



## **APPROVE CHANGE ORDERS FOR EXISTING PURCHASE ORDERS**

### **Water Operations and Water Field**

**Board of Public Utilities**

July 11, 2022

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## **BACKGROUND**

On June 28, 2021, the Board approved RPU's annual Purchase Orders. These Purchase Orders have exceeded the previously approved amount, due to unforeseen and increased costs this fiscal year. Change order authority exceeding 10% of the original Purchase Order amount is now required for the following annual Purchase Orders.



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## DISCUSSION

1. Babcock & Son's Inc. - RPU Water Operations Division is required by the United States Environmental Protection Agency and the California State Water Resources Control Board to comply with drinking water regulations. The Water Division collects over 29,000 water samples for laboratory testing from its drinking water sources, treatment plants, distribution system, and non-potable sources. The testing results from these samples are required to be reported to regulatory agencies and analyzed by a state certified laboratory. During the contract term, a new regulation to test PFAS was implemented and was to be enforced by June 30, 2019. Subsequently, a 10% contingency change order in an amount of \$150,000 was processed to address the additional expenses. The additional testing caused increased costs and left the annual PO for FY 2021/22 without sufficient funds to cover the remaining fiscal year expenses. An additional amount of \$100,000 is requested to cover the additional testing costs, increasing the total four-year contract amount to \$2,636,364.



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## DISCUSSION

2. Agua Mansa Properties - RPU Water Field division disposes of concrete, asphalt and miscellaneous items to the only disposal site within city limits. The materials discarded are the result of maintenance and capital improvement projects as part of our daily operations. During the current fiscal year Agua Mansa rates increased by 14%; furthermore, we had an increase in CIP which increased the amount of materials requiring disposal. Additional funding in the amount of \$46,040 is requested to increase the total purchase order amount to \$160,000.
3. Vulcan Materials - RPU Water Field division purchases asphalt materials, such as cold mix from Vulcan Materials. The cold mix is utilized when performing maintenance and capital improvement projects as part of daily operations. An increase in CIP ultimately increased the amount of materials needed to continue maintenance and CIP work. Additional funding in the amount of \$35,000 is requested to increase the total purchase order amount to \$110,000.



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## STRATEGIC PLAN ALIGNMENT



### Priority #4 - Environmental Stewardship

**Goal 4.2** Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable and affordable water to our community.

#### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &  
Resiliency



Equity



Innovation



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## RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve the 40% change order increase, in the amount of \$46,040, to the existing annual Purchase Order 220941 for Agua Mansa Properties to accept disposal of concrete, asphalt and miscellaneous items from RPU Water Field Division, for a total purchase order amount of \$160,000;
2. Approve the 47% change order increase, in the amount of \$35,000, to the existing annual Purchase Order 220695 for Vulcan Materials Company for purchase of cold mix for the Water Field Division, for a total purchase order amount of \$110,000;
3. Approve the expenditure for a Third Amendment to the Professional Services Agreement with Babcock & Son's Inc., including an 11% change order increase in the amount of \$100,000, to the existing annual Purchase Order No. 222032 to provide laboratory testing and analytical services, for a total four-year contract amount of \$2,636,364; and
4. Recommend that the City Council approve the Third Amendment to the Professional Services Agreement with Babcock & Son's Inc., including an 11% change order increase in the amount of \$100,000, to the existing annual Purchase Order No. 222032 to provide laboratory testing and analytical services, for a total four-year contract amount of \$2,636,364.



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