

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: July 22, 2019

ITEM NO:

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENT IN RESPONSE TO REQUEST FOR PROPOSAL NO. 1901 FOR SMART IRRIGATION CONTROLLER, HIGH-EFFICIENCY SPRINKLER NOZZLE DIRECT-INSTALL AND WATER MANAGEMENT SERVICES PROGRAM WITH VALLEY SOIL, INC. IN THE AMOUNT OF \$600,000 FOR AN INITIAL THREE-YEAR TERM ENDING JUNE 30, 2022 WITH ONE OPTION TO EXTEND FOR TWO ADDITIONAL YEARS IN AN AMOUNT UP TO \$200,000 PER YEAR

ISSUE:

Approve a Professional Consultant Services Agreement in response to Request for Proposal No. 1901 for the Smart Irrigation Controller, High-Efficiency Sprinkler Nozzle Direct-Install and Water Management Services Program with Valley Soil, Inc., of Temecula, California, in the amount of \$600,000 for an initial three-year term ending June 30, 2022 with one (1) option to extend for two (2) additional years in an amount up to \$200,000 per year.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve a Professional Services Agreement in response to Request for Proposal No. 1901 for the Smart Irrigation Controller, High-Efficiency Sprinkler Nozzle Direct-Install and Water Management Services Program with Valley Soil, Inc., of Temecula, California, in the amount of \$600,000 for an initial three-year term ending June 30, 2022 with one (1) option to extend for two (2) additional years in an amount up to \$200,000 per year; and
2. Authorize the City Manager, or designee, to execute the agreement including the ability to execute amendments for extensions outlined in the Agreement, subject to the ability of budgeted funds of up to \$200,000 per extension year, make minor and non-substantive changes as necessary, sign all documents and instruments necessary to complete the transaction, and otherwise terminate the Agreement pursuant to the Agreement provisions.

BACKGROUND:

In 2011, Riverside Public Utilities (RPU) launched the Smart Irrigation Program (SIP) as part of the water utility's effort to achieve mandated water conservation goals established by the State of California in 2009 through Senate Bill X7-7. The goal of this program was to help RPU's largest residential and commercial water users to conserve water and improve landscape irrigation efficiency through free irrigation evaluations and professionally installed weather-based irrigation controllers (WBICs) and high-efficiency nozzles.

Since the inception of SIP, RPU has installed 1,300 WBICs and 80,700 high-efficiency sprinkler nozzles at customers' sites. In total, the SIP has saved an estimated 1.3 billion gallons of water, which is enough water to serve approximately 7,900 families for a year.

At the end of Fiscal Year 2018/19, the current contract for SIP administration is set to expire. RPU staff recommends continuing this program and building upon its success with modifications that reflect new technology availability and enhanced data analytics and tracking capabilities. A Request for Proposal (RFP) for a new multi-year SIP was posted and circulated to local landscape contractors and is now being presented for approval.

DISCUSSION:

In this region, around 50-60% of overall residential daily water use is applied on outdoor landscapes. Of that outdoor water use, the Environmental Protection Agency (EPA) estimates that as much as 50% is wasted to wind, evaporation, and runoff. RPU's SIP aims to address these issues by helping customers manage their irrigation systems and use only the amount of water needed to keep their landscapes healthy.

Since the launch of the SIP in 2011, the technology of outdoor water-saving devices has improved. The new iteration of the SIP will introduce new Wi-Fi-enabled WBICs that combine convenience and functionality, saving an estimated 20-30% of outdoor water applied by a conventional irrigation controller. As a general description, WBICs set and adjust irrigation applications based on weather and soil conditions, rather than using a fixed watering schedule. Wi-Fi-enabled WBICs connect to a customer's home Wi-Fi signal and can be conveniently controlled via a smart phone application, computer, or smart home devices. The irrigation controller can also be managed using the manual controls on the front panel of the device. These WBICs provide customers with reminders regarding their irrigation schedule, rain delays, and other adjustments – keeping outdoor water use more top-of-mind for customers. For RPU, the new Wi-Fi-enabled controllers offer a backend analytics dashboard that will help manage the program and evaluate its goals and efficacy.

Like the previous SIP, the new SIP will continue to actively target residential and commercial/industrial high water users. The enhanced SIP, however, will take a more data-driven approach to identifying program participants. High water consumption is not always a positive indication of inefficient water use as there may be other factors – such as household size, medical needs or livestock– that contribute to a customer's consumption of large amounts of water. Therefore, rather than looking at high water consumption as a program qualifier, the new program will use estimated outdoor water budgets developed with the use of aerial imagery and parcel-level land cover data to target customers watering in excess of their estimated landscape water needs. By directly estimating what each customer's outdoor water use should be based on weather, irrigated square footage and type of landscape (turf, trees, shrubs), staff can identify customers who can benefit most from participation in the program. Moreover, this approach also provides alternative metrics to gauge program efficacy by not only tracking volumetric reductions in water consumption, but efficiency gains as well.

