

City of Culver City, California  
**City Council Agenda Item Report**

|                                                                                                                                                                                                  |  |                                                                                   |                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|---------------------------------------|
| Meeting Date: 11/27/06                                                                                                                                                                           |  | Item Number: <u>A-4</u>                                                           |                                       |
| <b>AGENDA ITEM: Award of Contract for \$1,535,800 to Clean Energy for a CNG Station Expansion Project at the Culver City Transportation Facility and Approve a Budget Amendment of \$88,300.</b> |  |                                                                                   |                                       |
| Contact Person/Dept.: Paul Condran                                                                                                                                                               |  | Phone Number: 310-253-6520                                                        |                                       |
| Fiscal Impact: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                               |  | General Fund: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |                                       |
| Public Hearing: <input type="checkbox"/>                                                                                                                                                         |  | Action Item: <input checked="" type="checkbox"/>                                  | Attachments: <input type="checkbox"/> |
| Public Notification:<br>Master Notification List (11/22/06); Clean Energy, Inc. (11/22/06)                                                                                                       |  |                                                                                   |                                       |
| Department Approval:<br>Stephen C. Cunningham (11/15/06)                                                                                                                                         |  | City Manager Approval:<br>Jerry B. Fulwood (11/21/2006)                           |                                       |
| City Controller Approval:<br>Marlee Chang (11/21/2006)                                                                                                                                           |  |                                                                                   |                                       |

**RECOMMENDATION:**

Staff recommends the City Council award a construction contract with Clean Energy, for expansion of the compressed natural gas refueling station including a standby/emergency generator at the Culver City Transportation Facility, in accordance with the City's Request for Proposal (RFP) Bid #1331, in the amount of \$1,535,800.00 and further include a 10% contingency amount of \$153,500 for the total project budget of \$1,688,300.

**A 4/5ths vote is required to adopt a budget amendment.**

**BACKGROUND:**

In August 1998, the Culver City Transportation Department initiated the operation of its compressed natural gas (CNG) refueling station in conjunction with the reconstruction of the Transportation Facility. The City's intention at the time was to construct, operate and maintain a fully internal refueling system for the use of the twenty (20) newly purchased CNG transit buses, with the anticipation of expansion of the fleet to include additional CNG fueled vehicles. The City now operates a fleet of 46 buses that are 100% CNG powered with eighteen additional CNG vehicles which have been put into service (since 1998).

The original design of the station includes two, 255cfm (cubic feet per-minute) compressors powered by two heavy-duty electric motors. At that time, the design maximized efficiencies of electrical power and provided enough fuel for our then current fleet of natural gas powered equipment. The original design maximized a fueling capacity of up to 60 transit buses, with limitations as follows:

- Maintained compressor redundancy operation

City of Culver City, California  
**City Council Agenda Item Report**

- Varied our fueling times throughout the day
- Maximized the use of timed-filled dispensers
- Used both of the system's fast-fill dispensers

Prior to the commissioning of our CNG station, considerable analysis was completed on operating the CNG compressors efficiently using smaller size equipment. The technical design we use maximizes our fuel compression capacity without sacrificing fuel quality, safety and system integrity. At that time, we also discussed the eventual requirements of an additional compressor to meet the anticipated needs of a growing CNG fleet comprised of vehicles in addition to transit buses. Expanding the station relieves operational pressure on the two compressors, provides much needed redundancy and will provide enough quality fuel to safely meet current and future demands that will satisfy our commitment to the use of compressed natural gas fuel. The operational demand on the current system is at its maximum capacity.

