



City of Culver City

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Staff Report

File #: 21-398, **Version:** 1

Item #: C-13.

CC - Approval of an Agreement with Natural Gas Systems, Inc. for the Maintenance and Repair of the Compressed Natural Gas (CNG) Refueling Station in an Amount Not-To-Exceed \$247,800.00.

Meeting Date: October 26, 2020

Contact Person/Dept: Allison Cohen/Transportation
Phone Number: (310)253-6543

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/21/2020)

Department Approval: Rolando Cruz, Chief Transportation Officer (10/19/2020)

RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with Natural Gas Systems, Inc. for a three-year term, with two one-year options, to provide for the ongoing maintenance and repair of the Compressed Natural Gas (CNG) Refueling Station located at the Culver City Transportation Facility, in an amount not to exceed \$247,800.00.

BACKGROUND/DISCUSSION

Since 1997, Culver City has owned and operated its own Compressed Natural Gas (CNG) Refueling Station. The Station serves more than 100 vehicles operated by City staff and the Culver City Unified School District. Today, Renewable CNG (RCNG) accounts for more than 80% of the City's total dispensed fuel.

The City's CNG Refueling Station is a very maintenance-intensive system, and the skills needed to perform maintenance and repairs are highly specialized. Transportation Department staff has determined that the most cost-effective way to ensure the reliability of the CNG Refueling Station is to enter into a contract with a firm specializing in this area. In March 2001, the City Council authorized a three-year contract for maintenance and repair of the City's CNG Refueling Station. That contract, which included a three year extension option, terminated on May 30, 2007. In May 2007,

the Council authorized a five-year contract for repair and maintenance and repair of the City's CNG Refueling Station. That contract, which also included a three-year extension option, terminated on May 30, 2015. In September 2015, the Council authorized a five-year contract for repair and maintenance of the Refueling Station with Natural Gas Systems. That contract terminated on September 30, 2020 and was subsequently extended to December 31, 2020 to allow staff to complete a new, competitive procurement.

A Request for Proposals (RFP) was released on September 10, 2020 and closed on October 8, 2020. In addition to providing all labor associated with Preventative Maintenance (PM) services, proposers were asked to submit hourly labor rates for Emergency Call-Out services and repairs, as well as to provide bi-annual training to Transportation Department staff at no cost to the City. Based upon CNG station equipment history to date, staff anticipates that as many as 60 hours of non-scheduled repairs per year may be required in addition to PM services. An additional 20% contingency was added to cover unanticipated repairs.

Four contractors responded to the RFP and staff reviewed all four proposals based on the firms' qualifications, background, experience, response to the City's scope, price, and references. After carefully reviewing and scoring each proposal, the evaluation team's rankings were compiled, and Natural Gas Systems was found to be the highest-ranking proposer. Staff found the proposal submitted by Natural Gas Systems to be responsive and complete, the most cost effective option for the level of service proposed, and most advantageous to the City of Culver City.

Natural Gas Systems has provided repair and maintenance services for compressed natural gas fueling facilities since 1991. NGS personnel assigned to Culver City's refueling station will bring a combined 45 years direct experience in the repair and maintenance of CNG fueling facilities, including compressors, natural gas dryers, dispensers, and equipment controllers. Consistent with the requirements set forth in the request for proposals, NGS staff will be available to respond to any repair request within two hours of notification by Culver City staff.

Transportation Department staff recommends that Natural Gas Systems be awarded the subject maintenance contract.

FISCAL ANALYSIS

Sufficient funding for these services is available in the Transportation Department's current fiscal year budget (account number 20370200.619800) and have been projected for subsequent fiscal years through FY 2024-2025.

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, which parts to stock, and which parts will be necessary to acquire prior to necessary midlife overhauls of various components will be made through consultation with the contractor. The contractor will perform all necessary parts research, requisitioning, stocking, and replenishing. All parts and materials purchased are stored in a secure area within the Transportation Facility. Based on historical analysis and adjusted to include the additional compressor and lifecycles of various components, the parts cost for a five-year contract term is estimated to be \$120,000.

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

Years 1-3

Monthly PM (\$1,480.00 per month x 36 months)	\$ 53,280.00
Non-Scheduled Repair Hours (Years 1-3: 180 Hrs. @ \$105.00/Hr.	\$ 18,900.00
20% Contingency for Emergency Call-Outs	<u>\$ 3,780.00</u>
PM/Repair Subtotal	\$ 75,960.00

Years 4-5

Monthly PM (Years 4-5: \$1,500.00 per month x 24 months)	\$ 36,000.00
Non-Scheduled Repair Hours (Years 4-5: 120 Hrs. @ \$110.00/Hr.	\$ 13,200.00
20% Contingency for Emergency Call-Outs	<u>\$ 2,640.00</u>
PM/Repair Subtotal	\$ 51,840.00

5 Year Total

PM/Repair Costs	\$127,800.00
Projected Parts Expense	<u>\$120,000.00</u>
Total	\$247,800.00

ATTACHMENTS

None

MOTION

That the City Council:

1. Approve an agreement with Natural Gas Systems, Inc. for the repair and maintenance of the compressed natural gas (CNG) refueling station an amount not-to-exceed \$247,800.00.
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.