



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: AUGUST 24, 2020

ITEM NO: 4

SUBJECT: PURCHASE ORDER WITH TRANE U.S. INC. FOR MAINTENANCE AND AS NEEDED REPAIRS ON THE AIR INLET CHILLERS AT RIVERSIDE ENERGY RESOURCE CENTER FROM SEPTEMBER 1, 2020, THROUGH SEPTEMBER 30, 2022, FOR A TWO-YEAR TOTAL OF \$148,359

ISSUE:

Approve the issuance of a purchase order with Trane U.S. Inc. for maintenance and as needed repairs of the air inlet chillers at the Riverside Energy Resource Center from September 1, 2020, through September 30, 2022, for a two-year total of \$148,359.

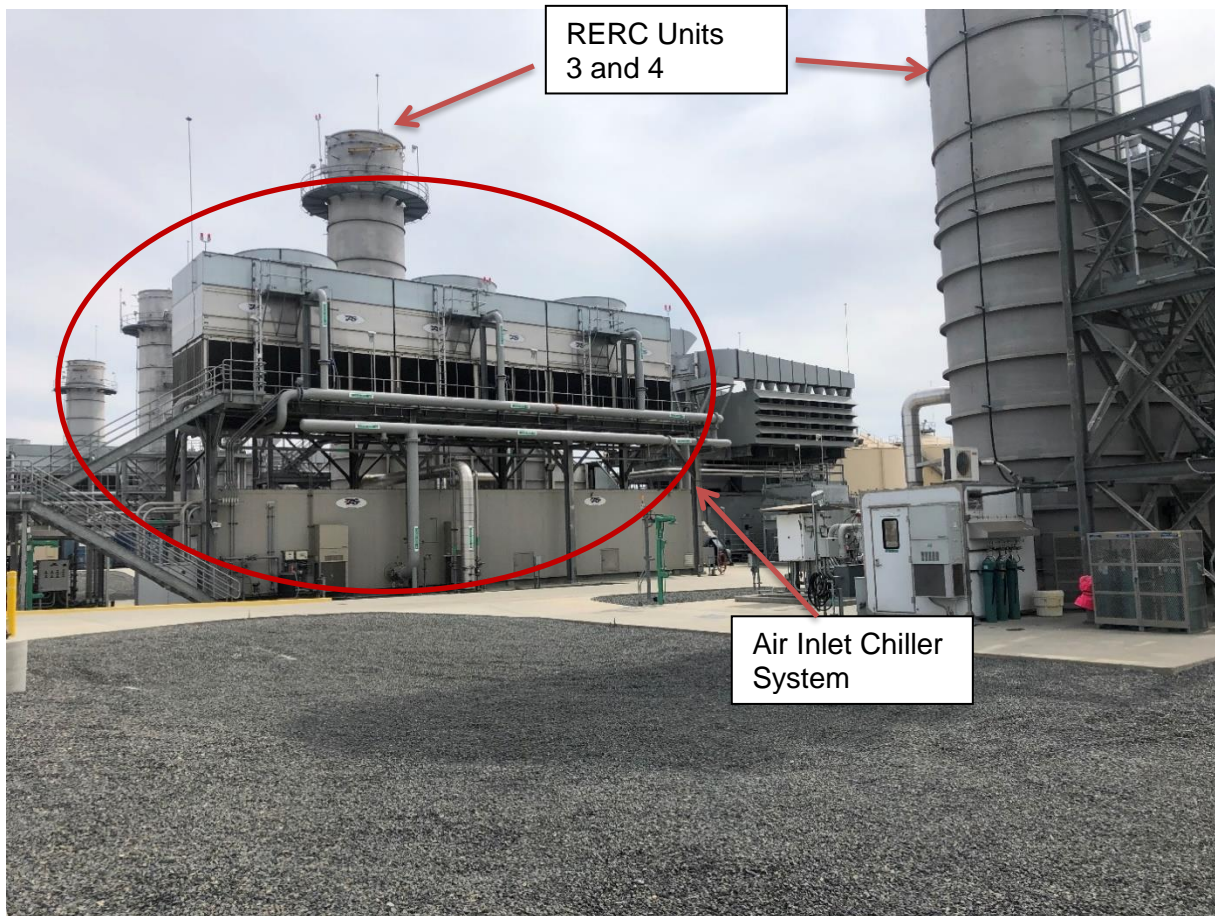
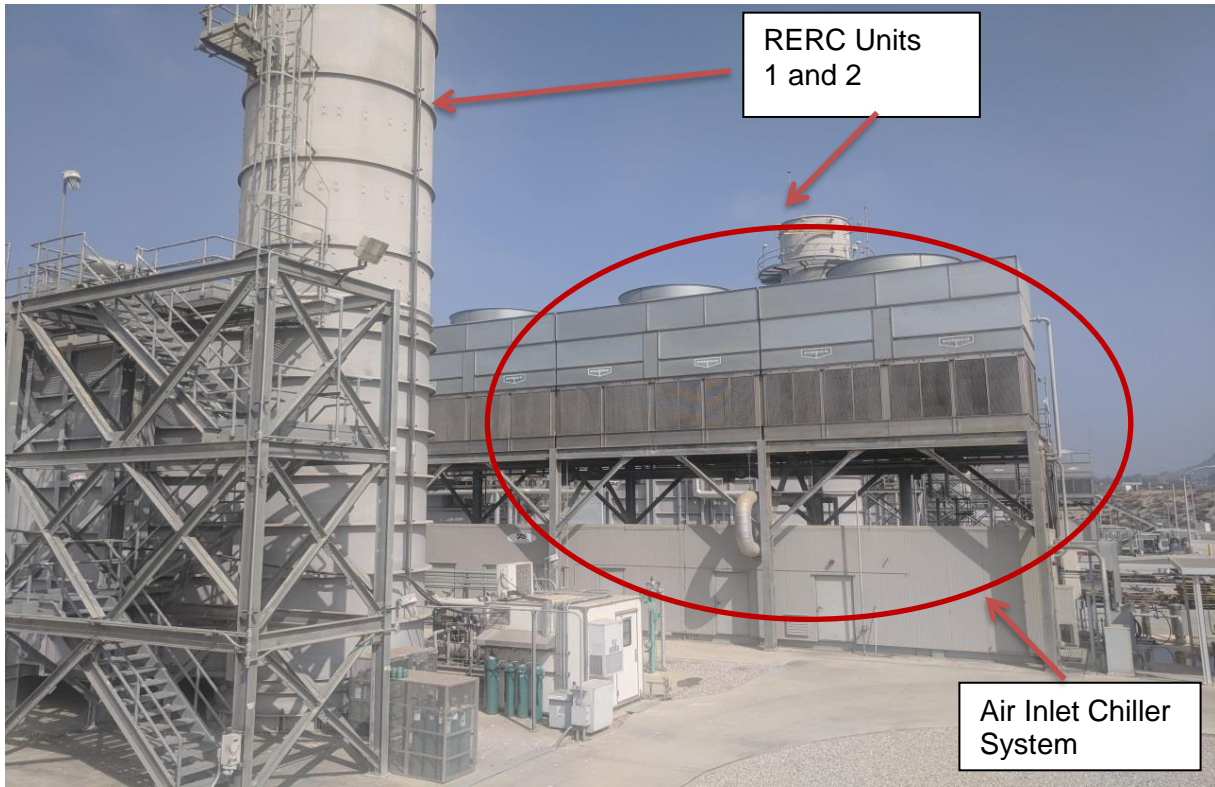
RECOMMENDATION:

