council Memorandum

---

**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: MARCH 25, 2025**

**FROM: PUBLIC UTILITIES    WARDS: ALL**

**SUBJECT: FOURTH AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH WUNDERLICH-MALEC ENGINEERING, INC. OF GILBERT, ARIZONA FOR POWER PLANT CONTROL SYSTEM ENGINEERING AND CONSULTING SERVICES AT RIVERSIDE ENERGY RESOURCE CENTER AND SPRINGS POWER PLANT FOR A THREE-YEAR TERM ENDING JUNE 30, 2028, IN THE AMOUNT OF \$180,000 FOR A TOTAL AGREEMENT AMOUNT OF \$630,000.**

**ISSUE:**

Approve fourth amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc. of Gilbert, Arizona for power plant control system engineering and consulting services at Riverside Energy Resource Center and Springs Power Plant for a three-year term ending June 30, 2028, in the amount of \$180,000, for a total agreement amount of \$630,000.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the fourth amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc. of Gilbert, Arizona for power plant control system engineering and consulting services at the Riverside Energy Resource Center and Springs Power Plant for a three-year term ending June 30, 2028, in the amount of \$180,000, for a total agreement amount of \$630,000; and
2. Authorize the City Manager, or designee, to execute the fourth amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc., including the ability to make non-substantive changes.

**BOARD RECOMMENDATION:**

On February 24, 2025, the Board of Public Utilities, voted unanimously to recommend that the City Council approve the fourth amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc. of Gilbert, Arizona for power plant control system engineering and consulting services at the Riverside Energy Resource Center and Springs Power

Plant for a three-year term ending June 30, 2028, in the amount of \$180,000, for a total agreement amount of \$630,000; and authorize the City Manager, or designee, to execute the fourth amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc., including the ability to make non-substantive changes.

## **BACKGROUND:**

Wunderlich-Malec Engineering, Inc. (Wunderlich-Malec) designed and commissioned the Distributed Control Systems (DCS) that are utilized at the Riverside Energy Resource Center (RERC) and Springs Power Plant (Springs). The DCS is the central computerized control system which integrates numerous plant equipment and supervisory controls for power generation technicians. During normal power plant operations, technicians interact with several systems vital to the proper functioning of the plant, including turbine and emissions controls as well as the Supervisory Control and Data Acquisition (SCADA) system.

The DCS at each power plant is a custom designed and unique system specific to each facility. Maintaining and troubleshooting the complex control structure requires engineering support from an entity possessing the technical expertise of the customized control systems. Changes in plant operations resulting from regulatory mandates or performance improvements also require in-depth engineering evaluations prior to implementation. As equipment connected to the DCS is replaced or upgraded or operating parameters change, the programming within the DCS must be tested and updated as well.

Since the initial commissioning of each power plant, the partnership with Wunderlich-Malec has been essential to maintaining reliability at the highest level. Unexpected control system issues are quickly resolved with Wunderlich-Malec's assistance which ensures the power plants continued operations.

Changes in technology as well as regulatory changes are ongoing. Staff anticipates operational changes from new and additional regulatory mandates and industry performance standards. The continued assistance of Wunderlich-Malec's engineering services will ensure the efficient and successful implementation of these operational changes.

## **DISCUSSION:**

Riverside Public Utilities (RPU) has worked with Wunderlich-Malec at both the RERC and Springs power plants since they were commissioned. Prior to September 2017, the company was only brought in to assist and perform maintenance in an as-needed capacity. Over time, it was determined that annual maintenance and system upgrades were necessary and RPU sought a formal agreement to clearly identify services and costs.

Staff opted for a single source procurement due to the specialized engineering services provided by Wunderlich-Malec. As noted above, Wunderlich-Malec installed and commissioned the original control systems at RERC and Springs. Both DCS systems have been customized to control the specific operations at RERC and Springs and Wunderlich-Malec is the only vendor that readily meets Riverside's demands for DCS system maintenance and programming. Using an alternate vendor who does not have the programming expertise and the proprietary knowledge of the existing DCS system could expose both facilities to extended outages, equipment damage, and environmental violations.

