

# WORKSHOP USAGE OF INTERNAL FORCES FOR THE CONSTRUCTION OF WATER AND ELECTRIC UTILITY PROJECTS

## Riverside Public Utilities

**Board of Public Utilities**  
December 9, 2024

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## BACKGROUND

1. Riverside is a Charter City
2. Exceptions can be made subject to City Council approval
3. Evolution of the City's utility workforce



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## ADOPTED CITY POLICIES

### 4. Purchasing Resolution

- a. Guides the purchase of products, services and Public Works construction contracts
- b. Undergoes revisions from time to time
- c. Separate from other City Council determinations regarding the City Charter

### 5. Resolution No. 15507

- a. Has not been amended or repealed since its adoption in 1984
- b. Continues to be in effect
- c. Includes the current allowance for the use of internal workforce for specified projects



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## EXAMPLES OF PIPELINE CONSTRUCTION



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## EXAMPLES OF POLE REPLACEMENTS



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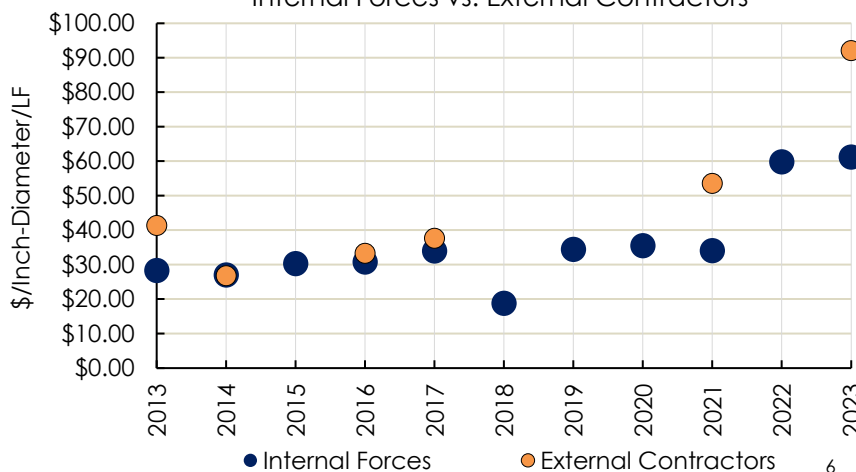
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## WATER CONSTRUCTION COST HISTORY

**Contractor completed projects were 29% more expensive on average than those completed by internal forces**

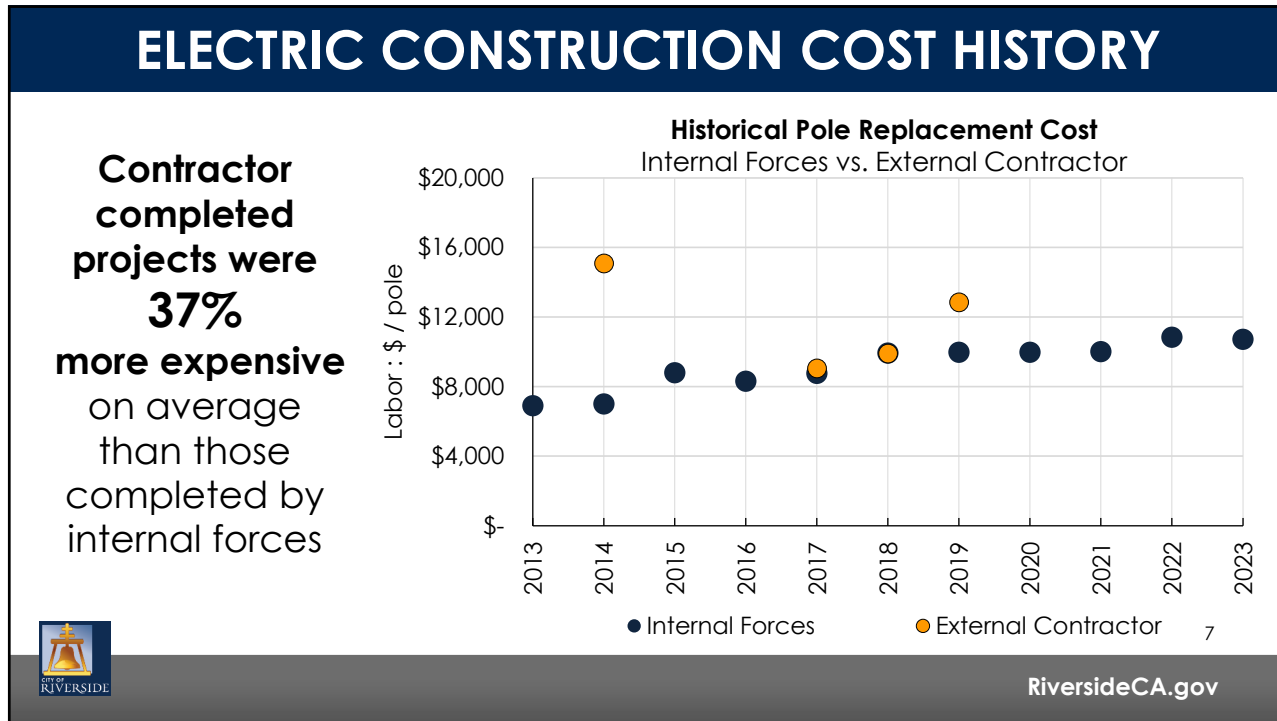
**Historical Pipeline Construction Costs**  
Internal Forces vs. External Contractors



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- ## INTANGIBLE ADVANTAGE OF USING INTERNAL FORCES
- 1. Best quality assurance & quality control** of new facilities to ensure longer project lifespans
  - 2. Deep familiarity** with RPU's water and electric infrastructure and systems
  - 3. Facilitates better emergency preparedness** when external contractors may be in high demand
  - 4. Reduced need for extensive project coordination**
  - 5. Faster response times**
    1. Ability to quickly address customer or City Council concerns
    2. Comprehensive training in customer service
  - 6. Pride and ownership in the quality of work performed**
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## DISCUSSION

1. All expenditures greater than \$50,000 are brought to the RPU Board for consideration and approval – No change suggested
2. Clarify and reinforce the use of internal forces for the construction of water and electric utility projects
3. Board can offer a suggested draft City Council resolution, which if adopted, would reaffirm and update the policy on the use of internal forces for the construction of water and electric utility facilities



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## STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 6 Infrastructure, Mobility and Connectivity

**Goal No. 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.

### Cross-Cutting Threads



Community Trust



Equity



Fiscal Responsibility



Innovation



Sustainability & Resiliency



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## RECOMMENDATIONS

That the Riverside Board of Public Utilities:

1. Receive and file an update regarding the usage of internal forces for the construction of water and electric utility projects;
2. Conduct a workshop on the proposed City Council Resolution and provide further direction and/or recommendations relating to reaffirming the policy excepting certain types of projects from Section 1109 of the Riverside City Charter and repealing Resolution No. 15507; and
3. Recommend that the City Council, with at least five affirmative votes, adopt the suggested draft resolution reaffirming the policy excepting certain types of projects from Section 1109 of the Riverside City Charter and repealing Resolution No. 15507.



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