Due to requirements by the South Coast Air Quality Management District (SCAQMD) and the California Air Resources Board (ARB) to purchase and operate equipment meeting extremely stringent emissions, we will continue to pursue CNG powered equipment where applicable. During the new budget year, and future years we will be expanding our fleet with additional CNG powered equipment, thereby increasing the need, consumption and dependency on the compressed natural gas refueling station. Our CNG fleet consists of:

- 46 - CNG Transit Buses (possibility of additional CNG buses in the future)
- 9 - CNG Sedans
- 7 - CNG Sanitation Trucks
- 2 - CNG Utility Trucks
- 1 - Asphalt Repair Truck

Pending delivery: CNG Sewer Truck (delivery expected in January-07), 1 CNG "Lampighter" Truck; 1 CNG Sanitation Truck and 4 CNG Sedans

The Design-Bid-Build project was developed and has been implemented in two parts: Phase 1 – the Primary Contract with Raymundo Engineering was approved by the City Council on July 25, 2005. Raymundo Engineering developed the electrical/mechanical and construction drawings and is providing technical and engineering services for consultation on the project, including the station expansion design.

Phase 2 - the Construction Contract was published as a Request for Proposal, City Bid #1331 on September 14, 2006. The scope of work includes:

- Install one additional CNG compressor
- Install a new Standby/emergency generator

City of Culver City, California  
**City Council Agenda Item Report**

- Relocate one fast fill dispenser
- Upgrade the electronic system control network to a programmable logic control design and a new electrical transfer system
- Upgraded transformer (provided by Edison)
- Install a new 4-inch gas supply line (provided by So-Cal Gas)

The new standby/emergency generator will provide emergency power to the full fueling site (CNG, diesel and gasoline) should regular power be disrupted.

This RFP was published in The Culver City News on September 14, 2006, Passenger Transport and the City's Web-Site on September 18, 2006. A mandatory pre-proposal meeting and job walk was held on September 28, 2006 at the Transportation Facility. It was attended by representatives from seven (7) construction companies. Subsequent requests to extend the deadline for submission of proposals were denied by staff, and the submission date of October 19, 2006 was maintained.

**DISCUSSION:**

Despite the attendance of seven (7) potential proposers at the mandatory job walk and pre-proposal meeting, the City received one (1) qualified proposal as follows:

Clean Energy.

Total Base Bid Amount \$1,438,000.

Additional costs for two (2) technical options totaling \$106,800

Total Construction Cost Including Options: \$1,534,800

Clean Energy's proposal meets the required bid documentation and technical components of the bid, which was within our anticipated budget for this part of the project. In addition to their primary bid for the construction component of the station, Clean Energy also submitted an Alternate Proposal which was not in keeping with the original scope of work, and consequently staff has rejected that proposal at this time.

**FISCAL ANALYSIS:**

Project funding for the CNG refueling station expansion project has been budgeted from the following grants accounts:

**Grant Fund CA90Y255 Sources:**

- \$800,000 Federal Transportation Authority (FTA) Section 5307 funding
- \$100,000 Municipal Operator Service Improvement Program (MOSIP) Funding

City of Culver City, California  
**City Council Agenda Item Report**

▪ \$100,000 Air Quality Management District (AQMD) Clean Transportation Funding (this grant was applied for by Transportation staff and was granted from the Mobile Source Air Pollution Reduction Review Committee (MSRC) through the SCAQMD).

Transportation Grant Fund CA90Y361 Sources:

- \$480,000 FTA
- \$120,000 MOSIP

The total of the above sources is \$1,600,000 and staff is requesting additional contingency funding of \$88,300 for a total contingency amount of \$153,500 (10% contingency funding). These funds will be obtained through additional MOSIP funding resources and therefore requires a budget amendment. All funds are held in the Transportation Department's FY06-07 budget.

**MOTION:**

That the City Council:

1. Authorize a contract with Clean Energy, in the amount of \$1,534,800 for the CNG refueling station expansion located at the Culver City Transportation Facility, per the Scope of Work in City Bid #1331, and,
2. Authorize the Purchasing Officer to issue a Purchase Order to Clean Energy in an amount of \$1,534,800, and,
3. Authorize the City Attorney to prepare necessary contract documents and authorize the City Manager to execute the contract on behalf of the City, and
4. Authorize a budget amendment to increase the approved project budget in the amount of \$88,300 (Account #20368300.732120), to be funded by the Transportation Department's Municipal Operator Service Improvement Program (MOSIP) grant funds (Account #20368700.346580), for a new project budget of \$1,688,300;

**A 4/5ths vote is required to adopt a budget amendment.**