

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 11, 2018

ITEM NO: 10

SUBJECT: APPROVE PURCHASE ORDER FOR HEAVY DUTY VEHICLES AND EQUIPMENT FROM ALTEC INDUSTRIES, INC., OF BIRMINGHAM, ALABAMA, IN THE AMOUNT OF \$482,002

ISSUE:

Approve the issuance of a purchase order for heavy duty vehicles and equipment from Altec Industries, Inc., of Birmingham, Alabama, in the amount of \$482,002.

RECOMMENDATION:

That the Board of Public Utilities approve the issuance of a purchase order for heavy duty vehicles and equipment from Altec Industries, Inc., of Birmingham, Alabama, in the amount of \$482,002.

BACKGROUND:

The Electric Field Division has identified the need to replace existing older and non-compliant equipment with the following heavy duty vehicles and equipment to support ongoing construction and maintenance operations in an efficient and safe manner:

1. One Hotline Insulator Washer (Wet Wash Trailer), Altec Model HLIW1600T;
2. One Backyard Digger Derrick, Altec Model DB37; and
3. One Small Bucket Truck, Altec Model AT37-G.

Riverside Public Utilities (RPU) uses these vehicles and equipment daily to provide safe and reliable electric service to its customers. Vehicles and equipment need to be in safe, operable condition and compliant with state and local emissions regulations. Equipment operating beyond its economic and useful life needs to be replaced to ensure operating efficiency, employee productivity, and public safety. Aging equipment will become more prone to breakdowns, causing increased maintenance/repair costs and downtime for field employees during vehicle/equipment maintenance.

By making the proposed purchases, the new equipment will enable electric field crews to complete tasks efficiently and in a timely manner, without the need for expensive rental equipment and thereby reducing time and overheads for each job. The proposed purchases are essential for the electric field operations as there will be an increasing need for these types of equipment, due to the current production rate and number of projects that are presently underway as well as those planned for the future. The purchases proposed in this Board action replace older, inefficient equipment or eliminate costly rentals.

DISCUSSION:

RPU staff recommends the purchase of the proposed equipment through the National Joint Powers Alliance (NJPA), a national cooperative contract purchasing solution that consolidates numerous purchasing solicitations into one national, cooperatively shared process. This means that the solicitation is completed on behalf of the City by the NJPA and we can be assured that we have received the most competitive pricing via the Alliance. This saves the City time and resources in the procurement process, each transaction has a complete audit trail, and we can be confident that we are compliant with purchasing guidelines. The heavy equipment being considered in this action include a wet wash trailer, a backyard digger derrick, and a small bucket truck.

The wet wash trailer is used to wash high-voltage insulators and bushings on power lines and in high-voltage substations. The trailer discharges high-pressure de-ionized water through sprayers allowing insulators and bushings to be cleaned while they remain energized, saving time and preventing power interruption. RPU's existing trailer needs to be replaced due to age and non-compliance with current South Coast Air Quality Management District (SCAQMD) emissions regulations. The existing wet wash trailer was purchased in 2000. RPU is proposing to purchase this equipment through the City's NJPA contract with Altec Industries in the amount of \$139,752. The current wet wash trailer is shown in the picture below.



Wet Wash Trailer

The backyard digger derrick is a specialized piece of equipment that can access and transport poles, padmount equipment and transformers where truck access is difficult or nonexistent. It also provides access to overhead lines that are difficult to reach due to limited access or space. Production rates will increase by eliminating hand digging to set a pole. RPU is proposing to purchase this equipment through the City's NJPA contract with Altec Industries in the amount of \$184,991. The current backyard digger derrick is shown in the picture below and is utilized when there is adequate space for the unit. The proposed purchase is for a smaller backyard digger derrick unit. In order to support RPU's Utility 2.0 infrastructure improvement goals, we will be replacing over 300 poles per year, completing the 4kV to 12kV circuit conversions, and other infrastructure efforts over the next ten years. The circuit conversion work, in particular, involves replacement of backyard poles. RPU has rented a smaller backyard digger derrick for over the past two years at a cost of \$4,747 per month resulting in rental fees in excess of \$113,926. The purchase price of the new unit is \$184,991 and it will be offset within 39 months through the elimination of these rental fees.



Backyard Digger Derrick

The Electric Field Division currently owns a number of small bucket trucks, although those that are owned are older and less efficient models. RPU last purchased a small bucket truck in 2005. Of the existing fleet, two of the trucks have recently required engine replacements and are likely to become increasingly financially burdensome as they continue to age and maintenance issues become more frequent. In order to maintain system operations, the Electric Field Division currently uses a small bucket truck that belongs to another section. RPU is proposing to purchase a new hybrid small bucket truck, which will also address additional noise and emissions considerations that can be attributed to older, non-hybrid equipment. This equipment is proposed for purchase through the City's NJPA contract with Altec Industries in the amount of \$157,259. The picture below shows a typical small bucket truck.



Hybrid Small Bucket Truck

The following table outlines the estimated breakdown of the equipment costs:

Equipment	Estimated Cost
Wet Wash Trailer	\$139,752
Backyard Digger Derrick	\$184,991
Small Bucket Truck	\$157,259
Total	\$482,002

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total fiscal impact is \$482,002. Sufficient funds are available in the Public Utilities Electric Field Machine and Equipment Account No. 6105000-462200.

Prepared by: George R. Hanson, Utilities Assistant General Manager/Energy Delivery
Approved by: Todd L. Jorgenson, Interim Utilities General Manager
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Laura M. Nomura, Utilities Assistant General Manager/Finance & Administration

Attachments:

1. Quote for Wet wash trailer (Altec Industries)
2. Quote for Mini Digger Derrick (Altec Industries)
3. Quote for Small bucket truck (Altec Industries)