



Legislation Text

File #: 06-1381, **Version:** 1

Recommendation to authorize City Manager to execute the First Amendment to Contract No. 29217 with General Physics Corporation to install an additional 15,000-gallon above ground liquefied natural gas bulk storage vessel in an estimated amount of \$775,000. (District 5)

In 2001, the South Coast Air Quality Management District (AQMD) adopted strict rules designed to reduce pollution from heavy-duty diesel vehicles. Government fleet operators adding or replacing equipment are now prohibited from purchasing vehicles that operate using diesel. Liquefied natural gas (LNG) has been chosen by the City to replace diesel vehicles and it is expected to be the dominant alternative for the next 15 to 20 years. The City began replacing diesel vehicles with LNG vehicles in 2003 and currently operates approximately 60 LNG refuse trucks and street sweepers. These vehicles utilized a temporary LNG refueling station located at the Fleet Services facility on Temple Avenue for refueling purposes. The City outgrew the temporary station and required a permanent station to keep pace with the growing demand for LNG. On July 5, 2005, the City Council awarded a contract with General Physics Corporation to construct an LNG refueling station consisting of one 15,000-gallon above ground LNG bulk storage vessel and one dispenser with two self serve nozzles. This project was completed and put into operation in November 2006.

By 2011, the City is projected to have in operation over 100 LNG vehicles consuming an estimated 5,000 gallons of LNG per day. With the recently completed fueling station and associated 15,000-gallon storage vessel, the City will need fuel deliveries on a two to three day cycle. Since this fuel is delivered from plants located in Arizona and Texas, maintaining such a regular delivery schedule can be problematic. Already this past year, the City has run out of LNG fuel and had to curtail street sweeping operations and delay refuse collection. To minimize the risk of fuel shortages in the future, staff is recommending the installation of one additional 15,000 gallon storage vessel to the recently completed refueling station at the Fleet Services facility on Temple Avenue.

The proposed contract amendment will authorize General Physics Corporation to install an additional 15,000-gallon above ground LNG bulk storage vessel and related pumping equipment.

When the fueling station was constructed, it was considered a permitted use under the zoning for the property. The proposed additional storage vessel has also been determined to be a permitted use, provided the parking spaces that are displaced are replaced elsewhere on the site. Based on this and in conformance with the California Environmental Quality Act, a Categorical Exemption was issued for this project.

Prior to construction, all plans will require approval from the City's Fire Marshall and will need to meet all applicable state and local codes. Upon completion, the storage vessel at this LNG fueling station will be operated and maintained by the Department of Public Works.

This matter was reviewed by Deputy City Attorney Lori A. Conway on December 11, 2006, and Budget Management Officer David Wodynski on December 21, 2006.

City Council action on this matter is requested on January 2, 2007, to authorize commencement of this Public Works project and to avoid cost increases that are anticipated to occur by the vessel manufacturer. Manufacturing and delivery of the storage vessel will take 7 months, with installation taking another month.

The contract award is for an estimated amount of \$775,000. Sufficient funds of \$775,000 are budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). The cost will be reimbursed by the Refuse Fund (EF 330).

Approve recommendation.

NAME Christine F. Anderson
TITLE Director of Public Works

APPROVED:

GERALD R. MILLER
CITY MANAGER