RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES **DATE: JUNE 8, 2026**

SUBJECT: EXPENDITURES FOR ANNUAL PURCHASE ORDERS, EXISTING CONTRACT PURCHASE ORDERS, ANNUALLY RECURRING EXPENDITURES OVER $50,000 AND PURCHASE ORDERS WITH A MULTIYEAR COST OVER $50,000 FOR FISCAL YEAR 2026-27 TOTALING $50,963,284

ISSUE:

Consider approving the expenditures for the listed goods and services over $50,000 as required by Section 1202(b) of the City of Riverside Charter.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the expenditure for 16 Fiscal Year 2026-27 Annual Purchase Orders for Electric and Water operations, with an estimated amount of $3,682,426;

2. Approve the expenditure for 21 Fiscal Year 2026-27 Annual Purchase Orders for Central Stores for orders benefiting Electric and Water operations, with an estimated amount of $23,020,488;

3. Approve a not to exceed 20% allowance for Producer Price Index (PPI) increases for 21 Fiscal Year 2026-27 Annual Purchase Orders for Central Stores for orders benefiting Electric and Water operations;

4. Approve the expenditure for 59 Fiscal Year 2026-27 Existing Contract Purchase Orders with an estimated total amount of $16,496,443;

5. Approve the expenditure for 24 Fiscal Year 2026-27 Annually Recurring Expenditures for SHARE, memberships and subscription expenses are either greater than $50,000 per year or could over a number of years, cumulatively exceed $50,000 for multi-year expenses, with an estimated total amount of $5,223,772; and

6. Approve the expenditure for 78 Fiscal Year 2026-27 Purchase Orders with cumulative multiple year costs equal to or greater than $50,000 with an estimated total amount of $2,540,156.

BACKGROUND:

Riverside City Charter Section 1202(b) requires that the Board of Public Utilities (Board) approve all expenditures exceeding $50,000. Purchasing Resolution No. 24101 (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. Categories for such supplies and materials are listed in that resolution.

DISCUSSION:

In accordance with this authorization, RPU issues annual purchase orders for such goods and materials that are routinely used by the department during the fiscal year for its daily utility operations. The City's Purchasing Division selects vendors via a competitive bid process which can be informal or formal:

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.

3. The competitive bid process for goods and services may be waived for various reasons, and including availability from a sole source, "piggy-backing" 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.

Informal bids for purchases falling under Purchasing Resolution Section 404, as noted above, are those that may be placed on an annual purchase order. The utilities' exception relates to supplies, equipment, and materials that are peculiar (i.e., specific) to the needs of RPU for daily routine operations such as chemicals, meters, utility poles, road and backfill materials, transformers, and other similar items as outlined in the resolution. Formal bidding requirements are waived regardless of amount; however, informal bids are obtained at the time of requisition from the vendor community to ensure competitive pricing. This may include direct negotiation with one vendor. In addition, items are approved by the Board for capital work orders over $50,000 and all expenditures are incorporated into the Fiscal Year 2025-26 operating budget.

Annual Purchase Orders – Electric and Water

Fiscal Year 2026-27 Annual Purchase Orders for Electric and Water (Attachment 1) include an estimated expenditure of $3,682,426. The vendors listed are the current vendors for each of the goods and materials 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.

Annual Purchase Orders – Central Stores
Fiscal Year 2026-27 Annual Purchase Orders for Central Stores (Attachment 2) include an estimated expenditure of $23,020,488. Central Stores provides warehousing and accounting control of supplies and materials on behalf of all City departments. The material and supplies included on this list are primarily used by the Electric and Water operations. 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.

The City Council will consider the Central Stores annual expenditures at their regularly scheduled meeting of June 23, 2026.

Purchase Orders for Existing Contracts
Fiscal Year 2026-27 Existing Contract Purchase Orders (Attachment 3) include several contracts previously approved by the Board for an estimated amount of $16,496,443. Many of the contracts were approved for multi-year terms or options for extensions. At contract approval, the budget was only available for the first year of the contract. Subsequent years are budgeted through the budget process. The vendors listed are continuing vendors for each material or service.

Annually Recurring Expenditures
Fiscal Year 2026-27 Annual Recurring Expenditures (Attachment 4) including the SHARE program and annual memberships and subscriptions. 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 $5,223,772. Board approval is necessary and in compliance with the Purchasing Resolution.

Multiyear Expenditures Over $50,000
Fiscal Year 2026-27 Multi-year Expenditures Over $50,000 (Attachment 5) include multiple expenses for an estimated amount of $2,540,156. RPU issues purchase orders for such goods and materials that are routinely used by the department during the fiscal year for its daily utility operations. 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.

Purchasing Resolution 24101, Section 404 Utilities Exception, states. "The Water, Electric and Sewer Utilities have a need for compatibility within their respective systems for uniform operation, maintenance and replacement, and this need can be met by procuring certain supplies, equipment, and materials supplies through Informal Procurement or Negotiated Procurement. If it appears to the Manager to be in the best interest of overall economy and efficiency of the City to do so, and it is within existing budget appropriation, the following supplies, equipment, and materials are determined to be peculiar to the needs of the Water Utility, the Electric Utility, and the Sewer Utility and may be acquired by Informal Procurement or Negotiated Procurement, regardless of their estimated Procurement expenditure amounts, provided that the City's Board of Public Utilities or City Council shall have approved the proposed acquisition if required under the provisions of the City Charter, either by approval of the procurement contract or approval of annual purchase orders."

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 24101.

FISCAL IMPACT:

Total fiscal impact is estimated at $50,963,284. Sufficient funds are included in the proposed Fiscal Year 2026-27 budget which will be considered by the City Council on June 23, 2026.

Prepared by:	Tracy Sato, Utilities Assistant General Manager/Strategic Initiatives
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Gilbert Hernandez, Interim Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Fiscal Year 2026-27 Annual Purchase Orders Electric and Water
2. Fiscal Year 2026-27 Annual Purchase Orders Central Stores
3. Fiscal Year 2026-27 Existing Contract Purchase Orders
4. Fiscal Year 2026-27 Annually Recurring SHARE, Memberships and Subscription Expenditures
5. Fiscal Year 2026-27 Multiyear Purchase Order Expenditures Over $50,000
6. Presentation