



SUBJECT

Back-Up Generator to Support the LBT2 Compressed Natural Gas Fueling System

RECOMMENDATION

To authorize the President and CEO to enter into a contract with Clean Energy to design and install a 1,000 kW back-up generator to support the Compressed Natural Gas fueling system at LBT2, at a cost of \$1,323,740, with a 10 percent contingency, for a total authorization amount not to exceed \$1,456,110.

BACKGROUND

In 2013, Long Beach Transit (LBT) added 64 new 40-foot Compressed Natural Gas (CNG) buses to its revenue fleet. LBT had a CNG fueling system constructed at LBT2, located at 6860 Cherry Avenue in north Long Beach for bus fueling.

The CNG fueling system construction was completed in November 2012, and included space for a back-up generator in the event of a power failure due to catastrophic events, such as natural disasters.

Due to the lack of available funding at the time of the CNG fueling system construction, a back-up generator for the CNG fueling system was not installed.

In support of LBT's Strategic Priority to 'Improve Safety and Service Quality' and with a focus on sustainability, staff plans to install a dedicated back-up generator for the CNG fueling system, as the CNG bus fleet has grown to 125 buses, which is half of the current bus fleet.

PROCUREMENT

LBT currently has an agreement with Clean Energy for the maintenance and support of the LBT2 CNG fueling system at LBT2. Clean Energy is the industry leader in natural gas systems fueling systems, having built nearly 70 percent of the Liquefied Natural Gas (LNG) gas systems for both private and public agencies in the nation.

Clean Energy provides design, construction commissioning services and maintenance services for CNG, LNG and combined CNG/LNG systems. LBT determined that it would be in LBT's best interest to secure the services of Clean Energy to provide a turnkey solution for the back-up generator to support the CNG fueling system.



LBT's Purchasing department oversaw responsibility for the conceptual design and Clean Energy's construction solicitation process for the back-up generator project. A costing analysis was done comparing LBT's internal cost estimates for design, materials, construction and oversight to that of Clean Energy's costs.

DBE/SBE PARTICIPATION

A Small Business Enterprise (SBE) goal was not established due to the specialized nature of this solicitation.

ALTERNATIVES CONSIDERED

LBT considered an alternative to secure multiple contracts and provide internal staff oversight. However, this option was more costly, and Clean Energy provided a more economical overall value, as well as expertise in alternative fueling.

BUDGETARY/FISCAL IMPACT

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a contract with Clean Energy to design and install a 1,000 kW back-up generator to support the CNG fueling system at LBT2, at a cost of \$1,323,740, with a 10 percent contingency, for a total authorization amount not to exceed \$1,456,110.

Funds for this project were included in prior year Capital Budgets including Fiscal Years 2010, 2011, 2015, 2016 and 2017.

A handwritten signature in blue ink, reading 'K. McDonald', written over a horizontal line.

Kenneth A. McDonald
President and Chief Executive Officer