

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 8, 2021

SUBJECT: SERVICES AGREEMENT WITH TRIMARK ASSOCIATES, INC OF FOLSOM, CALIFORNIA FOR TELEMETRY EQUIPMENT SUPPORT AT RIVERSIDE ENERGY RESOURCE CENTER, SPRINGS AND CLEARWATER POWER PLANTS FOR AN INITIAL FIVE-YEAR TERM WITH THE OPTION TO RENEW ANNUALLY FOR AN ADDITIONAL FIVE YEARS IN THE AMOUNT OF \$431,021

ISSUE:

Approve a Services Agreement with Trimark Associates Inc, Folsom, California for telemetry equipment support at Riverside Energy Resource Center, Springs and Clearwater Power Plants for a five-year term with the option to renew annually for an additional five years in the amount of \$431,021.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve a Services Agreement with Trimark Associates Inc., of Folsom, California for telemetry equipment support at Riverside Energy Resource Center, Springs and Clearwater Power Plants for an initial five-year term with the option to renew annually for an additional five years in the amount of \$431,021; and
2. Authorize the City Manager, or designee, to execute the Services Agreement with Trimark Associates Inc, including making minor non-substantive changes and to execute the optional five one-year extensions.

BACKGROUND:

The California Independent System Operator (CAISO) requires onsite continuous production metering and direct telemetry on Riverside's generating units. Direct telemetry equipment consists of a Remote Intelligence Gateway (RIG) and electric meters that securely provide operational visibility and accurate data for revenue accounting. Due to the criticality of equipment, Riverside must obtain services from a CAISO approved vendor. All telemetry equipment undergoes extensive testing procedures and formal equipment certifications during the first installation and renewed annually thereafter. Changing equipment would trigger the testing and recertification process in which significant revisions are not recommended.

In October 2011, staff conducted informal request for proposals to upgrade and replace all obsolete telemetry equipment at RERC, Springs and Clearwater. Trimark Associates Inc (Trimark) was selected as the most responsive bidder and the Board of Public Utilities approved the RIG upgrade agreement. Trimark completed the upgrade in 2012 and is the current vendor supporting telemetry equipment at Riverside’s generating facilities.

DISCUSSION:

All the telemetry equipment on Riverside’s generating units are uniform to the Trimark system. Trimark performs equipment maintenance, proprietary programming, CAISO annual certifications and they are the only option for this level of service.

Based on Trimark’s excellent performance and the compatibility requirements with CAISO’s systems, staff negotiated a long-term agreement.

The base agreement is for an initial five-year term with the option of five annual extensions. Cost for the first-year support will increase by three percent. For Years two through five, annual support prices increase by just one percent. Prices are reduced and fixed for the five optional annual extensions. The table below provides the cost per year details.

Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 Option	Year 7 Option	Year 8 Option	Year 9 Option	Year 10 Option
\$31,458	\$32,447	\$32,771	\$33,099	\$33,430	\$33,764	\$33,102	\$33,102	\$33,102	\$33,102	\$33,102

Figure 2. Annual costs include RERC, Springs and Clearwater

The RIG will likely reach the end of its life cycle and become obsolete during the agreement term. At no additional cost, Trimark will upgrade the three RIGs at RERC, Springs and Clearwater within the first five years. The upgrade represents a cost-improvement of at least \$75,000 that ensures telemetry equipment remains current and reliable.

CAISO requires 10 revenue grade production meters throughout Riverside’s power plants. Trimark provided pricing for new revenue grade meters in the agreement because most of the existing meters are no longer covered under warranty. Without an effective method to forecast meter failures, staff recommends a budget of \$10,000 per year for the agreement term to address additional equipment maintenance and meter replacements. New meters purchased from Trimark will have a warranty of 10 years.

This is sole source procurement for goods because the specialized support is only available through Trimark. Under Section 602 (c) of Purchasing Resolution No. 23256, formal competitive procurement is not required if the procurement can only be obtained from a sole source or timely from a single source and the City’s Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated. Here, the procurement can only be obtained from a single source, for the reasons noted above, and the City’s Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated.

The Purchasing Services Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total fiscal impact for support services and as-needed maintenance in FY 2020-2021 is \$42,447. Sufficient funds are available in RERC Professional Services Account No. 6120130-421000, Springs Maintenance-Generating Plants Account No. 6120120-424131 and Clearwater Professional Services Account No 6120140-421000. Sufficient funds in the amounts outlined below will be allocated in subsequent fiscal year budgets.

	Current	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6 Opt	Yr 7 Opt	Yr 8 Opt	Yr 9 Opt	Yr 10 Opt	Total
Support agreement (RERC, Springs and Clearwater)	\$ 31,458	\$ 32,447	\$ 32,771	\$ 33,099	\$ 33,430	\$ 33,764	\$ 33,102	\$ 33,102	\$ 33,102	\$ 33,102	\$ 33,102	\$ 331,021
As needed maintenance		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 100,000
Total		\$ 42,447	\$ 42,771	\$ 43,099	\$ 43,430	\$ 43,764	\$ 43,102	\$ 43,102	\$ 43,102	\$ 43,102	\$ 43,102	\$ 431,021

Figure 3. Annual costs for purchase orders and budgets

Prepared by: Daniel E. Garcia, Utilities Deputy General Manager/Power Resources
 Approved by: Todd M. Corbin, Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Kristi J. Smith, Interim City Attorney

Certifies availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Trimark Associates Agreement
2. Presentation