



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 24, 2019

ITEM NO: 13

SUBJECT: SECOND AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH WUNDERLICH-MALEC ENGINEERING, INC. FOR POWER PLANT CONTROL SYSTEM ENGINEERING AND CONSULTING SERVICES AT RIVERSIDE ENERGY RESOURCE CENTER AND SPRINGS POWER PLANT FOR A TERM ENDING JULY 1, 2022 IN THE AMOUNT OF \$180,000 FOR A TOTAL AGREEMENT AMOUNT OF \$270,000

ISSUE:

Approve the Second 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 term ending July 1, 2022 in the amount of \$180,000 for a total agreement amount of \$270,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Second 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 term ending July 1, 2022 in the amount of \$180,000 for a total agreement amount of \$270,000; and
2. Authorize the City Manager, or designee, to execute the Second Amendment to the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc., including the ability to make non-substantive changes.

BACKGROUND:

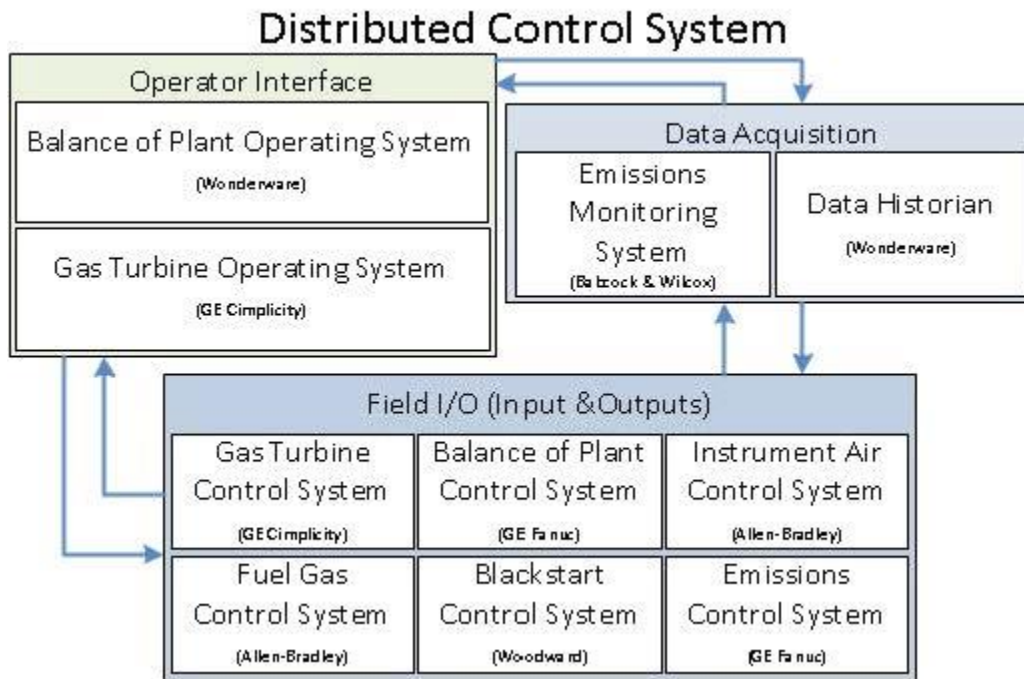
Wunderlich-Malec Engineering, Inc. (Wunderlich-Malec) designed and commissioned the Distributed Control Systems (DCS) utilized at the Riverside Energy Resource Center (RERC) and Springs Power Plant (Springs). The DCS is the central computerized control system that integrates numerous plant equipment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

Maintaining and troubleshooting this complex control structure requires engineering support from an entity possessing the technical expertise of the customized control systems. Additionally, changes in plant operations resulting from regulatory mandates or performance improvements require in-depth engineering evaluations prior to implementation.

Partnering with Wunderlich-Malec is essential in maintaining plant reliability at the highest level. Recently, staff experienced unexpected control system issues that were quickly resolved with minimal downtime.

Next year, staff anticipates more required operational changes due to additional regulatory mandates and industry performance standards. The assistance of Wunderlich-Malec’s engineering ensures the successful implementation of these operational changes.

The following illustration outlines the intricate components of the operating system.



DISCUSSION:

In September 2017, staff received sole source procurement approval for the DCS engineering services with Wunderlich-Malec. 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 through July 1, 2019, and increased the authorized expenditure to \$90,000 for as-needed engineering services.

Staff evaluated a multi-year agreement option and negotiated fixed hourly rates for the next three (3) years. The Second Amendment will extend the agreement through July 1, 2022 and increase the total authorized expenditure under the agreement to \$270,000.

For the next three (3) fiscal years, staff will obtain an annual purchase order in the amount of \$60,000 for as-needed engineering services in accordance with the agreement.

Fiscal Years	Annual Amount	Agreement Revisions
Fiscal Year 2017-18	\$45,000	Original
Fiscal Year 2018-19	\$45,000	First Amendment
<i>Fiscal Year 2019-20</i>	<i>\$60,000</i>	<i>Second Amendment</i>
<i>Fiscal Year 2020-21</i>	<i>\$60,000</i>	<i>Second Amendment</i>
<i>Fiscal Year 2021-22</i>	<i>\$60,000</i>	<i>Second Amendment</i>
	\$270,000	

This is a sole source procurement for goods due to the specialized engineering services provided by Wunderlich-Malec. Purchasing Resolution number 23256, Section 702(c) provides that competitive

procurement through the formal and informal procurement process shall not be required when the procurement can only be obtained from a sole source or timely from a single source and the Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated. In this case, the procurement can only be obtained from a sole source, for the reasons noted above, and complies with all the requirements under this section.

The Purchasing Services Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256, Section 702(c).

FISCAL IMPACT:

The total fiscal impact of the recommended action is \$180,000 for a three-year term ending July 1, 2022. Sufficient funds for Fiscal Year 2019-20 in the amount of \$60,000 are available in the Public Utilities Professional Services Account No. 6120130-421000. Sufficient funds for Fiscal Years 2020-21 and 2021-22 in the amount of \$60,000 each year, will be accounted for during the next budget cycle.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc.
2. First Amendment to Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc.
3. Second Amendment to Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc.
4. Presentation