



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 5, 2023

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: SECOND AMENDMENT TO SERVICES AGREEMENT WITH DS SERVICES OF AMERICA, INC. DOING BUSINESS AS PRIMO WATER NORTH AMERICA, OF ATLANTA, GEORGIA, TO PROVIDE CITYWIDE BOTTLED DRINKING WATER AND RELATED SERVICES THROUGH JUNE 30, 2024 WITH TWO OPTIONAL ONE-YEAR EXTENSIONS, AND INCREASING COMPENSATION BY \$35,000 FOR A TOTAL CONTRACT AMOUNT OF \$100,000

ISSUE:

Approve the Second Amendment to Services Agreement with DS Services of America, Inc. doing business as Primo Water North America of Atlanta, Georgia, to extend the term through June 30, 2024 with two optional one-year extensions, and increase compensation by \$35,000 for a total contract amount of \$100,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Second Amendment to Services Agreement with DS Services of America, Inc. doing business as Primo Water North America, for Citywide Bottled Drinking Water and Related Services, to extend the term through June 30, 2024, and increase the compensation amount by \$35,000 for a total contract amount of \$100,000;
2. Authorize the City Manager, or designee, to execute the Second Amendment, including making minor and non-substantive changes; and
3. Authorize the City Manager, or designee, the option to execute two additional one-year extensions, ending on June 30, 2026, and subject to the availability of budgeted funds.

BACKGROUND:

The City of Riverside has multiple departments that require bottled drinking water and related services. These departments include but are not limited to: Public Works, General Services, Finance, Information Technology, Parks and Recreation, Community and Economic Development, and Police. Historically, individual divisions within individual departments have

procured purchase orders and agreements for bottled water on their own with unique pricing based on their own needs.

DISCUSSION:

In 2019, the Purchasing Division began identifying services spread across multiple divisions/departments that could be combined into a single agreement for potential cost savings. In March 2021, Bid No. 7833 for Citywide Bottled Drinking Water and Related Services was posted by Purchasing and bids were received on April 7, 2021. All vendors providing bottled drinking water services to the City at that time were notified of the bid opportunity. The bid opportunity was sent to a total of 523 registered users on Planet Bids. Four bids were received, some of which were from companies currently providing bottled drinking water services to the City. The bid was awarded to DS Services of America, Inc. dba Primo Water North America who was deemed the lowest responsive and responsible bidder. On July 13, 2021, the City and DS Services of America, Inc. entered into a Services Agreement for Citywide bottled drinking water and related services through June 30, 2022. The bid package stated that the agreement could be extended for up to four additional one-year terms for a total of five years of service. The original agreement was set for a one-year duration to provide a testing period for the Citywide service agreement rather than individual purchase orders by division. That testing period was successful as multiple divisions and departments consolidated under this contract and other departments have expressed interest in switching due to decreased pricing and saving time in managing its own contract and purchase orders.

DS Services of America, Inc. dba Primo Water North America has performed bottled drinking water services in an acceptable manner. The City would like to extend the Agreement into Fiscal Year 2023/24 based on availability of budgeted funds within each requesting department for an amount not to exceed \$35,000.

While this is an organization-wide service agreement, the Public Works Department is responsible to bring the report forward as it has the largest proportional allocation of the service. The Fiscal Impact section of the report identifies the appropriate accounts to be used by each Department as they make use of the service.

The Purchasing Manager concurs that the recommendation to approve the amendment is in compliance with Purchasing Resolution 23914.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5** – High Performing Government as well as **Goal 5.5** – Foster a culture of safety, well-being, resilience, sustainability, diversity, and inclusion across the city organization.

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

1. **Community Trust** – This item is being presented for City Council review for transparency to the community and in accordance with the City's purchasing policy.
2. **Equity** – This agreement provides bottled water services at multiple city operated facilities located across the City.

3. **Fiscal Responsibility** – Combining bottled water services onto one purchase order improves pricing and supports the city’s efforts to minimize inefficiencies and maximize reliability.
4. **Innovation** – The bottled water vendor upholds standards of quality, taste, purity, service, and value. All waters exceed all Federal, State and County water quality standards.
5. **Sustainability & Resiliency** – Providing drinking water stations that can be used to refill reusable bottles & personal water containers helps to reduce waste and promote sustainable practices.

FISCAL IMPACT:

The total fiscal impact of this action is \$35,000. Sufficient funds are budgeted and available in Fiscal Year 2023/24 in the accounts displayed in the table below. Amounts that will be charged to each account listed below will vary, however, there are funds budgeted to cover the sum total of the contract amount.

Fund	Department/Program	Account
General Fund	General Services – Building Maint – Professional Services	2210000-421000
	General Services – Building Maint – Maint/Repair of Bldgs	2210000-424130
	Finance – Admin – General Office Expense	2300000-425400
	Finance – Accounting – General Office Expense	2305000-425400
	IT – Admin – Special Department Supplies	2400000-426800
	Police – Support Services – Special Department	3102000-426800
	Police – Administrative Services – Special Department	3105000-426800
	Public Works – Streets Maint – General Office	4110100-425400
	Public Works – City Engineering – General Office	4115000-425400
	Park & Rec – Administration – Special Department	5200000-426800
	Park & Rec – Parks – Maint/Repair of Bldgs	5215000-424130
	Park & Rec – Parks – Special Department	5215000-426800
Sewer Fund	Public Works – Treatment – Special Department	4125200-426800
	Public Works – SCADA & SPL – General Office Expense	4125420-425400
	Public Works – Capital Engineering Svs – General Office	4125900-425400
	Public Works – Plant Const Support – General Office	4125910-425400
Refuse Fund	Public Works – Solid Waste Collection – General Office Expense	4130100-425400

Prepared by: Gilbert Hernandez, Public Works Director
 Certified as to
 availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Second Amendment