



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

R-13

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

December 22, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP PW15-109 for a Compressed Natural Gas (CNG) Fuel Station: Design, Build, Operate, Maintain & Monitor, and Fuel Accounting Services (DBOMMA) Project; award a design-build contract to TruStar Energy, of Rancho Cucamonga, CA, in the amount of \$2,855,661, authorize a 15 percent contingency in the amount of \$428,349, for a total contract amount not to exceed \$3,284,010; authorize the City Manager or designee to execute all documents necessary to enter into the contract, including any necessary amendments thereto; and

Increase appropriations in the Fleet Services Fund (IS 386) in the Public Works Department (PW) by \$3,497,925. (District 5)

DISCUSSION

City Council approval is requested to enter into a design-build contract with TruStar Energy, for a Compressed Natural Gas (CNG) Fuel Station: Design, Build, Operate, Maintain & Monitor, and Fuel Accounting Services (DBOMMA).

Currently, the Fleet Services Bureau (Fleet) provides Liquefied Natural Gas (LNG) fuel to refuse trucks and street sweepers through a dedicated facility in its Temple/Willow Facility. While LNG has served the City well, as the alternative fuel market has matured, LNG equipment has become less available and CNG has emerged as the dominant heavy-duty vehicle fuel. Both the refuse and sweeper fleets are due for replacement, which provides an opportunity to convert those fleets to a less expensive, more environmentally-friendly CNG fueling system. Fleet plans to phase out the LNG vehicles over the next three years.

It is the Fleet's intent to contract with TruStar Energy to provide installation of fueling equipment and future maintenance support of that equipment to dispense CNG fuel at a location within the parking lot of Fleet (attachment). This DBOMMA contract to install a new 24/7 fully-functional CNG Fuel Station includes civil work, equipment foundations, equipment installation, safety systems, lighting system, fuel management system, startup and commissioning. With the fully-integrated fuel compression equipment and its time-fill capability, the new CNG Fuel Station will have the capacity to provide ten hour time-fill for up to 100 heavy duty refuse trucks and sweepers.

A Request for Proposal (RFP) was advertised in the Press-Telegram on June 8, 2015, and 6,817 potential proposers specializing in design-build services were notified of the RFP opportunity. Of those potential proposers, 87 downloaded the RFP via our electronic bid system.

The RFP was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 groups that represent local, minority and women-owned businesses. Three proposals were received on July 8, 2015. Of those three proposals, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local).

A selection committee comprised of City staff evaluated the three proposals submitted, and three firms were invited for oral interviews. Based on those interviews and subsequent reference checks, TruStar Energy, of Rancho Cucamonga, CA (not an MBE, WBE, SBE, DBE, or Local), was the most qualified and responsive firm.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 710 Long Beach vendors were notified to submit proposals, of which eight downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Linda T. Vu on November 24, 2015 and Budget Management Officer Victoria Bell on December 2, 2015.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP PW15-109 and award a contract concurrently is requested on December 22, 2015, to ensure that the contract is in place expeditiously.

FISCAL IMPACT

Contract costs will not exceed \$3,284,010, including the recommended 15 percent contingency of \$428,349. The total project cost is estimated at \$3,997,925 and includes design, engineering, construction, construction management, project labor agreement compliance and project oversight. Of the total project costs, \$500,000 is currently appropriated, offset by an award of Mobile Source Air Pollution Reduction Review Committee (MSRC) Local Government Match Program funds as authorized by City Council on November 17, 2015. An appropriations increase in the Fleet Services Fund (IS 386) in the Public Works Department (PW), in an amount of \$3,497,925, is requested for the balance of project costs, offset by funds available. The award of this contract will provide continued support to our local economy.

The annual cost of operations and maintenance of the CNG Fuel Station, including preventative maintenance, 24/7 monitoring service, all consumables and warranty labor is currently estimated at \$32,000 per year and is based on the number of CNG units in service. These costs will increase with the addition of CNG-powered equipment in future years and will be recovered through annual Fleet MOU charges to user departments.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE
DIRECTOR OF PUBLIC WORKS



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

AM:SC:DW:bw:db
P\CL\CNG Fuel Station CL.doc

Attachment -Vicinity map

APPROVED:



PATRICK H. WEST
CITY MANAGER