

File ID: 2026-00566

3/24/2026

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**[Contract Amendment] Purchase of Innomotics Perfect Harmony Drives, Equipment, Part, Services, and Technical Support for Treatment Plant and Sump Maintenance [Published for 10 -Day Review 03/13/2026]**

File ID: 2026-00566

**Location:** Citywide

**Recommendation:** Pass a **Motion** authorizing the City Manager or designee to execute Contract Amendment No. 01 to City Contract PRC003290 with Innomotics LLC for the purchase of Innomotics Perfect Harmony Drives, Equipment, Parts, Services, and Technical Support increasing the not-to-exceed amount by \$4,760,000 for a total not-to-exceed amount of \$5,000,000 over a five-year term.

**Contact:** Deanne Neighbours, Logistics Manager, (916) 808-3536, dneighbours@cityofsacramento.org; Charley Cunningham, Operations and Maintenance Manager Water, (916) 808-5518, ccunningham@cityofsacramento.org; Dalia Fadl, Director, (916) 808-3765, dfadl@cityofsacramento.org; Department of Utilities

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-PRC003290-01

**Description/Analysis**

**Issue Detail:** The Department of Utilities (DOU) has an ongoing need to purchase Innomotics Perfect Harmony variable frequency drive equipment, parts, services and technical support that are necessary to maintain, repair and upgrade the infrastructure of the City's water treatment plants and sanitary sewer and drainage sump stations. DOU's sanitary sewer and drainage sump stations and treatment plants are configured with Perfect Harmony drives. DOU has been installing Perfect Harmony drives for over 25 years, and they have been proven to be extremely reliable.

**Policy Considerations:** City Council approval is required for professional service agreements of \$250,000 or more per City Code 3.56.090.

The Sacramento City Code Section 4.04.020 and the City Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements, and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to City Council action.

**Economic Impacts:** None.

**Environmental Considerations:** The Community Development Department, Environmental Services Manager, has determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378(b). The activity is a continuing administrative or maintenance activity, such as the purchase of supplies, and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

**Sustainability:** The proposed contracts are consistent with the 2040 General Plan PFS-3.1 to continue with the provision of adequate utilities to meet the needs of residents and businesses throughout the City.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The Department of Utilities (DOU) has an ongoing need to purchase Innomotics Perfect Harmony variable frequency drive equipment, parts, services, and technical support that are necessary to maintain, repair and upgrade the infrastructure of the City's sanitary sewer and drainage sump stations and treatment plants.

DOU executed PRC003290 with a not-to-exceed amount of \$240,000 with Innomotics LLC for variable frequency drive equipment, parts, services, and technical support. Innomotics LLC is the only provider for parts, design, support and services for Perfect Harmony variable frequency drives in the greater Sacramento market area. DOU staff have identified an increased and ongoing need for goods, design, support, services, and technical support for maintenance and repair of infrastructure.

**Financial Considerations:** Funding for the next year for this agreement of approximately \$500,000 has been included in the approved Fiscal Year 2025/26 DOU Budget. Funding shall be subject to availability in the adopted budgets in an amount not to exceed \$5,000,000.00 over the term of the contract. Purchase orders encumbering funds under this agreement will not be created until needs and funding are identified in the applicable budget (operating, capital, multi-operating, or grants).

There are no General Funds allocated or planned for this project.

**Local Business Enterprise (LBE):** The minimum LBE requirement does not apply to Sole Source vendors.

CONTRACT #: **PRC003290-01**

PROJECT: **N/A**

CONTRACT NAME: **Design, Support and Service for Perfect Harmony** NOT-TO-EXCEED AMOUNT: **\$5,000,000**

AGREEMENT TERM: **5/19/25-5/18/26**

SOLICITATION: **SSJ 105136**

AUTHORIZED RENEWALS: **4, 1-year extension**

LBE (Y/N): **N**

DEPARTMENT/DIVISION: **Utilities / Water**

COUNCIL FILE ID: **2026-00566**

**CONTRACT AMENDMENT**

**CHANGE IN SCOPE AND NOT-TO-EXCEED AMOUNT**

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The City of Sacramento ("City") and **Innomotics LLC** ("Contractor"), as parties to that certain contract designated as Contract Number **PRC003290**, including any and all prior amendments modifying the contract (the contract and all amendments are hereafter collectively referred to as the "Contract"), hereby amend the Contract as follows:

1. The scope set forth in Exhibit A of the Contract is amended as follows:
2. Section 3 is amended as follows:

**Goods and Services.** Subject to the terms and conditions set forth in this Contract, Contractor shall provide to City the goods, materials, equipment or supplies ("Goods") and the non-professional services ("Services") described in Exhibit A (referred to collectively as "Goods and Services").

Contractor will not be compensated for goods, materials, equipment, supplies, or non-professional services outside the scope of Exhibit A ("Additional Goods and Services") unless, before providing Additional Goods and Services: (a) Contractor notifies City and City agrees that the Additional Goods and Services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these Additional Goods and Services; and (c) City, after notice, approves in writing a Supplemental Contract specifying the Additional Goods and Services and the amount of additional compensation to be paid Contractor.

City will have no obligations whatsoever under this Contract or any Supplemental Contract, unless and until this Contract or any Supplemental Contract is approved by the City as required by the Sacramento City Code. As used in this Contract, the term "Goods and Services" includes both Goods and Services and Additional Goods and Services as applicable.

2. Exhibit A, Section 2 is amended as follows:

**Scope of Services.** Contractor shall provide Goods and Services to City as set forth in Attachment 1 to this Exhibit A.

3. Exhibit A, section 4 is added as follows:

**Quantities.** The quantities stated in Attachment 1 to this Exhibit A or Exhibit B are only estimates of the City's requirements. Contractor shall furnish Goods and Services at the prices quoted, in accordance with the City's available funds and actual needs as they occur throughout the term of this Contract.

The City is not required to purchase all of the Goods and Services listed, or to expend all available funding reflected in Exhibits A or B.

4. Exhibit A, section 5 is added as follows:

**Delivery and Inspection.**

- A. Delivery. Unless otherwise stated by the City in writing, delivery of Goods shall be made to the City address set forth in Exhibit A. All shipments are Free on Board (F.O.B.) destination with freight prepaid unless otherwise stated.

Contractor assumes full responsibility for all transportation scheduling and costs, including costs for containers, packing, handling, and insurance. The City reserves the right to request and receive a copy of the freight bill of lading on all purchases shipped F.O.B. prepaid and added.

Time is of the essence in the delivery. If delivery cannot be made as specified in Exhibit A or as otherwise stated by the City, Contractor shall notify the City immediately to request instructions on how to proceed and shall not make delivery before receipt of instructions. Periods of performance may be extended if, in the sole judgment of the City, the cause of delay justifies an extension.

- B. Inspections: Goods will be inspected at the destination before acceptance by an authorized representative of the City for workmanship, appearance, proper functioning of all equipment and systems, and conformance to all other requirements of this Contract. The Goods shall be delivered to City free of any liens or encumbrances.

Notwithstanding the requirements for any City inspection and testing at the destination and except where specialized inspections or testing are specified for performance solely by the City, Contractor shall perform or have performed the inspections or tests required to substantiate that all Goods provided under the Contract conform to the drawings, specifications, and other Contract requirements, including, if applicable, the technical requirements for the manufacturer's part number(s) specified.

- C. Deficiencies: If deficiencies in the Goods are discovered, Contractor shall correct and redeliver the Goods for re-inspection and acceptance. The period for payment and/or commencement of discount period (if applicable) does not begin until corrective action is complete. The cost of storing rejected Goods and the cost for shipping rejected Goods back to the Contractor or point of origin shall be paid by Contractor.
- D. Inspection of Facilities: If requested by the City, Contractor shall provide the City with an inspection tour of Contractor's facilities where any Goods will be designed, manufactured, or assembled by Contractor.

- 5. Exhibit A, Section 6 is added as follows:

**Title/Risk of Loss.** Title, ownership, and risk of loss or damage of the Goods remains with the Contractor until the Goods are delivered to, inspected, and accepted by the City, except when the loss or damage is due to the sole negligence of the City.

- 6. Exhibit B, Section 6 is amended as follows:

**Additional Goods and Services.** Additional Goods and Services shall be provided only when a Supplemental Contract authorizing the Additional Goods and Services is approved in writing by the City in accordance with the City's contract amendment procedures. The City reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform the Additional Services.