In September 2017, staff received single source procurement approval for the DCS engineering services with Wunderlich-Malec (referred to as the Original agreement). As a result, staff obtained a fully executed professional consultant services agreement and an open purchase order in the amount of \$45,000.

The agreement expired on September 7, 2018, with no revisions. The first amendment was approved in October 2018, which extended the agreement term to July 1, 2019, and increased the authorized expenditure by \$45,000 to a total expenditure of \$90,000 for as-needed engineering services.

In June 2019, the Board of Public Utilities approved the second amendment that extended the agreement for three years through July 1, 2022. The amendment authorized an annual budget of \$60,000 per year and increased the total expenditure under the agreement to \$270,000.

In June 2022, staff received single source procurement approval, and the Board of Public Utilities approved the third amendment that extended the agreement for three years through July 1, 2025. The amendment authorized an annual budget of \$60,000 per year and increased the total expenditure under the agreement to \$450,000.

Staff evaluated the future control system requirements and negotiated a multi-year extension with fixed hourly rates. The fourth amendment will extend the agreement through July 1, 2028, with an approved budget of \$60,000 per year for as-needed engineering services and increase the total authorized expenditure under the three-year agreement to \$180,000. As done for the previous amendments, this fourth amendment will be processed as a Change Order to the original Purchase Order.

**Table 1: Total Authorized Expenditures per Agreement with Wunderlich-Malec**

Agreement	Fiscal Years	Terms of Agreement	Annual Amount	Total Amount
Original	FY 2017-18	1 Year	\$45,000	\$45,000
First Amendment	FY 2018-19	1 Year	\$45,000	\$45,000
Second Amendment	FY 2019-22	3 Years	\$60,000	\$180,000
Third Amendment	FY 2022-25	3 Years	\$60,000	\$180,000
<b>Fourth Amendment</b>	<b>FY 2025-28</b>	<b>3 Years</b>	<b>\$60,000</b>	<b>\$180,000</b>
Total Contract Amount				\$630,000

Purchasing Resolution 24101, Section 1104. Change Orders. “Modifications to a Purchase Order shall be made only by Change Order, except that minor variances of \$200 or less, where the variance is due to sales tax or freight charges may be processed without a Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of (2) modifying unit prices, (5) modifying contract completion time or the term of a Contract”.

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution 24101.

**STRATEGIC PLAN ALIGNMENT:**

This item contributes to the following strategic priorities and goals from the Envision Riverside 2025 Strategic Plan:

**Strategic Priority 5 – High Performing Government** and Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

**Strategic Priority 6 – Infrastructure, Mobility & Connectivity** and Goal 6.2. – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity

The item aligns with EACH of the five Cross-Cutting threads as follows:

1. **Community Trust** – Ensuring that Riverside’s power plants can safely and effectively operate and provide electricity to the entire City and its communities serves the greater public good.
2. **Equity** – This item ensures that the power plants can safely and effectively operate and provide reliable electricity benefitting all RPU’s customers.
3. **Fiscal Responsibility** – The negotiated rates under this fourth amendment have not increased since the original contact and will remain fixed for the next three years.
4. **Innovation** – The DCS is the automation and integration of multiple processes required to produce electricity. This agreement supports operational reliability and future plant improvements.
5. **Sustainability & Resiliency** – RERC and Springs operate during the most critical need for electricity. Having a well maintained DCS for the next three years is essential to sustaining a highly reliable power plant.

**FISCAL IMPACT:**

The total fiscal impact for the three-year term is \$180,000. Sufficient funds for fiscal year 2025/26 in the amount of \$60,000 are available in the following Public Utilities Accounts: Electric Fund, Springs Professional Services Account No. 6120120-421000 and RERC Professional Services Account No. 6120130-421000. Funding for future years will be included as part of the Fiscal Years 2026-2028 biennial budget process.

Prepared 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: Jack Liu, Interim City Attorney

- Attachments:
1. Fourth Amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc.
  2. Presentation