



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JULY 13, 2026

SUBJECT: INCREASE CHANGE ORDER AUTHORITY FOR BID NO. 8146 TO OUTSOURCE UTILITY CONTRACTOR, LLC, OF LOS ANGELES, CALIFORNIA, FOR THE SPRINGS CIRCUIT RELIABILITY PROJECT, PHASE 2, FOR A NOT-TO-EXCEED CHANGE ORDER AMOUNT OF 28.6% OR \$327,765.99; AND INCREASE WORK ORDER NO. 2321785 FOR A TOTAL CAPITAL EXPENDITURE OF \$3,498,071.51

ISSUES:

Consider approval to increase change order authority for Bid No. 8146 to Outsource Utility Contractor, LLC, of Los Angeles, California, for the Springs Circuit Reliability Project, Phase 2 for a not-to-exceed change order amount of 28.6% or \$327,765.99; and increase Work Order No. 2321785 for a total capital expenditure of \$3,498,071.51.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Authorize an increase to change order authority for Bid No. 8146 to Outsource Utility Contractor, LLC, of Los Angeles, California, for the Springs Circuit Reliability Project, Phase 2, for a not-to-exceed change order amount of 28.6% or \$327,765.99;
2. Approve additional funding for Work Order No. 2321785 in the amount of \$213,071.51 for a revised total capital expenditure of \$3,498,071.51 which includes all design, construction, construction support, contract administration, inspection and construction change order authority for the Springs Circuit Reliability Project, Phase 2; and
3. Authorize the City Manager, or designee, to execute any documents necessary to effectuate the project described herein, as well as the ability to make minor non-substantive changes in alignment with all purchasing policies

BACKGROUND:

The Springs Circuit Reliability Project aims to enhance the circuit transfer capability of the Springs Substation by establishing additional tie points to other circuits from La Colina and Orangecrest Substations. Implementing these line extensions and tie switches can effectively improve the reliability and load transfer capabilities of the Springs Substation, along with adding additional capacity in the area.

On August 28, 2023, the Board of Public Utilities (Board) approved Work Order No. 2019648 for the design and construction of the Springs Circuit Reliability Project, Phase 1. Phase 1 included the extension of Circuits 1572 and 1573 along Sycamore Canyon Boulevard to Alessandro Boulevard and Barton Street, which involved the installation of new tie switches to enable additional connections with La Colina Substation. This portion of the project effectively improves the reliability and load transfer capabilities of Springs Substation and adds additional capacity in the area.

On September 22, 2025, the Board approved Work Order No. 2321785 for the Springs Circuit Reliability Project, Phase 2, including the award of Bid No. 8146 to Outsource Utility Contractor, LLC (Contractor), for the civil construction portion of the project. This final phase focuses on installing new electrical tie switches to create circuit ties with the Orangecrest Substation. Because the La Colina Substation cannot support the full Springs Substation load on its own, these new circuit ties to Orangecrest Substation are necessary to ensure adequate capacity and system redundancy.

DISCUSSION:

The construction of Bid No. 8146 for the Springs Circuit Reliability Project, Phase 2 began on February 4, 2026. The scope of work includes the installation of approximately 2,228 trench feet of conduit, 17,061 circuit feet of underground primary cable, one (1) vault, one (1) pad mounted junction cabinet (PJC), six (6) pad mounted switch enclosures (PSE), slab boxes and related electrical distribution facilities, as well as asphalt replacement. The project includes upgrades to electrical distribution facilities located in the area north of Alessandro Boulevard, on Mission Grove Parkway, along Alessandro Boulevard, west of Barton Street, and will improve reliability at Springs Substation.

During construction, as trenching and conduit installation progressed, the contractor and the Riverside Public Utilities (RPU) Inspector reviewed the progress reports and performed a bid-unit reconciliation. During this review, they identified a significant discrepancy between the bid quantities and the actual conduit and trenching requirements shown on the engineering plans. This oversight nearly doubled the original bid amount for the conduit quantities.

Despite the discrepancy, construction continued due to the critical importance of the project and the substantial impacts that any delay or shutdown would have caused. Engineering staff approved work continuation and the contractor acknowledged that the additional cost had to be approved by Board at a later date and continued the construction with the corrected conduit quantities. Halting construction was not feasible given the project's essential role in maintaining circuit reliability, as well as the significant traffic disruptions that would have occurred along Alessandro Boulevard. Alessandro Boulevard is a major arterial roadway that serves as a critical commuter route between the City of Riverside and the City of Moreno Valley/I-215 Highway, carrying thousands of commuters daily.

To account for these additional costs, an increase to the total purchase order is required through a change order (Pursuant to Purchasing Resolution 24101, Section 1104. Change Orders). Board approval is required if the change order exceeds 10 percent of the total agreement amount. The cost of the additional work needed for this project is \$327,765.99. The existing 10 percent change order authority is \$114,694.48, which only covers a portion of the additional costs. Therefore, an additional \$213,071.51 or (18.6 percent) is required to complete the work, bringing the total change order amount to 28.6 percent of the original agreement. Engineering staff reviewed the

corrected bid quantities and verified that the original bid order would not be affected by this change.

The project/fiscal breakdown is as follows:

Work Type	Performed By:	9/22/2025 Approved Original Amount (\$):		7/13/2026 Increased Amount (\$):	7/13/2026 Revised Amount (\$):	Rev. %:
Design and Inspection	RPU Engineering and Operations	\$202,362.18		\$0.00	\$202,362.18	5.8%
Electrical Work	RPU Field Forces	Labor	\$339,236.04	\$1,820,998.52	\$0.00	\$1,820,998.52
		Equipment	\$47,940.48			
		Materials	\$1,433,822.00			
Civil Construction (Contract)	Outsource Utility Contractor, LLC	\$1,146,944.82		\$0.00	\$1,146,944.82	32.8%
Contingency (Contract)		\$114,694.48 (10%)		\$213,071.51 (18.6%)	\$327,765.99 (28.6%)	9.4%
Work Order Total:		\$3,285,000.00		\$213,071.51	\$3,498,071.51	100%

This is pursuant to Purchasing Resolution 24101, Section 1104 “Change Orders”, which states: "Modification to a Purchase Order shall be made only by Change Order, except that minor variances of \$200 or less, where the variance is due to sales tax or freight charges may be processed without a Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of (1) adding and/or deleting quantity of items being procured"... "Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval: c) 10% of the original contract price for Contracts and/ or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000".

The Purchasing Manager concurs that this purchase coimplies with Purchasing Resolution No. 24101.

FISCAL IMPACT:

The additional total fiscal impact for Bid No. 8146 for this change order is \$213,071.51. The revised total capital expenditure for Work Order No. 2321785 is \$3,498,071.51. Sufficient funds are available in Public Utilities Electric Capital Account No. 6130100-470601.

Prepared by: Daniel Honeyfield, Utilities Assistant General Manager/Energy Delivery
 Approved by: David A. Garcia, Utilities General Manager
 Certifies availability of funds: Julie Nemes, Interim Finance Director
 Approved by: Gilbert Hernandez, Interim Assistant City Manager

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Project Site Map
2. Presentation