- 7. Exhibit B, Section 10 is added as follows:

**Price Adjustments for Goods.** Unless otherwise stated, prices are maximum for the term of the Contract. Price adjustments, if allowed under this Contract, must be requested in writing and accompanied by the required information to substantiate the request for price adjustment, as set forth in the Contract. Any allowable request for price adjustment must be delivered to the City at least 30 days before the adjusted prices become effective. No price adjustment allowable under this Contract will be granted retroactively. The City must also be given the benefit of any decline in prices. If any price increase is granted by the City,

the increase shall not be greater than 3% from the prior year.

8. Exhibit B, Section 11 is added as follows:

**Purchase Orders.** Unless otherwise stated, a purchase order will be issued to the Contractor on behalf of the City. Purchase orders will cite the quantity of Goods or Services requested, the purchase amount, and time of performance. If the time of performance of this Contract extends beyond the close of the City's fiscal year, another purchase order may be issued. No purchase order supersedes any provision of this Contract. Contractor shall not deliver Goods or provide Services until Contractor receives a purchase order or other written notification by the City.

9. Exhibit B, Section 12 is added as follows:

**Billing Disputes.** The burden of proof shall be on the Contractor to establish the accuracy of its invoices. Upon presentation and verification of the information provided by Contractor, the City will review all records and make a final determination and present its finding to Contractor.

10. Exhibit B, Section 13 is added as follows:

**Sales Tax Requirements.** The City is not exempt from paying sales tax. Sales tax must be shown on the invoice as a separate line item.

11. Exhibit B, Section 14 is added as follows:

**Use Tax Requirements.** On out-of-state purchases, Contractor shall list its Use Tax Permit Number (if applicable) on the invoice, which authorizes Contractor to charge and collect California Sales Tax. The Purchase Order will include sales tax, if applicable to the purchase, regardless of whether an out-of-state Contractor collects California State sales tax or not. The City shall pay Use Tax directly to the California Department of Tax and Fee Administration ("CDTFA") if the out-of-state Contractor is not required to collect California Sales Tax. During the performance of this Contract, Contractor, for itself, its assignees and successors in interest, agrees as follows:

- A. Use Tax Direct Payment Permit: For all leases and purchases of tangible personal property used to perform the Contract and shipped from outside California, Contractor and any subcontractor(s) leasing or purchasing such tangible personal property shall obtain a Use Tax Direct Payment Permit from the CDTFA in accordance with the applicable CDTFA criteria and requirements.
- B. Sellers Permit: For any construction contract and any construction subcontract in the amount of \$5,000,000 or more, Contractor and the subcontractor(s) shall obtain sellers permits from the CDTFA and shall register the jobsite as the place of business for the purpose of allocating local sales and use tax to the City. Contractor and its subcontractors shall remit the self-accrued use tax to the CDTFA and shall provide a copy of each remittance to the City.

The above provisions apply in all instances unless prohibited by the funding source for the Contract.

12. Exhibit B, Section 15 is added as follows:

**Excise Tax Requirements.** The City of Sacramento is exempt from the payment of Federal Excise Tax. An exemption certificate will be submitted to Contractor upon request. If Federal Excise Tax is applicable to the transaction, it must be so stated and excluded from the price.

13. Contractor warrants and represents that the person or persons executing this contract amendment on behalf of Contractor is duly authorized by Contractor to sign this amendment and

bind Contractor to the terms hereof.

14. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform as required under the Contract, as modified by this amendment.
  
15. The maximum not-to-exceed amount that is specified in the Contract for payment of Contractor's fees and expenses is **increased** by \$4,760,000, and the Contract's maximum not-to-exceed amount is amended as follows:

Contract's original not-to-exceed amount:	<u>\$240,000</u>
Net change by previous amendments:	<u>\$0</u>
Not-to-exceed amount prior to this amendment:	<u>\$240,000</u>
<b>Increase</b> by this amendment:	<u>\$4,760,000</u>
New not-to exceed amount including all amendments:	<u>\$5,000,000</u>

16. Contractor agrees that the amount specified in section 2 above shall fully compensate Contractor under the Contract, as modified by this amendment, including any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, and costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.

## SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

### CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

Signature: *Rishiraj Rao*  
Rishiraj Rao (Mar 7, 2026 16:23:01 EST)

Title: Controller, Customer Services North America

Additional Signature (if required):

Title:

### CITY OF SACRAMENTO

A Municipal Corporation

### APPROVED AS TO FORM:

Signature: *Michael Voss*

Title: Senior Deputy City Attorney

Reviewed By:

Signature:

Title:

Approved By:

Signature:

Title:

Additional Signature (if required):

Title: