



# FISCAL YEAR 2020/21 ANNUAL PURCHASE ORDERS

## Riverside Public Utilities

Board of Public Utilities  
June 22, 2020

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## WHAT ARE ANNUAL PURCHASE ORDERS?

1. Provide for timely procurement of goods and services that are routinely used in daily operations
2. Issued in July to cover one fiscal year
3. Streamline purchasing process
  - a. Reduce repetitive requisitions
  - b. Reduce procurement lead time due to Board approval process

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## PURCHASING PROCESS

1. Vendors are selected via competitive bid
  - a. Informal – \$50,000 or less and items falling under Utilities Exception, which have no monetary cap
    - a. Minimum of three price quotes from vendors outside formal procurement
    - b. May negotiate term, conditions and pricing with vendors
  - b. Formal – over \$50,000

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## PURCHASING PROCESS

2. Competitive bid may be waived as set forth in the City's purchasing rules
  - a. Sole source
  - b. "Following on" another governmental contract
  - c. In the best interest of the City to do so

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## UTILITIES EXCEPTION PURCHASING RESOLUTION SECTION 404

1. For supplies, equipment and materials that are peculiar to the needs of RPU
2. Waived formal bidding requirements regardless of expenditure amounts
  - a. Approved by Board through Annual Purchase Order process or Work Orders over \$50,000
  - b. Within existing budget authorization
  - c. Informal bids obtained from the vendor community to ensure competitive pricing
3. Includes Purchase Orders for Electric, Water and Central Stores

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## EXAMPLES OF UTILITIES EXCEPTION

1. Capacitors
2. Chemicals
3. Conduit and duct
4. Meter and metering devices
5. Utility poles
6. Pumps and repairs
7. Road and backfill materials
8. Switches and switchgear
9. Transformers

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## **PURCHASES REQUIRING INDIVIDUAL BOARD APPROVAL THROUGHOUT FISCAL YEAR**

1. When formal bidding is required
2. Goods and materials are not exempt under Purchasing Resolution Section 404 for Utilities Exception

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## **PURCHASES WITH EXISTING CONTRACTS**

1. Contracts approved in previous years that have multi-year terms or the option for extensions
2. Budget was only available for one year
3. Approval is needed for subsequent year of contract

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## ANNUALLY RECURRING EXPENDITURES

1. Expense occurring and approved by the Board each fiscal year
2. Membership dues paid to the same organizations each fiscal year

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## RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve sixteen (16) annual Electric and Water purchase orders for Fiscal Year 2020-21 with an estimated total amount of \$5,874,007, and authorize the City Manager, or designee, to award the purchase orders for such procurements for the items designated;
2. Approve fourteen (14) annual Central Stores purchase orders for Fiscal Year 2020-21 with an estimated total of \$6,854,552, and authorize the City Manager, or designee, to award the purchase orders for such procurements for the items designated;

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## RECOMMENDATIONS

3. Authorize 20% change order authority for the following purchase orders for Fiscal Year 2020-21: WESCO, Cintas, Central Maloney, WEG, Federal Pacific, McAvoy and Markham and G&W Electric;
4. Approve thirty (30) purchase orders for existing contracts for Fiscal Year 2020-21 with an estimated total amount of \$7,855,051; and
5. Approve four (4) annually recurring expenditures for Fiscal Year 2020-21 with an estimated total amount of \$3,332,409.