



Report to City Council

TO: Mayor and City Council

FROM: Melissa Walker, Public Works Director/City Engineer

AGENDA DATE: April 15, 2025

TITLE: MORENO VALLEY UTILITY OPERATIONS SERVICES
(REPORT OF: PUBLIC WORKS)

TITLE SUMMARY: Authorize the Award of a Professional Services Agreement to CLP Operations & Maintenance, Inc. for Moreno Valley Utility Operations Services

Recommendation(s)

That the City Council:

1. Authorize the award of a Professional Services Agreement to CLP Operations & Maintenance, Inc., for Moreno Valley Utility Operations Services; and
2. Authorize the City Manager to execute an agreement with CLP Operations & Maintenance, Inc. in the amount of \$8,846,399.37 funded by Moreno Valley Utility's Operating Budget (Fund 6010); and
3. Authorize the issuance of annual purchase orders for CLP Operations & Maintenance, Inc. for each fiscal year of the Agreement term, subject to funds available in the City Council approved Operating Budget; and
4. Authorize the City Manager to execute any subsequent Amendments to the Agreement with CLP Operations & Maintenance, Inc. within the City Council approved annual budgeted amounts, including the authority to authorize the associated purchase orders in accordance with the terms of the agreement, subject to the approval of the City Attorney.

SUMMARY

This report recommends approval of an agreement with CLP Operations & Maintenance, Inc. to provide Operations including but not limited to, emergency response, distribution system enhancement, electric system maintenance, inspections, substation improvements and service planning support for the electric utility. The selected Vendor will supply onsite staff for customer engineering maintenance activities, and the other services can be supplied by on call staff located elsewhere.

The term of the agreement will be for a four-year base period, with up to four two-year optional renewals. CLP Operations & Maintenance, Inc. will work with City staff to provide maintenance and expand the electric distribution system to meet the City's needs. They will also help maintain MVU's reputation for fast and flexible coordination with developers, while ensuring that the growth of the system also maintains and improves safety and reliability. Budget for services provided will be included in the FY 2025/26-2026/27 Proposed Budget. Funding for subsequent years is subject to City Council approval of biannual budgets.

DISCUSSION

Moreno Valley Utility issued a Request for Proposal (RFP) seeking the services of a highly qualified, professional Vendor to supply operations services, including but not limited to, emergency response, distribution system enhancement, electric system maintenance, inspections, substation improvements and service planning support for the electric utility. The selected Vendor will supply onsite staff for construction, operations and maintenance activities, and the other services can be supplied by on-call staff located elsewhere.

MVU currently provides electrical service to approximately 9,169 customers comprised of about 8,124 residential accounts and 1,045 commercial/industrial accounts. MVU's power delivery system consists of three substations and 22 12kV Circuits. There are 4 115kV to 12kV substation transformers and approximately 30 circuit breakers. Nearly all of MVU's distribution lines are installed underground in conduits. MVU does not have a transmission system so the only ties between stations are 12kV circuit switches in the field.

While the design of the MVU system is fairly robust, MVU's challenges reside in expanding the existing system to accommodate new developments. The selected bidder will work with developers to expand the distribution system to accommodate their needs. MVU has a reputation for fast and flexible coordination with developers and we need the selected Vendor to maintain this reputation. A number of distribution expansion projects are being considered to ensure that the system continues to serve the community reliably. The selected bidder will perform MVU's primary construction and operations functions with a mix of continuous and supplemental services.

Some of the high-level services that the vendor will provide include construction services, emergency response, distribution system enhancements, electric system maintenance, operations and inspections, substation improvements, and service planning. They will also provide as-needed supplemental services including but not limited to materials and inventory, tools and equipment, and construction/project management.

The City issued a Notice Inviting Bids for the project in OpenGov on September 18, 2024. The proposal due date was December 9, 2024. The City received three proposals. After review, it was found that CLP Operations & Maintenance, Inc. had the highest rated proposal.

A proposal review panel formed with Moreno Valley Utility staff evaluated and ranked the proposals as follows:

1. CLP Operations & Maintenance, Inc.
2. Hampton Tedder Electric Co.
3. Sturgeon Electric California LLC.
4. ENCO Utility Services

From the strengths of their proposal, the City determined CLP Operations & Maintenance, Inc. to be the most qualified firm to perform the requested Operations Services functions listed in the RFP. The selection process was pursuant to the City's Municipal Code requirements for professional services procurement.

ALTERNATIVES

1. Approve and authorize the recommended action as presented in this staff report. *This alternative will provide for the smooth transition from the previous agreement for Operations Services to the new agreement, which will minimize impact to customers.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This Alternative will result in delays to the transition of services from the City's current consultant to the new consultant, resulting poor customer service for electric utility customers.*

FISCAL IMPACT

The professional services agreement will be funded by the Moreno Valley Utility's Operating Budget (Fund 6010). Budget for services provided will be included in the FY 2025/26-2026/27 Proposed Budget. Funding for subsequent years is subject to City Council approval of biannual budgets. There is no impact to the General Fund.

Below are the estimated costs for the four-year agreement per fiscal year.

Fiscal Year	2025/26	2026/27	2027/28	2028/29
Estimated Annual Total	\$1,578,258.10	\$2,339,863.11	\$2,421,758.31	\$2,506,519.85

NOTIFICATION

Posting of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Kamran Aladross, P.E.
Electric Utility Assistant Manager

Department Head Approval:
Melissa Walker, P.E.
Public Works Director/City Engineer

Concurred By:
Jason Niccoli, P.E.
Electric Utility Division Manager

CITY COUNCIL GOALS

Positive Environment: Create a positive environment for the development of Moreno Valley's future.

Public Facilities and Capital Projects: Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2022 expiration of the ENCO Utility Systems agreement.

Report Approval Details

Document Title:	STAFFREPORT_PW_MVU_OPS.docx
Attachments:	- Agreement for Services - Operations.docx
Final Approval Date:	Apr 10, 2025

This report and all of its attachments were approved and signed as outlined below:

Melissa Walker

Sean Kelleher

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez