



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 11, 2025

FROM: PUBLIC UTILITIES – CUSTOMER ENGAGEMENT WARDS: ALL

SUBJECT: PROFESSIONAL CONSULTANT SERVICE AGREEMENT FOR ADMINISTERED REFRIGERATOR AND FREEZER RECYCLING PROGRAM – RFP 2410 WITH A&G ELECTRONICS INC., FOR A THREE-YEAR TERM IN THE AMOUNT \$300,000.

ISSUE:

Approve a Professional Consultant Services Agreement for refrigerator and freezer recycling with A&G Electronics Inc. for a three-year term in the amount of \$300,000.

RECOMMENDATIONS:

That the City Council:

1. Approve a Professional Consultant Services Agreement from Request for Proposal No. 2410 to administer the Refrigerator and Freezer Recycling program to A&G Electronics Inc., for a three-year term in the amount of \$300,000; and
2. Authorize the City Manager, or designee, to execute the Professional Consultant Services Agreements, including making minor and non-substantive changes to the agreements.

BOARD RECOMMENDATION:

On February 24, 2024, the Board of Public Utilities voted unanimously to approve recommending that City Council approve the Consultant Administered Refrigerator & Freezer Recycling Program for Energy Customers, for three-year Professional Consultant Services Agreements in the in the amount of \$300,000.

LEGISLATIVE HISTORY:

Assembly Bill (AB) 1890 (Brulte, 1996), requires that 2.85% of electric revenue be utilized to fund public benefits programming and must be used in at least one of four areas: demand side management (energy efficiency), renewable energy, low-income assistance, or research, development, and demonstration.

Senate Bill (SB) 1037 (Kehoe, 2005), a comprehensive package that sets ambitious energy conservation policies and goals. SB 1037 requires publicly owned utilities (POU's) when procuring

energy to serve their customer load, to “first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible” and to report kilowatt hour (kWh) savings to the California Energy Commission annually.

BACKGROUND:

In 2000, the Refrigerator/Freezer Recycling Program was approved for residential electric customers. The program offers monetary incentives for recycling old, operational, inefficient refrigerators and/or stand-alone freezers which are picked up and transported to a recycling facility. In order to collect kWh savings, refrigerators and freezers must be operational. (Note: Disposal and recycling of non-operational units are the responsibility of the customer and RPU does not offer any rebate for these units).

The program was initially managed by Appliance Recycling Centers of America, Inc. (ARCA), as at the time, they were the only Responsible Appliance Disposal (RAD) contractor in California. RPU entered into an agreement with ARCA on April 5, 2000, to offer the program to residential customers. The program was extended to commercial customers in August of the same year.

In 2023, ARCA went out of business. RPU engaged a local replacement vendor, A&G Electronics Inc., to pick up and recycle working refrigerators through a Certified Appliance Recycler (CAR) center. There are currently no RAD service providers in California.

RPU has been able to realize significant kWh savings as part of this program. Since the 2021-2022 Fiscal Year, more than 2,228 refrigerators and freezers have been collected under the program and, to date have provided 1,531,242 kWh savings.

| Fiscal Year | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 YTD | TOTAL |
|--------------------|------------------|------------------|------------------|----------------------|--------------|
| kWh Savings | 317,102 | 343,806 | 521,683 | 348,651 | 1,531,242 |
| Units Collected | 555 | 487 | 707 | 479 | 2,228 |

The average kWh savings from the program is enough to power about 53 single family homes for a year. During 2023/24, the number of units collected increased to 707, which equates to 521,683 kWh savings, and enough power for 72 single family homes for a year. The program continues to enjoy consistent participation and is an excellent resource for the community, ensuring that operating units are disposed of in an environmentally sensitive and responsible way.

Program Offer

This program has several benefits. It provides a \$100 rebate to customers that recycle and replace a unit with an energy star unit or a \$50 rebate to customers that simply recycle an old working unit. The program benefits the environment by recycling old units and disposing of them in an environmentally safe manner at a Certified Appliance Recycler Center. Finally, it provides a system load reduction for the utility, which contributes to the required energy efficiency savings that the Utility commits to annually.

DISCUSSION:

On October 24, 2024, Request for Proposal (RFP) No. 2410 was posted on Planet Bids, the City’s online bid system, seeking consultants for the Refrigerator and Freezer Recycling Program. The RFP notification is summarized in the following table.

RFP 2410 Bidding Notification Summary Table

| Action | Number of Vendors |
|------------------------------------|-------------------|
| External Vendors Notified | 500 |
| City of Riverside Vendors Notified | 596 |
| Vendors who downloaded the RFP | 13 |
| Proposals received | 1 |

RFP 2410 closed on November 12, 2024, with only one response. Staff anticipated a low number of proposals due to how specialized this program is. The one proposal received was found to be responsive and responsible. Under the guidance of the Purchasing Division, three City staff members evaluated the proposal, which resulted in A&G Electronics Inc. being the successful bidder. The evaluation criteria, total points, and rankings are summarized below.

Evaluation Criteria:

- a. Qualifications/Approach/Methodology (30%)
- b. Pricing (30%)
- c. Experience (Projects of similar size and scope) (20%)
- d. Professional References (10%)
- e. Approach and methodology (10%)

Evaluation Results

| Program | Proposer | Location | Committee's Avg Rank | Pricing Rank | Overall Rank |
|--|----------------------|---------------|----------------------|--------------|--------------|
| Refrigerator and Freezer Recycling Program | A&G Electronics Inc. | Riverside, CA | 966.66 | 1 | 1 |

Purchasing sent out a questionnaire to receive feedback from the Prospective Proposers on why the RFP was downloaded but failed to provide a proposal submission. Vendors stated that the scope was not a service that they could provide.

Purchasing Resolution 24101 Section 508 Awards states, “Contracts 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, Section 508(c).

STRATEGIC PLAN ALIGNMENT:

The Refrigerator and Freezer Recycling Program aligns with Strategic Priority No. 4, Environmental Stewardship and Goal 4.6 – Implement the requisite measures to achieve Citywide carbon neutrality no later than 2040. The Program deliverables will focus on helping electric

customers maximize energy efficiency practices and support the Priority goals of championing proactive and equitable climate solutions based in science to ensure clean air, safe water, a vibrant natural world, and a resilient new green economy for current and future generations.

This item aligns with the Cross-Cutting Threads as described below:

1. **Community Trust** – This program is intended to benefit customers and improve the community environment by encouraging replacing inefficient refrigerators and freezers to help reduce energy use.
2. **Equity** – This program can be accessed by all electric residential and commercial customers to help them achieve greater energy efficiency.
3. **Fiscal Responsibility** – The program is offered through the City’s RFP process and has had rigorous fiscal review.
4. **Innovation** – The implementation of the program will provide education of the benefits of replacing older inefficient refrigerators or freezers via social media.
5. **Sustainability and Resiliency** – The program benefits the environment by recycling the old units and disposing of them in an environmentally manner at a Certified Appliance Recycling Center.

FISCAL IMPACT:

The total fiscal impact is \$100,000 per year, with a total contract amount of \$300,000. Sufficient funding of \$100,000 is available in the Electric-Public Utility Benefits Fund, Refrigerator Recycling Program Account No. 6020100-456042 for FY 2024/25. Funding for Fiscal Year 2025/26 will be transferred from the Electric-Public Utility Benefits Fund, Unprogrammed Funds Account No. 6020100-453001. Funding for subsequent years will be included as part of the biennial budget approval process.

Prepared by: David A. Garcia, Utilities General Manager
Certifies 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. Agreement
2. RFP 2410 Bid Recommendation
3. Presentation