



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 27, 2021

SUBJECT: CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES FISCAL YEAR 2020 COMMUNITY POWER RESILIENCY ALLOCATION TO CITIES PROGRAM – PURCHASE A BACKUP GENERATOR FROM CUMMINS, INC. IN AN AMOUNT OF \$117,502; APPROVE WORK ORDER NO. 2124793 IN AN AMOUNT OF \$393,000; RECOMMEND THAT THE CITY COUNCIL WAIVE CITY CHARTER SECTION 1109 AND AUTHORIZE THE PURCHASING MANAGER TO AWARD A CONSTRUCTION CONTRACT FOR THE RAUB 6 GROUNDWATER WELL SITE IN THE AMOUNT OF \$200,000

ISSUES:

Consider authorizing the purchase of a backup generator and related equipment from Cummins, Inc., of Columbus, Indiana, for \$117,502; approve a capital expenditure for Work Order No. 2124793 in the amount of \$393,000; and recommend that the City Council, by at least five affirmative votes, waive City Charter section 1109 and authorize the Purchasing Manager to award a construction contract for the Raub 6 Groundwater Well site modifications to the lowest responsive and responsible bidder for RPU Bid No. 7867, in the amount of \$200,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Authorize the purchase of a backup generator and related equipment from Cummins, Inc., under the Sourcewell Cooperative Agreement No. 120617-CMM, in an amount of \$117,502;
2. Approve the capital expenditure for Work Order No. 2124793 in the amount of \$393,000 which includes all materials, design, construction, construction support, contract administration, inspection and construction change order authority costs for the Raub 6 Groundwater Well Backup Generator Installation Project;
3. Authorize the City Manager to execute any documents necessary to effectuate this project, as well as the ability to make minor non-substantive changes in alignment with all purchasing policies; and
4. Recommend that the City Council, by at least five affirmative votes, waive City Charter Section 1109 and authorize the Purchasing Manager to award a construction contract for the Raub 6 Groundwater Well site modifications to the lowest responsive and responsible bidder for RPU Bid No. 7867, in an amount of \$200,000, which includes construction contingency.

BACKGROUND:

On October 20, 2020, staff learned of a grant opportunity offered to California cities by the California Governor's Office of Emergency Services (CalOES) to provide \$300,000 in funding for the procurement of backup equipment necessary to prepare for power outages. The deadline to apply for the grant was October 30, 2020.

As many of the Riverside Public Utilities Department's (RPU) water facilities are in areas that may be affected by Public Safety Power Shutoffs (PSPS), staff recognized the potential benefits of this opportunity and worked swiftly to apply for the grant. Given the imminent deadline, there was not enough time to obtain RPU Board (Board) and City Council (Council) approval prior to submitting the grant application. Staff would seek approval retroactively should the grant application be approved.

On March 30, 2021, staff was pleased to learn that their grant application to CalOES was approved for \$300,000 in grant funding. The notice required that the grant allocation be accepted within 20 calendar days upon receipt. However, in discussions with CalOES, they agreed to extend the acceptance deadline until the week of April 18, 2021, providing time for staff to seek approval by the Council to accept the grant award and appropriate grant funds.

The Council retroactively approved the submittal of the grant application and authorized the receipt of the grant award on April 20, 2021, and a check in the amount of \$300,000 has since been received.

DISCUSSION:

Staff selected the Raub 6 Groundwater Well site as a good candidate to be equipped with a backup generator. The CalOES grant has a performance deadline of March 31, 2022. Since generators have a long lead time, staff would like to purchase the generator in advance so that it will be available in time to achieve the grant performance deadline.

Cummins, Inc. holds a Cooperative Agreement No. 120617-CMM with Sourcewell, formally known as National Joint Powers Alliance (NJPA). Purchasing Resolution No. 23256, Section 602(e) provides that competitive procurement shall not be required "When Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements".

Staff is in the process of finalizing the construction documents to retrofit the site with the necessary improvements to accommodate the new generator. Staff will coordinate with the Purchasing Division to solicit construction bids for this work using the formal competitive bidding process. To streamline the process and help ensure the grant performance deadline is met, staff requests that the Board recommend that the City Council authorize the Purchasing Manager to award a construction contract for the Raub 6 Groundwater Well site improvements. A budgetary amount for this work has been included in this authorization.

Section 1109 of the Riverside City Charter provides that public works contracts shall be let by either the City Council or the Board of Public Utilities to the lowest responsible bidder. That section further provides that "Projects for the construction and/or improvement of any public utility operated by the City or for the purchase of supplies or equipment for any such utility may be

excepted from the requirements of this section, provided the City Council so determines by at least five affirmative votes.” Here, the City will follow all Charter and state law requirements regarding competitive bidding, except that the authority to let (award) the project to the lowest responsible bidder will be delegated to the City’s Purchasing Manager. The reason for such exception is to streamline the process and help ensure the grant performance deadline is met, as further set forth herein.

The project/fiscal breakdown is as follows:

Project and Fiscal Breakdown		
Work Type:	Performed By:	Amount:
Design, Permits and Survey	Internal Staff	\$35,498
Backup Generator	Cummins, Inc.	\$117,502
Construction (RPU Bid No. 7867)	Vendor to be Determined (Formal Procurement)	\$200,000
Construction Support	Internal Staff	\$5,000
Engineering Support and Construction Management	Internal Staff	\$10,000
Inspection	Internal Staff	\$25,000
Work Order Total:		\$393,000
Reimbursements:	\$300,000 CalOES Grant	
Anticipated Start Date:	October 2021	
Anticipated Duration:	6 Months	

The table above identifies the parties that have performed and are expected to perform various portions of the project. For brevity, certain contracts with vendors valued at less than \$10,000 have not been itemized in the table. Should there be a need to seek additional services using the formal procurement process, such items in excess of \$50,000 will be brought before the Board for consideration and action.

The Purchasing Manager concurs that the recommended actions follow Purchasing Resolution No. 23256.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 6 Infrastructure, Mobility and Connectivity and Goal No. 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – RPU took the initiative to seek this grant opportunity which provides an economical way to enhance the reliability of its water system, demonstrating RPU’s commitment to the customers it serves and building community trust.
2. **Equity** – RPU endeavors to provide safe and reliable water service to all its customers. Since RPU’s water system is an interconnected network, investments made to individual

parts of the system improve the reliability of the overall system, thereby providing an equitable benefit to all customers.

3. **Fiscal Responsibility** – This project is funded primarily with outside grant proceeds, thereby providing great value to RPU customers. The lowest price for the construction services was ensured through a competitive bidding process.
4. **Innovation** – This project employs innovative equipment which provides a seamless transition from grid electrical power to backup generator power, helping to ensure uninterrupted operation of this groundwater well.
5. **Sustainability & Resiliency** – This project will help ensure RPU can provide reliable water service to its customers during periods of electrical power outages.

FISCAL IMPACT:

The total estimated project cost is \$393,000. Sufficient funds are available in the Machine and Equipment Account No. 6810200-462200 (\$300,000 in grant funds) and the Public Utilities' Facility Rehabilitation Account No. 6230100-470803 (\$93,000).

Prepared by:	Oscar A. Khoury, Engineering Manager
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

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

1. Project Site Map
2. Sourcewell Quote from Cummins, Inc.
3. Presentation