That the Board of Public Utilities approve the issuance of a purchase order with Trane U.S. Inc. for the maintenance and as-needed repairs on the air inlet chillers at the Riverside Energy Resource Center from September 1, 2020 through September 30, 2022, for \$74,179.50 per year, for a two-year total of \$148,359.

BACKGROUND:

Riverside Public Utilities owns and operates the Riverside Energy Resource Center (RERC). This facility is comprised of four (4) fast-start gas turbines units that are strategically located in the city limits and achieve maximum power output in less than ten minutes. RERC generates 195 megawatts (MW) of electricity and serves a critical role in meeting customer demands during peak periods. Each unit pair at RERC share a 3,500-ton air inlet chiller system. The chilling system cools the ambient air entering each gas turbine to 47 degrees Fahrenheit. During summer peak months, 20% of plants capacity to generate electricity is attributed to the colder air from the air inlet chillers. Without the chillers, the plant capacity can be reduced from 196 MW to 157 MW.

Both chillers at RERC have reached a stage in their useful life cycle that requires a higher level of maintenance to sustain high equipment reliability and compliance with California Air Resource Board (CARB) regulations. CARB regulates the amount of refrigerant released into the environment and requires each owner to install and maintain a leak detection system. Refrigerant usage is closely monitored, and leaks are repaired on a best effort basis. Staff assessed the situation with the air inlet chillers and decided to pursue a two-year maintenance program from a vendor with the equipment expertise.



DISCUSSION:

Staff contacted Trane, the original equipment manufacturer, and received a two-year maintenance proposal for the chiller systems at RERC. The maintenance plan consists of quarterly preventative maintenance inspections and as-needed repairs for the next two years. Quarterly inspections provide a better platform for Trane to assess the overall condition of components and develop a more thorough maintenance plan for the chillers at RERC.

The budget for as-needed repairs on both chiller systems allows the staff to promptly address smaller maintenance tasks identified during quarterly inspections and repair any refrigerant leaks during the fiscal year. The air inlet chillers are major components of the power plant and critical to RERC's overall performance. Addressing the repairs at the earliest stage is the best and most cost-effective approach that ensures plant availability.

Trane has an existing contract under the OMNIA Partners/U.S. Communities Cooperative Agreement RFP No. 15-JLP-023 (U.S. Communities). Trane was able to provide pricing in accordance with U.S. Communities rates. U.S. Communities, now OMNIA Partners, is a national cooperative purchasing program, providing government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutions, and nonprofits looking for the best overall pricing. Under this program, the City is able to access pricing obtained by other public agencies through a competitive procurement process.

Purchasing Resolution 23256, Section 702(e) authorizes the City to waive the formal bidding process when cooperative purchasing is available and undertaken or when services can be obtained through federal, state and/or other public entity pricing contracts or price agreements. In this case, the Purchasing Division has determined that the quote provided by Trane is under the U.S. Communities agreement.

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256, Section 702(e).

FISCAL IMPACT:

The total project cost for this two-year contract is \$148,359. The fiscal impact for FY 2020/21 is \$74,179.50. Sufficient funds are available in Public Utilities Maintenance – Generating Plants Account No. 6120130-424131. The subsequent year of service is the same cost of \$74,179.50 and will be included as part of the FY 2021/22 budget process.

Prepared by: Daniel E. Garcia, Utilities Deputy 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: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Trane Scheduled Service Agreement

2. Contract RFP #15-JLP-023 between Board of Education of Harford County and Trane
3. RFP #15-JLP-023 Renewal #1
4. RFP #15-JLP-023 Renewal #2
5. Insurance
6. Presentation