



Board Agenda Item 72

DATE: December 17, 2024

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works & Planning

SUBJECT: Third Amendment to Agreement with A-C Electric Company

RECOMMENDED ACTION(S):

Approve and authorize Chairman to execute a Third Amendment to Agreement No. A-21-182 with A-C Electric Company, for site servicing and repairing of electrical controls and software for programmable logic controllers that help run the water and sewer facilities of the Fresno County Special Districts and the Juvenile Justice Campus, effective upon execution with no change in term to May 25, 2026, and increasing the annual maximum compensation for the first optional one-year renewal period by \$165,615 and increasing the maximum compensation by \$165,615 for a maximum cumulative total of \$1,115,615.

Approval will increase the maximum compensation for the optional year one renewal period of the Agreement with A-C Electric Company to provide site servicing and repairing of electrical controls and software for programmable logic controllers (PLCs) that help run the water and sewer facilities of the County Special Districts (Special Districts) and the Juvenile Justice Campus (JJC). The Agreement is for a three-year term, with two optional one-year extensions, and contains a maximum compensation not to exceed \$950,000. The First Amendment to Service Agreement A-21-182 increased the annual maximum compensation and maximum cumulative compensation for services. The Second Amendment to Service Agreement A-21-182 increased the compensation rates. Due to unexpected emergency repairs and services, the County now further desires to increase the maximum compensation for the optional year one of the renewal period of the Agreement from \$200,000/year to \$365,615 with no change to the optional second year of the renewal period of \$200,000 and increase the maximum compensation by \$165,615 for a maximum cumulative total of \$1,115,615. The Board approved suspension of competitive bidding for these services when it authorized the County to enter into the Agreement. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board could choose to not approve the amendment; however, doing so could result in the inability to service and repair electrical controls and software for PLCs that help run the water and sewer facilities of the Fresno County Special Districts and the JJC due to the specialized knowledge and experience of A-C Electric Company.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The servicing of electrical controls and software for PLCs to be provided for the benefit of Fresno County Special Districts will be financed by the operations and maintenance budgets for each respective County Service Area or Waterworks District. Funds for each district are generated through assessments, service charges, carryover funds, and interest

income. The servicing of electrical controls and software for the PLCs provided at the JJC is budgeted in Org. 9140 and is reimbursed through the Department of Internal Services. This recommended amendment would not change the budget amount for JJC and therefore, there is no Net County Cost associated. Sufficient appropriations and estimated revenues are included in various Department of Public Works and Planning - Special Districts Orgs FY 2024-25 Adopted Budgets.

DISCUSSION:

There are 26 water systems and 15 sewer systems operated by Fresno County Special Districts, including a water and sewer system at the JJC. These systems operate 24 hours per day, seven days per week and require regular servicing and repairs of electrical controls and software of PLCs. The electrical controls and PLCs are pivotal to the operations of the water and sewer systems. If these components fail, the outcome could cause health and safety issues such as raw sewage release or the inability to disinfect water for customers, both of which would also result in penalties or fines from the State Water Resources Control Board.

A-C Electric Company has specialized experience and knowledge of the equipment in use at the water and sewer facilities as they wrote the specific programs for each system. The software for the PLCs is individually written by the technicians that work on the equipment and is specific for each system. Without this knowledge and experience, it would be nearly impossible for a new vendor to make the changes or updates necessary to the existing PLCs. This would mean that old systems would need to be replaced at a significant cost which would ultimately affect the rates paid by the customers of the various water and sewer systems.

The programs that have been written and maintained in the past are still functioning and operating the water and sewer systems today. The use of the existing programs keeps operational costs down. If the PLCs were to be replaced due to a new vendor, the increased costs would need to be passed through to the customers in increased service rates. Going through a rate adjustment process costs the districts further administration staff time as these processes are time consuming and there is no guarantee that the increased rates will be approved by the customers.

On October 10, 2023, your Board approved First Amendment to Service Agreement which increased the annual maximum compensation and maximum cumulative compensation for services. On May 21, 2024, your Board approved Second Amendment to Service Agreement which increased the compensation rates. The aging infrastructure of the systems increased the need for more frequent services to keep the systems operable. In addition, a recent emergency repair in Waterworks District 41 required a large crew and several pieces of equipment to pull and replace many wires and conduit that had been damaged due to an electrical short. There will be no change to the rates as established in Amendment No. 2 to Service Agreement.

The current agreement was approved by the Board on March 25, 2021, for a three-year term, with two optional one-year extensions. Approval of the recommended action will increase the annual maximum compensation for the first optional one-year renewal period from \$200,000/year to \$365,615 and increase the maximum compensation by \$165,615 for a maximum cumulative total from 950,000 to \$1,115,615 for the entirety of the five-year term.

REFERENCE MATERIAL:

BAI #50 May 21, 2024
BAI #59 October 10, 2023
BAI #52, May 25, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Third Amendment to Agreement with A-C Electric Company

CAO ANALYST:

Salvador Espino