



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 14, 2021

SUBJECT: PURCHASE OF AUTOMATIC VOLTAGE REGULATOR SPARE PARTS FROM OEM PARTS NETWORK OF RANCHO CUCAMONGA, CALIFORNIA FOR \$119,078

ISSUE:

Consider approval of the expenditure for the purchase of automatic voltage regulator spare parts from OEM Parts Network of Rancho Cucamonga, California, in the amount of \$119,078.

RECOMMENDATION:

That the Board of Public Utilities approve the expenditure for the purchase of automatic voltage regulator spare parts from OEM Parts Network of Rancho Cucamonga, California in the amount of \$119,078.

BACKGROUND:

Riverside Energy Resource Center (RERC) Units 3 & 4 have been in operation since being commissioned in April 2011. Combined, the two gas turbine units produce a maximum output of 100 megawatts of electricity in less than ten minutes and serve a critical role in meeting customer energy demands.

Automatic Voltage Regulators (AVR) are critical to the operations of RERC Units 3 & 4. Each unit has a dedicated AVR that adjusts generator voltage to the proper levels required to safely synchronize to Riverside's electricity grid and export electricity to the customers.

The AVRs on RERC Units 3 & 4 consist of complex electronic components that require periodic diagnostic tests and maintenance. The next maintenance activity on the AVR systems is planned during a routine outage in November 2021. In order to minimize the amount of time that the RERC units would be down for repairs, staff recommends having the manufacturer's suggested spare parts in stock to support this project. If the parts are not needed for the upcoming maintenance, the parts would be available for future AVR repairs.

DISCUSSION:

Purchasing Resolution No. 23256 offers the option to conduct informal proposals under Section 404 titled Utilities Exception. Under this section, it is recognized that the water, electric and sewer utilities have a need for compatibility within their respective systems for uniform operation,

maintenance, and replacement. As such, this need can be met by procuring certain supplies, equipment, and materials supplies through Informal Procurement or Negotiated Procurement.

Authentic AVR parts can only be obtained from the original equipment manufacturer or authorized providers. Because they are highly specialized parts necessary for compatibility at the RERC generation units, this equipment purchase met the requirements for an informal procurement process under the Purchasing Resolution. Staff conducted the informal procurement by contacting and requesting bids from five companies and received two responsive quotations for the AVR spare parts.

Summary of Quotes (sorted lowest to highest):

Company	Location	Quotation	Tax	Total
OEM Parts Network	Rancho Cucamonga, CA	\$ 109,497.00	\$ 9,580.99	\$119,077.99
Maximum Turbine Support, Inc	San Bernardino, CA	\$ 109,716.00	\$ 9,600.15	\$119,316.15
GTC Controls Solutions	Hawthorne, NY	N/A	N/A	Non-responsive
GEXpro	Anaheim, CA	N/A	N/A	Non-responsive
GE Packaged Power, LLC	Houston, Texas	N/A	N/A	Non-responsive

Staff recommends the lowest bidder, OEM Parts Network.

The Purchasing Manager concurs that the recommendation complies with Purchasing Resolution No. 23256, Section 404.

FISCAL IMPACT:

The total fiscal impact for the AVR spare parts is \$119,078. Sufficient funds are available from RERC Maintenance-Generating Plants Account No. 6120130-424131.

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

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

Attachments:

1. OEM Parts Network Proposal
2. Presentation