



DEPARTMENT

C-9

CHRISTOPHER J. GARNER
DIRECTOR

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March 20, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

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RECOMMENDATION:

Approve Memorandum of Understanding between the City of Long Beach and Long Beach Transit for providing gas service to a compressed natural gas bus refueling facility at Long Beach Transit's Jackson Transit Center, located at 6860 Cherry Avenue; and increase appropriation in the Gas Fund by \$100,000 to cover the cost of materials. (District 9)

DISCUSSION

City Council approval is requested for a Memorandum of Understanding between the Long Beach Gas and Oil Department (LBGO) and Long Beach Transit (LBT) for the purpose of providing natural gas service to LBT's new compressed natural gas (CNG) facility to be located at the Jackson Transit Center at 6860 Cherry Avenue. The new CNG facility is designed to provide fuel for LBT's fleet of 95 new buses planned for purchase between now and 2015. LBT has requested that the City provide gas service to the new CNG facility. This will require LBGO to construct a new natural gas pipeline along 68th Street and a new metering station at the Jackson Transit Center. The new CNG facility will provide benefit by increasing the use of cleaner-burning alternative fuel buses throughout the city. LBT will reimburse LBGO for all costs associated with this project.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 28, 2012 and by Budget Management Officer Victoria Bell on March 1, 2012

TIMING CONSIDERATIONS

City Council action is requested on March 20, 2012 to commence construction in April 2012.

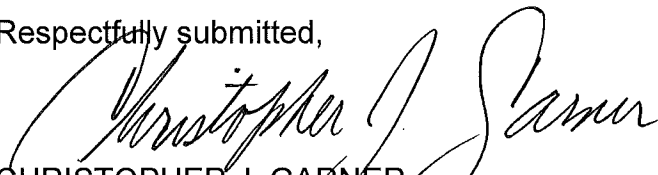
FISCAL IMPACT

The total construction budget for the project is estimated at \$165,000. The cost breakdown is approximately \$100,000 for materials and \$65,000 for labor. Work will be performed by LBGO crews and accommodated within the existing budget. However, an appropriation increase of \$100,000 is requested in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO) to cover the cost of materials. There is no fiscal impact to the City, as all costs associated with the project will be reimbursed by Long Beach Transit. Approval of this agreement is anticipated to result in a positive local job impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:SB
CCL 3-20-12.LBT MOU.DOC

APPROVED:



PATRICK H. WEST
CITY MANAGER