

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 22, 2024

SUBJECT: SECOND AMENDMENT TO THE SERVICES AGREEMENT FOR CITYWIDE CAR WASH SERVICES WITH WASH MASTER LLC OF BEAUMONT, CALIFORNIA AND INCREASE ANNUAL CONTRACT AMOUNT BY \$80,564.28 FOR A REVISED TOTAL ANNUAL CONTRACT AMOUNT OF \$172,664.28, WITH A 15% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$25,899.64, FOR A TOTAL CONTRACT NOT TO EXCEED AMOUNT OF \$198,563.92

ISSUE:

Approve a Second Amendment to the Services Agreement for the Citywide Car Wash Services with Wash Master LLC of Beaumont, California to increase the annual contract amount by \$80,564.28 for a total revised annual contract amount of \$172,664.28, with a 15% change order authority for a total Not to Exceed annual contract cost of \$198,563.92.

RECOMMENDATIONS:

That the Board of Public Utilities recommends that the City Council:

1. Approve a Second Amendment to a Services Agreement for Citywide car wash services with Wash Master LLC of Beaumont, California to increase the annual contract amount by \$80,564.28 for a contract amount of \$172,664.28;
1. Approve 15% change order authority in the amount of \$25,899.64 for a total annual contract not to exceed \$198,563.92;
2. Authorize the City Manager, or his designee, to execute the Second Amendment with Wash Master LLC, including making minor and non-substantive changes.

BACKGROUND:

On February 21, 2023, the City of Riverside City Council approved the agreement with Wash Master LLC of Beaumont, California based on the results of Bid 7793 which was released in April of 2021. The agreement was originally approved for one (1) year with no more than three (3) additional one-year terms, at the annual cost of Ninety-Two Thousand One Hundred Dollars (\$92,100).

Over the past year of car wash service with Riverside Public Utilities and Parks and Recreation vehicles, it has been found that additional funds are required to maintain clean vehicles. This includes Public Utilities' service vehicles as well as Parks and Recreation's Special public

transportation buses, vans and sedans.

DISCUSSION:

The initial Services contract with Wash Master LLC for Citywide Car Wash Services was executed on February 28, 2023, with an option to extend the agreement for three additional one-year terms. During the term of the first year, City operations were only just starting to normalize after having been limited by the long-term effects of the pandemic. Previously, Vehicle washes had been at a minimum to maintain COVID regulations, and only disinfecting efforts were made on vehicles being used.

The initial agreement total was estimated based on vendor cost and projected wash frequency. However, over the term of the contract, it became evident that additional washes were required by the departments to maintain their vehicles.

In addition, Wash Master LLC had to increase their costs by 3% for their second optional one-year extension, which is below the 4.3% Consumer Price Index (CPI) increase for the Riverside Area.

To anticipate and be able to manage any additional increases in the coming year, a 15% Change Order Authority on the increased annual contract cost would allow the City to avoid any unanticipated escalations of vehicle wash needs due to growing use.

Purchasing Resolution No. 24101, Section 1104 (c) states, “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 the recommended actions are compliant with Purchasing Resolution No. 24101, Section 1104 (c).

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5** – High Performing Government and **Goal 5.2** – Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City. This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The increase to the annual cost of the Services Agreement will allow Riverside Public Utilities and Parks and Recreation to continue to efficiently provide service to the public with a professional, clean fleet. Regular cleanings will improve community perception of City of Riverside employees, as well as provide safer, cleaner vehicles for public transportation.
2. **Equity** – The increase in the annual cost of the Services Agreement will allow Riverside Public Utilities and Parks and Recreation to continue providing professional services to the public.

3. **Fiscal Responsibility** – The increase to the annual cost of the Services Agreement will allow Riverside Public Utilities and Parks and Recreation to utilize car washing during business hours, allowing City staff to continue their daily tasks uninterrupted. This will cut additional costs by avoiding the need for City staff to be responsible for washing their own vehicles, allowing City staff to continue their daily responsibilities.
4. **Innovation** – The increase to the annual cost of the Services Agreement will allow Riverside Public Utilities and Parks and Recreation to provide staff and the public access to regularly cleaned vehicles on the City's Schedule.
5. **Sustainability & Resiliency** – The increase to the annual cost of the Services Agreement for Citywide Car Wash Services will allow Riverside Public Utilities and Parks and Recreation to maintain clean and safe vehicles while continuing to offer continuity of operations to the public.

FISCAL IMPACT:

The fiscal impact of the Second Amendment to the Services Agreement with Wash Master LLC is \$172,664.28 plus 15% change order authority of \$25,899.64 for a total of \$198,563.92, with two remaining optional one-year extensions. Charges will be allocated to each Department's approved and available budgeted funds as the services are utilized. Sufficient funding is included in the biennial budget which will be considered for approval available in June:

Electric Operations	Account No. 6100000-421000
Electric Field	Account No. 6105000-421000
Water Operations	Account No. 6200000-421000
Water Field	Account No. 6205000-421000

Prepared by: Kristan Nordmeyer, Sr. Procurement and Contract Specialist
Approved by: Jennifer McCoy, Purchasing 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

Attachment(s):

1. Second Amendment to the Services Agreement with Wash Master LLC
2. Presentation