

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 8, 2024

SUBJECT: REQUEST FOR PROPOSAL NO. 2323 – SERVICES AGREEMENT WITH CONTROL AIR ENTERPRISES, LLC OF ANAHEIM CALIFORNIA TO PERFORM HEATING, VENTILATION AND AIR CONDITIONING MAINTENANCE AT RIVERSIDE POWER PLANTS FOR A PERIOD OF FIVE YEARS COMMENCING ON JULY 1, 2024, THROUGH JUNE 30, 2029, IN THE AMOUNT OF \$454,423.65

ISSUE:

Consider approval of a Services Agreement from Request for Proposal No. 2323 with Control Air Enterprises, LLC of Anaheim, California to perform heating, ventilation, and air conditioning maintenance at Riverside Power Plants for a period of five years, commencing on July 1, 2024, through June 30, 2029, in the amount of \$454,423.65.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve a Services Agreement from Request for Proposal No. 2323, with Control Air Enterprises, LLC of Anaheim, California to perform heating, ventilation, and air conditioning maintenance at Riverside Power Plants for a period of five years, commencing on July 1, 2024, through June 30, 2029, in the amount of \$454,423.65; and
2. Authorize the City Manager, or designee, to execute the services agreement with Control Air Enterprises, LLC including making minor non-substantive changes.

BACKGROUND:

The City of Riverside (City) owns and operates the Riverside Energy Resource Center (RERC), Springs, and Clearwater (Power Plants). The power generation facilities collectively produce 264 megawatts of electricity, which represents 30 percent of the City's summer peak demands for electricity. Numerous electronic components and devices, integral to each power plant's reliable operations, require temperature-controlled environments. Currently, eighty, all-electric, industrial (80) Heating, Ventilation, and Air Conditioner units (HVAC) are installed and operating at the three generating facilities. The installed HVAC units operate to maintain ambient room temperatures at 72-degrees Fahrenheit and prevent critical components from overheating, especially during the summer months. These units operate like a heat pump system in that they provide all-electric heating and cooling. Heating is provided by running the units in reverse. The HVAC units have

been in operation for over 10 years, and recent history indicates an increased need for maintenance. Staff expect the maintenance trend to continue, which includes Air Conditioner (AC) unit replacements when economically feasible.

The City has a current contract for HVAC maintenance that expires on June 30, 2024. After full review of options for HVAC maintenance, staff determined a new multi-year term agreement would provide the best approach to manage the aging HVAC units at the City's Power Plants.

DISCUSSION:

The City's Purchasing Division, on behalf of Riverside Public Utilities, posted Request for Proposal No. 2323 (RFP 2323) on September 21, 2023. The City scheduled a non-mandatory pre-proposal job walk for prospective bidders to observe the HVAC units to be maintained per the RFP 2323 scope of services; five vendors attended. Prior to bid closing, twelve questions from prospective bidders were submitted and responded to and no addenda were needed. Upon bid closing on October 23, 2023, six proposals were received for review and evaluation.

Table 1 ~ RFP Notification Summary

Action	Number of Vendors
External Vendors Notified	500
City of Riverside Vendors Notified	159
Vendors Who Downloaded the RFP	35
Proposals Received	6

Staff formulated the weighting of selection criteria below with the goal of identifying the best overall approach and value.

- a. Qualifications (25%)
- b. Pricing (30%)
- c. Professional reference (10%)
- d. Approach and methodology (35%)



**RERC Power Plant (196 Megawatts)
HVAC Units: 53**



**Springs Power Plant (40 Megawatts)
HVAC Units: 14**



**Clearwater Power Plant (28 Megawatts)
HVAC Units: 13**

After review and evaluation of the six proposals, the Purchasing Division recommended Control Air Enterprises, LLC (Control Air) as the highest rated proposer. Control Air's proposal covered all scope related items in RFP 2323 and offered the lowest price. Control Air is the current vendor providing HVAC maintenance and has provided excellent service.

Table 2 ~ Proposals Received

Vendor	Location	Score (100 Max)	Amount	Rank
Control Air Enterprises, LLC	Anaheim, CA	91.25	\$129,423.65	1
Retrofit Service Company, Inc.	Rancho Cucamonga, CA	88.67	\$172,530.00	2
ACCO Engineered Systems	Costa Mesa, CA	83.03	\$205,900.00	3
ABM Building Solutions	Tustin, CA	80.91	\$212,907.27	4
Couts Heating & Cooling Inc.	Corona, CA	73.42	\$277,205.85	5
Pacific West Industries	Anaheim, CA	72.02	\$285,850.27	6

Staff also recommends \$65,000 per year for as needed repairs due to the critical need to have the AC units operational. Many of the air conditioners protect critical and costly power plant equipment. Loss of these units will impact equipment function and each power plant's ability to operate. With aging air conditioners, having the ability to quickly address additional repairs is essential to plant reliability, especially during the hot summer peak periods when they are prone to fail. As needed repairs will allow staff up to a maximum of four, all-electric HVAC replacements a year for unanticipated failures. The annual limit for as needed repairs will remain in the Generation budget and only plant approved repairs will be encumbered.

Table 3 ~ Fiscal Year Breakdown

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Annual Preventative Maintenance	\$24,231.79	\$25,031.44	\$25,857.47	\$26,710.75	\$27,592.20	\$129,423.65
As-needed Repairs	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$325,000.00
Total	\$89,231.79	\$90,031.44	\$90,857.47	\$91,710.75	\$92,592.20	\$454,423.65

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution No. 23914.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following strategic priorities and goals from the Envision Riverside 2025 Strategic Plan:

Strategic Priority 5, High Performing Government

Goal 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Strategic Priority 6, Infrastructure, Mobility & Connectivity

Goal 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.

The item aligns with EACH of the five cross-cutting threads as follows:

1. **Community Trust** – Ensuring that HVAC units operate reliably during critical periods and provides electricity to Riverside Public Utilities' (RPU) electric customers, serves the greater public good.
2. **Equity** – This item ensures that RPU's power plants can safely and effectively operate and provide reliable electricity benefiting the entire City and all customers.
3. **Fiscal Responsibility** – Control Air Enterprises, LLC provided the lowest price and high quality for all services requested through the competitive procurement process.
4. **Innovation** – Ongoing best practices for preventative maintenance and management of a considerable HVAC inventory beyond 10 years.
5. **Sustainability & Resiliency** – The three Riverside power plants operate during the most critical times when the demand for electricity is high and beyond the capacity to bring in electricity through RPU's capacity limited single interconnection. Performing HVAC maintenance supports the goal of sustaining highly reliable power plant operations and protects the City's valuable assets during peak energy use events.

FISCAL IMPACT:

The total fiscal impact for the five-year term is \$454,423.65. For Fiscal Year 2024/25, total cost is \$89,231.79. Sufficient funds are available in the Public Utilities RERC Maintenance Generating Plant Account No. 6120120-424131, Springs Maintenance Generating Plant Account No. 6120130-424131, and Clearwater Maintenance Generating Plant Account No. 6120140-424131.

Future years' funding, as shown in Table 3, will be included as part of the biennial budget process for the term of this agreement.

Prepared by:	Daniel E. Garcia, Utilities Deputy General Manager/Power Resources
Approved by:	Todd M. Corbin, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Services Agreement
2. Award Recommendation
3. Presentation