

City of Sacramento

Legislation Text

File #: 2019-00246, **Version:** 1

Title:

Contract Supplement No. 1: Compressed Natural Gas and Renewable Natural Gas (Two-Thirds Vote Required) [Published for 10-Day Review 03/14/2019]

File ID: 2019-00246

Location: Citywide

Recommendation:

Adopt a Resolution: 1) suspending competitive bidding in the best interests of the City; and 2) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 1 to Contract No. 2016-0436 with Clean Energy for the purchase of compressed natural gas (CNG) and renewable natural gas (RNG), extending the contract to April 5, 2020, and increasing the contract amount by \$1,800,000 for a revised total contract not to exceed amount of \$2,753,653 for the remaining contract terms, provided that sufficient funding is available in the budget adopted for the applicable fiscal year.

Contact: Alison Kerstetter, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Contract Supplement No. 1
- 3-Resolution

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, is in the process of replacing all liquefied natural gas (LNG) vehicles with safer and more efficient CNG-fueled vehicles to meet the requirements specified in the City's Fleet Sustainability Policy. Currently the City does not own a CNG fuel station and therefore has two fueling contracts for CNG, including a contract with Regional Transit for CNG fueling for vehicles operating in the north area of the City, and a contract with Clean Energy for fueling vehicles operating in the south area at the Atlas Refuel South Transfer

Station. The City recently learned that Clean Energy also operates a fuel station at the Paratransit facility located at 2501 Florin Road in Sacramento. Extending this contract and increasing the spending authority will allow the City to continue to purchase natural gas from Clean Energy until a City-owned solution can be provided. The supplement will also allow for fueling at the Paratransit facility to increase the number of fueling locations for the increased number of City-owned CNG vehicles.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56 and Sacramento City Code Section 4.04.020 and Council Rules of Procedure, Chapter 7, Section E.2.d, which requires additional posting time for labor agreements and agreements greater than \$1 million.

Economic Impacts: None

Environmental Considerations: The recommendations in this report involve the purchase of CNG and RNG for City vehicles and are not considered to be a project in accordance with Section 15378 (b)(2) of the California Environmental Quality Act guidelines.

Sustainability: The recommendations in this report are consistent with the Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478).

Commission/Committee Action: None

Rationale for Recommendation: The recommended contract will allow the City to continue to purchase at the Atlas Refuel South Transfer Station as well as add the Paratransit facility for the City's re-fueling needs. Suspending competitive bidding is recommended as these are the only two CNG fuel sites that offer access to City vehicles operating in the south area and have the ability to provide renewable natural gas (RNG) and compressed natural gas (CNG).

Financial Considerations: Sufficient funds are available in the Department of Public Works Fiscal Year (FY) 2018/19 operating budget (Fleet Fund, Fund 6501) to purchase fuel services through June 30, 2019. Purchases made after June 30, 2019, are subject to funding availability in the adopted budget of the applicable fiscal year.

Local Business Enterprise (LBE): Clean Energy is not an LBE. The minimum LBE participation requirement was waived as the City has suspended competitive bidding and utilized an alternate procurement method to select a vendor.