



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** JUNE 25, 2018

**ITEM NO:** 4

**SUBJECT:** APPROVE INCREASE OF PURCHASE ORDER 181188 FOR NESCO LLC, INC. TO a TOTAL OF \$64,720.39 FOR EQUIPMENT RENTAL COST FOR FISCAL YEAR 2017-18

**ISSUE:**

Approve increase to Purchase Order 181188 to Nesco LLC, Inc. to a total of \$64,720.39 for equipment rental costs for fiscal year 2017-18.

**RECOMMENDATION:**

That the Board of Public Utilities approve an increase of Purchase Order 181188 to Nesco LLC, Inc. to a total of \$64,720.39 for equipment rental costs for fiscal year 2017-18.

**BACKGROUND:**

In June 2017, Riverside Public Utilities (RPU) contracted with Nesco LLC, Inc. to provide rental of essential vehicles and equipment in order to provide electric field crews with the necessary equipment to carry out day-to-day operations. The 2017-18 rental agreement with Nesco LLC, Inc. was for a Digger Derrick EZ Haultrack 5500 model digger unit. The initial rental period for this equipment was six months and a purchase order was issued for \$27,187.50. However, due to an increasing workload focused on 4kV - 12kV conversions and property line pole change outs, the equipment was needed for an extended period and a change order in the amount of \$19,273.18 was issued six months later for a total amount of \$46,460.68. Due to the volume of work, the rental period was further extended during 2018, and another increase to the purchase order is required to cover the costs incurred during the remainder of this current fiscal year.

**DISCUSSION:**

An annual purchase order was issued to Nesco LLC, Inc. for fiscal year (FY) 2017-18 to provide the rental of essential vehicles and equipment for Electric Field. To meet the department's needs, the rental period for the Digger Derrick equipment was extended. Consequently, the amount of the original purchase order is not sufficient and the purchase order needs to be increased to \$64,720.39 in order to meet the financial obligation to Nesco LLC, Inc. This request is for a one-time transaction, as approval has recently been sought from Board to purchase this equipment due to ongoing, increased workload. Electric Field currently owns a considerably older machine that will serve in the interim, until the new model is built and delivered later in the next fiscal year.

**FISCAL IMPACT:**

The total fiscal impact for these services is \$64,720.39. Sufficient funds are available in Electric Field Equipment Rental Account No. 6105000-423100 to cover the requested increase to the purchase order.

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Approved by: Todd L. Jorgenson, Interim Utilities General Manager

Approved by: Al Zelinka, City Manager

Approved as to form: Gary G. Geuss, City Attorney

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