

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 25, 2019

ITEM NO: 4

SUBJECT: REDUCTION IN TOTAL AMOUNT OF APPROVED WORK ORDER NO. 1810532 FOR FREEMAN SWITCHGEAR AND TRANSFORMER UPGRADE PROJECT FROM \$5,463,000 TO \$3,638,268 TO FUND OTHER IMMEDIATE CRITICAL NEEDS IN FISCAL YEAR 2018/19

ISSUE:

Approve a reduction in the total amount of previously approved Work Order No. 1810532 for the Freeman Switchgear and Transformer Upgrade Project from \$5,463,000 to \$3,638,268 to fund other immediate and critical needs in Fiscal Year 2018/19.

RECOMMENDATION:

That the Board of Public Utilities Approve a reduction in the total amount of previously approved Work Order No. 1810532 for the Freeman Switchgear and Transformer Upgrade Project from \$5,463,000 to \$3,638,268 to fund other immediate and critical needs in Fiscal Year 2018/19.

BACKGROUND:

On November 5, 2018, the Board of Public Utilities (Board) approved Work Order No. 1810532 for the Freeman Switchgear and Transformer Upgrade Project in the amount of \$5,463,000. As the third quarter of Fiscal Year 2018/19 comes to an end, funding for electric projects becomes less available. However, unexpected immediate critical needs have arisen that require funding.

The current project schedule for the Freeman Switchgear and Transformer Upgrade Project for equipment procurement and the start of construction allows funding requirements originally approved for the current fiscal year to be reduced by \$1,824,732 while still allowing the project to adhere to the schedule that was outlined when the project was initially approved.

The funding that will be made available upon board approval, will be utilized for other unexpected immediate and critical infrastructure replacement needs this fiscal year. The funding will specifically be used for projects related to the Canyon Crest cable replacement and recent substation 66kV breaker failures and will be presented for Board approval.

DISCUSSION:

Staff will return to the Board in Fiscal Year 2019/20 to request approval to restore the total amount of Work Order No. 1810532 by as much as \$1,824,732 for the construction, testing, and commissioning phases of this project.

Project Breakdown	
Engineering Performed By:	RPU Engineering Staff and Consultant Panel
Civil Construction Performed By:	Contractor
Electrical Work Performed By:	RPU Field Forces and Contractor
Electrical Testing and Commissioning	RPU Field Forces
Anticipated Construction Start Date:	July 2019
Anticipated Duration:	10 Months

The breakdown for the total capital expenditure after the proposed reduction is as follows:

Description	Amount (\$)
Switchgear - Crown Technical Systems SUB-806	\$1,343,878.13
Relay Panel – Keystone SUB-793	\$53,576.17
Transformer (Estimated)	\$1,400,000.00
Misc. Parts and Material, and Equipment Rentals	\$240,000.00
Project Management and Engineering Design	\$600,813.70
Work Order Total (Materials and Design) FY 18/19	\$3,638,268.00

FISCAL IMPACT:

The total fiscal impact of the project will be \$5,463,000. Sufficient funds for Fiscal Year 2018/19 in the amount of \$3,638,268 are available in the Public Utilities Substation Transformer Addition Capital Account No. 6130100-470632.

Staff will return to the Board in Fiscal Year 2019/20 for funding approval in the amount of \$1,824,732 for the construction, testing, and commissioning phases of this project. Sufficient funds are budgeted in the Public Utilities Substation Transformer Addition Capital Account No. 6130100-470632 for Fiscal Year 2019/20.

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