



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 9, 2025

SUBJECT: PURCHASE OF EXTENDED WARRANTIES FOR FIVE VEHICLES WITH ALTEC CAPITAL SERVICES, LLC FOR AN ESTIMATED TOTAL OF \$61,510

ISSUES:

Consider approving the purchase of extended warranties for five vehicles with Altec Capital Services, LLC for an estimated total of \$61,510, from the Electric Field Professional Services Account.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the purchase of extended warranties for five vehicles with Altec Capital Services, LLC, in the amount of \$61,510; and
2. Authorize the City Manager to sign all documents necessary to effectuate the transaction and make minor non-substantive changes.

BACKGROUND:

The Public Utilities Electric Field Division has experienced a substantial increase in vehicle repairs this fiscal year for various reasons. Since July 2024, 42 vehicles have needed repairs. Of those vehicles, 22 are still non-operational, which has left the Electric Field crews with a shortage of vehicles.

Additionally, the costs to repair various trucks in the utility fleet have been increasing. It is cost effective to purchase an extended warranty for vehicle maintenance instead of using internal or local repair and maintenance services.

DISCUSSION:

To ensure that Electric Field crews have the vehicles they need and that existing vehicles can be repaired in a cost-effective and timely manner, staff propose the following action.

In February 2023, the Board of Public Utilities (Board) approved the purchase of twelve (12) vehicles from Altec Capital Services, LLC. During the first quarter of 2025, the Electric Field

division received half of those vehicles from Altec, and obtained Board approval on March 10, 2025, to purchase extended warranties for those six (6) vehicles. In the last quarter of 2025, the Electric Field division expects to receive the remaining half of those vehicles from Altec. These new vehicles include a limited manufacturer’s warranty of one year, which covers structural issues, along with labor and materials.

Upon reviewing the cost of maintenance for the first five years of the Altec vehicles purchased in 2016, the Freightliner Digger (model D4065) average is \$39,700 in the first five years for maintenance costs. The Ford F550 Bucket (model AT40G) average is \$10,000 in the first five years for maintenance costs. With inflation increases from 2016 to now, it is cost effective to purchase the extended warranty for the new vehicles which will be delivered in the coming months. The extended warranty for these vehicles is \$15,690 for the D4065 digger and \$11,455 per vehicle for AT40G bucket trucks, for a total cost of \$61,510 for all five vehicles. These extended warranties also cover the chassis up to 100K miles and the transmission for unlimited miles as well as travel, labor and materials. This is an estimated savings of \$18,190, before adding the cost of inflation.

VEHICLE	CHASSIS / MODEL	5 YEAR AVG MAINT. WITHOUT WARRANTY (2016-2021)	EXTENDED WARRANTY
Freightliner Digger	D4065	\$39,700	\$15,690
Ford F550 Bucket	AT40G	\$10,000	\$11,455
Ford F550 Bucket	AT40G	\$10,000	\$11,455
Ford F550 Bucket	AT40G	\$10,000	\$11,455
Ford F550 Bucket	AT40G	\$10,000	\$11,455
TOTAL FOR 5 YEARS		\$79,700	\$61,510
TOTAL ESTIMATED SAVINGS			\$18,190

Purchasing Resolution 24101, Section 702, states that “Competitive Procurement through the informal procurement and formal procurement process shall not be required (f) When cooperative purchasing is available and undertaken or when services can be obtained through Federal, State and/or other public entity pricing contracts or price agreements.” Altec Capital Services, LLC has provided the extended warranties on a Sourcwell contract and therefore falls under this purchasing exception.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101, Section 702(f).

STRATEGIC PLAN ALIGNMENT:

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

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Maintaining productive equipment will ensure timely maintenance and reliability of the City’s electric system and result in greater public good.
2. **Equity** – RPU endeavors to provide safe and reliable electric service to all its customers.

Since RPU's electric system is serviced by heavy duty equipment, investments made to maintain the operation of these vehicles is essential in the reliability of maintaining the overall electric system, thereby providing and equitable benefit to all customers.

3. **Fiscal Responsibility** – The Purchase Agreement demonstrates that Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources.
4. **Innovation** – These vehicles are innovative in keeping up to date with the current state and local air emission regulations, as well as maintaining the compressed natural gas alternative fuel engines.
5. **Sustainability & Resiliency** – These vehicles help to ensure RPU can provide a reliable electric service to its customers.

FISCAL IMPACT:

The total fiscal impact of this item is \$61,510. Sufficient funds are available in Public Utilities Electric Field Account Professional Services Account No. 6105000-421000.

Prepared by:	Daniel E. Honeyfield, Utilities Assistant General Manager/Energy Delivery
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-Reibold, Interim City Attorney

Attachments:

1. Extended Warranty Quote 1
2. Extended Warranty Quote 2
3. Presentation