Customers participating in the SIP will receive the following services:

1. A landscape evaluation
2. Irrigation system tune-up in preparation of program participation
3. Professional installation of a Wi-Fi-enabled WBIC with on-site training
4. Professional installation of high-efficiency sprinkler nozzles for pop-up spray heads

REQUEST FOR PROPOSALS

Over 140 local contractors were invited to submit proposals through an RFP procurement process run by RPU for the SIP. The RFP was also advertised in a local newspaper and through the California Landscape

Contractors Association's Inland Empire Chapter.

RFP No. 1901 was posted on the City's Online Bid System on March 6, 2019 and closed April 9, 2019. Two (2) vendors submitted proposals, which were reviewed by a three-person committee comprised of two (2) RPU employees and one (1) employee from Western Municipal Water District. The proposals were scored using the following weighted criteria:

1. Qualifications – 35%
2. Experience – 25%
3. Price – 20%
4. Approach and understanding of requirements – 10%
5. Professional references – 10%

After the review and evaluation process, staff deemed Valley Soil, Inc. of Temecula, California, to be the most qualified and highest rated proposer. The proposal was within the annual program budget of \$200,000. The proposals are summarized in the table below:

Proposed fee for landscape evaluation:

	<u>COMPANY</u>	<u>RESIDENTIAL LANDSCAPE EVAL 1,500-4,000 SQ FT</u>	<u>RESIDENTIAL LANDSCAPE EVAL > 4,000 SQ FT</u>	<u>COMMERCIAL LANDSCAPE EVAL < 1 ACRE</u>	<u>COMMERCIAL LANDSCAPE EVAL > 1 ACRE</u>
1	Valley Soil, Inc. Temecula, CA	\$152.5	\$182.5	\$152.5	\$390.5
2	ConServ Inc. Murrieta, CA	\$300.0	\$325.0	\$325.0	\$325.0

Proposed fee for high-efficiency spray nozzles:

	<u>COMPANY</u>	<u>INSTALL LABOR</u>	<u>COST PER HIGH EFFICIENCY NOZZLE REPLCMT</u>	<u>INSTALL LABOR</u>	<u>COST PER ROTARY REPLCMT</u>	<u>INSTALL LABOR</u>	<u>COST PER HIGH EFFICIENCY ROTOR REPLCMT</u>
1	Valley Soil, Inc. Temecula, CA	\$2.5	\$1.45	\$2.5	\$5.4	\$9.25	\$14.5
2	ConServ Inc. Murrieta, CA	\$5.0	\$5.0	\$18.0	\$18.0	\$8.0	\$8.0

Proposed fee for Wi-Fi enabled controller replacement and device and water management services:

	<u>COMPANY</u>	<u>INSTALL LABOR</u>	<u>WBIC (4-16) STATIONS</u>	<u>WBIC (OVER 16) STATIONS</u>	<u>RES MGMT SERVICES 1,500- 4,000sq FT</u>	<u>RES MGMT SERVICES > 4,000 SQ FT</u>	<u>COMM MGMT SERV < 1 ACRE</u>	<u>COMM MGMT SERV > 1 ACRE</u>
1	Valley Soil, Inc. Temecula, CA	\$147.5	\$205.0	\$365.0	\$115.0	\$155.0	\$115.0	\$185.0
2	ConServ Inc. Murrieta, CA	\$150.0	235.0	\$375.0	\$300.0	\$325.0	\$325.0	\$325.0

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256.

BENEFITS TO RPU CUSTOMERS AND RPU

Based on past SIP participation, staff estimates a savings of 33 acre feet (AF) annually or 10.6 million gallons and a lifetime savings of 202 AF or 66.5 million gallons for water saving devices installed in a single year. As a demand management program, the annual avoided cost of purchasing imported water is calculated at \$218,000 annually. The cost of the water saved is an estimated \$740/AF of water.

The SIP also provides RPU with less quantifiable, but important benefits such as, enhancing Riverside's drought resiliency, increasing customer engagement and satisfaction, and reducing urban runoff that pollutes local waterways. The SIP will also provide a data management tool and methodology that will assist Riverside in meeting the efficiency and allocation requirements established under California's new long-term water conservation laws (AB 1668 and SB 606).

FISCAL IMPACT:

The total fiscal impact of the recommended action is \$600,000 for a three-year term ending June 30, 2022, with the option to extend an additional two (2) years for an additional \$400,000. Sufficient funds for Fiscal Year 2019-20 in the amount of \$200,000 are available in the Water Conservation Fund Account No. 6220200-457023. Sufficient funds for Fiscal Years 2020-21 and 2021-22 in the amount of \$200,000 each year, will be accounted for during the next budget cycle.

Prepared by:	Daniel E. Garcia, Utilities Assistant General Manager/Resources
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Certifies availability of funds:	Brian Seinturier, Utilities Fiscal Manager
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Attachments:

1. Agreement with Valley Soil, Inc.
2. Presentation