



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 10, 2021

SUBJECT: APPROVE CHANGE ORDERS FOR EXISTING ENERGY DELIVERY ELECTRIC FIELD ANNUAL PURCHASE ORDERS, FOR INCREASED COSTS NEEDED FOR THE REMAINDER OF FISCAL YEAR 2020/21 TOTALING \$104,009.62

ISSUE:

Consider approval of change orders in excess of 10% for existing Energy Delivery, Electric Field annual purchase orders, for increased costs needed for the remainder of Fiscal Year 2020/21 totaling \$104,009.62.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve a 13% change order increase, in the amount of \$9,100, to the existing annual Purchase Order 210470 for Cintas Co. to provide essential safety clothing for employees, for a total purchase order amount of \$79,100;
2. Approve a 98% change order increase, in the amount of \$46,550, to the existing annual Purchase Order 210318 for Nesco Sales & Rental to provide equipment rentals for vehicles that are currently in the garage for maintenance, for a total purchase order amount of \$94,050;
3. Approve a 28% change order increase, in the amount of \$10,359.62, to the existing annual Purchase Order 204803 for Altec Capital Services LLC to pay the current and expected monthly rental fees, for a total purchase order amount of \$47,358.26;
4. Approve a 43% change order increase, in the amount of \$32,250, to the existing annual Purchase Order 211310 for Altec Industries Inc. to continue maintenance on Altec Lease vehicles as required in the Altec Lease agreement, for a total purchase order amount of \$107,250; and
5. Approve a 23% change order increase, in the amount of \$5,750, to the existing annual Purchase Order 211406 for Master Wash to continue the sanitation and cleaning of Electric Field fleet vehicles, for a total purchase order amount of \$30,750.

BACKGROUND:

On June 22, 2020, the Board approved RPU's annual Purchase Orders. These Purchase Orders have exceeded the previously approved amount, due to unforeseen and increased costs this fiscal year. Change order authority is now required for the following annual Purchase Orders exceeding 10% of the original Purchase Order amount.

DISCUSSION:

Increases to the following annual purchases orders are requested for approval by the Board of Public Utilities:

1. Nesco - RPU uses a variety of vehicles to enable crews to maintain a reliable electric service to its customers. These vehicles need to be in safe, operable condition and compliant with state and local emissions regulations. To ensure operating efficiency, employee productivity, and public safety, vehicles that are down for maintenance and/or repair at the garage must be replaced with rentals until our vehicles are repaired. Nesco provides rental equipment comparable to our current vehicles. Currently one of our vehicles requires an engine replacement which is on a National backorder; while that vehicle is down it is essential to keep a rental to maintain production. Additional funding in the amount of \$46,550 is requested to increase the total purchase order amount to \$94,050.
2. Cintas - Electric Field crews require specific safety clothing to perform their everyday tasks and the provision of these items is the responsibility of the Utility. Each crewmember has a uniform allocation, which includes a range of fire-resistant shirts, coveralls and heavy-duty jeans. Cintas, Co. supplies, launders, repairs or replaces these items on a weekly basis. During the current fiscal year, a new contract was executed changing the average price of uniforms from \$18.22 to \$18.53 per employee every week, and supplies went up an additional \$2.00 each. An additional amount of \$9,100 is requested to cover the change to the average weekly cost, increasing the purchase order amount to \$79,100.
3. Altec Leasing - The Electric Field Division received Board approval on April 22, 2019 to purchase vehicles from Altec Industries, Inc., to replace current Altec Lease vehicles. Due to Covid-19, production of Altec Lease vehicle 19338 replacement was delayed. Additional funding totaling \$10,359.62 for two months rental is needed to continue monthly payment for the Altec Lease vehicle until it is turned in, increasing the purchase order amount to \$47,358.
4. Altec Leasing - RPU currently leases a variety of vehicles from Altec Industries Inc., which are used by crews to maintain a reliable electric service to its customers. In the Altec Lease contracts, the lessee is required to maintain the equipment in good repair, condition and working order by furnishing all parts and services required. Altec performs said maintenance on the leased vehicles, but with age and normal wear and tear, the maintenance costs have increased from previous fiscal years. It is essential to add more funds to the current purchase order in the amount of \$32,250, for a total purchase order amount of \$107,250, in order to keep our equipment in proper working order to maintain the electric system.
5. Master Wash - This fiscal year was largely impacted by Covid-19, in such a way that cleaning and sanitation of the Electric Field fleet vehicles was increased for safety

measures to our crew members. Master Wash performs the washing/cleaning of these vehicles. Additional washing was not anticipated when the initial purchase order issued. In order to maintain the cleaning of our vehicles currently in place, the current purchase order must be increased by \$5,750 to accommodate those services, for a total purchase order amount of \$30,750.

The Purchasing Manager concurs that these purchases are in compliance with Purchasing Resolution No. 23256.

FISCAL IMPACT:

Total fiscal impact is \$104,009.62. Sufficient funds are available in Public Utilities Electric Field Account No. 6105000-423100 in the amount of \$46,550 for Nesco, Account No. 6105000-426200 in the amount of \$9,100 for Cintas, Account No. 6105000-423100 in the amount of \$10,359.62 for Altec Capital, Account No. 6105000-424220 in the amount of \$32,250 for Altec Industries, and Account No. 6105000-421000 in the amount of \$5,750 for Master Wash.

Prepared by:	George R. Hanson, Utilities Assistant General Manager/Energy Delivery
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
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Attachments:

1. Altec Purchase Board Memo
2. Altec Lease Agreement