

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 05/14/2007		Item Number: <u>C-5</u>	
AGENDA ITEM: Award of a Contract to Natural Gas Systems, Inc. (NGS) for Maintenance and Repair Services for the Compressed Natural Gas Refueling Station			
Contact Person/Dept: Paul Condran/Transportation		Phone Number: 310-253-6520	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Public Notification: Master Notification List via email on 05/9/07; Natural Gas Systems, Inc. on 5/10/07. RFP was published in Passenger Transport on 03-26-07 and the Culver City News on 03-22-07.			
Department Approval: Steve Cunningham (04/24/2007)		City Attorney Approval: Carol Schwab (by H. Iker) (05/02/07)	
City Controller Approval: Marlee Chang (05/09/07)		City Manager Approval: Jerry B. Fulwood (05/09/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council award a contract to Natural Gas Systems, Inc. (NGS) for ongoing Maintenance and Repair of the City's Compressed Natural Gas (CNG) Refueling Station, in an amount not to exceed \$367,312 for a total contract term of five (5) years with three (3) one year options. <u>BACKGROUND:</u> In March 2001, the City Council authorized a three-year contract with NGS for preventative maintenance and repair of the City's compressed natural gas refueling station, with a contract extension option of three years. That contract, which includes the exercised option, will terminate on May 30, 2007. In August 2004, the City Council authorized a separate three-year contract with NGS for major unforeseen repairs to the City's compressed natural gas (CNG) refueling station in an amount not to exceed \$50,000 per year. That contract will terminate in September 2007. The CNG Refueling Station is currently undergoing an expansion, with the addition of one compressor and electronic programmable logic controls (PLC), plus an on-site stand-by generator. The recently issued Scope of Work for the maintenance and repair services has taken into account the increased magnitude and complexity of these systems.			

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DISCUSSION:

A Request for Proposal was released as Bid Number 1349 on March 22, 2007 and closed on April 5, 2007. Only one contractor submitted a bid and their estimated costs are as follows:

Natural Gas Systems, Inc.
23016 Lake Forest Dr.
Suite A-118
Laguna Hills, CA 92653

Per the requirements of the RFP, rates for services were submitted as follows:

<u>Term</u>	<u>Flat Monthly Fee (PM)</u>	<u>Hrly Rate, Non-Sched. Maintenance</u>	<u>Hrly Rate, Emergency Call-Out</u>	<u>Parts Markup Chg.</u>	<u>Hrly Travel</u>
YEAR 1:	\$ 1,081.00	\$ 90.00	\$ 135.00 M-Sat to 9PM \$ 180.00 M-Sat after 9PM & all day Sun/Hol	15%	\$ 0.00
YEARS 2-3:	\$ 1,190.00	\$ 90.00	\$ 135.00 M-Sat to 9PM \$ 180.00 M-Sat after 9PM & all day Sun/Hol	15%	\$ 0.00
YEARS 4-5:	\$ 1,310.00	\$ 90.00	\$ 135.00 M-Sat to 9PM \$ 180.00 M-Sat after 9PM & all day Sun/Hol	15%	\$ 0.00
OPTIONAL YEARS 6-8:	\$ 1,440.00	\$ 100.00	\$ 150.00 M-Sat to 9PM \$ 200.00 M-Sat after 9PM & all day Sun/Hol	15%	\$ 0.00

NGS will provide all labor associated with preventive maintenance (PM) services, as well as emergency call-out services and repairs. Based upon the CNG Station equipment history to date, Equipment Maintenance Division staff anticipates as many as 100 hours of emergency call-out services per year may be required (in addition to PM). For Years 1 through 5, an average hourly call-out rate of \$112.50 (average of regular hourly rate & emergency call-out rate) was used to calculate anticipated expenses of \$11,250 per year for non-scheduled repairs, given that some will occur during regular business hours, and some will occur after hours.

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An additional 20% contingency (\$2,250) is being added to cover unanticipated problems. Therefore, total annual expenses for PM and Non-Scheduled Repairs are estimated as follows:

YEAR 1:

Monthly PM \$1,081 x 12 months	\$ 12,972.00
Non-Scheduled Repairs (100 Hrs. @ \$112.50)	\$ 11,250.00
20% (of Non-Scheduled Repairs) Contingency	<u>\$ 2,250.00</u>
Total First Year PM/Repair Expenses:	\$ 26,472.00

YEARS 2-3:

Total Second & Third Year PM/Repair Expenses:	\$ 55,560.00
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YEARS 4-5:

Total Fourth & Fifth Year PM/Repair Expenses:	\$ 58,440.00
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The CNG Station is comprised of highly complex parts and materials, many of which are difficult to obtain without long lead times. The determination of which parts to purchase/stock will be made through consultation with the contractor and our experience. The contractor will perform all necessary parts research, requisitioning, stocking, and replenishing as necessary. All parts and materials purchased are stored in a secure area in the Transportation Facility. Based on historical analysis and adjusted to include the additional compressor, the parts cost for a five-year contract term is estimated to be \$100,000.

Summary total of anticipated expenses for a five-year contract under these terms:

Total PM/Repair Expense, including Call-Out Repairs:	\$140,472.00
Total Projected Parts Expense:	<u>\$100,000.00</u>
Total Contract Expense:	\$240,472.00

OPTIONAL YEARS; 6-7-8:

Total PM/Repair and Parts Expenses for three years:	\$126,840.00
(Annual Cost - \$42,280)	

While only one bid was received, Staff's confidence in the ability of NGS to provide this service to the City is considerable. Natural Gas Systems, Inc.:

- Has provided a history of highly competent, proactive specialized CNG station-related services to the City for over six years;

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- Has been highly responsive, proactive, diligent and company technicians are outstanding;
- Has provided staff with realistic cost projections for major repairs that may be incurred in the future, thereby avoiding, to the extent possible, unscheduled breakdowns;
- Is very familiar with the City's refueling station components and service history.

FISCAL IMPACT:

Funds for these services are included in the Transportation Department's current fiscal year budget, and have been projected for subsequent fiscal years through 2012.

ATTACHMENTS:

None.

MOTION:

That the City Council:

1. Authorize a contract with Natural Gas Systems, Inc. (NGS) for preventative maintenance and repair of the City's compressed natural gas refueling station for a total amount not to exceed a total of \$367,312 for a contract term of five (5) years plus three (3) one year options; and
2. Authorize the City Attorney's Office to prepare the appropriate contract documents; and
3. Authorize the City Manager to execute the contract on behalf of the City.