

Renewable Natural Gas (RNG) Provider Contract

Contract No. OP132076000

Regular Board Meeting
May 28, 2026

Recommendation

AUTHORIZE the Chief Executive Officer to:

A. AWARD a five (5) year Indefinite Delivery/Indefinite Quantity (IDIQ) contract, Contract No. OP132076000, with Shell Energy North America (US), LP for Renewable Natural Gas (RNG), inclusive of a five-year base in the Not-To-Exceed (NTE) amount of \$140,004,228.05 and one three-year option in the NTE amount of \$88,902,684.81, for a combined NTE amount of \$228,906,912.86; and

B. EXECUTE individual Task Orders, Transaction Confirmations, and Contract Modifications up to 10% of the contract value.



Metro uses Renewable Natural Gas (RNG) fuel to power the engines on the majority of the bus fleet. RNG fuel is currently being procured under four contracts due to previously limited RNG availability from one single supplier.

RNG remains a critical bridge fuel during Metro's transition to a fully Zero-Emission Bus (ZEB) fleet. As charging infrastructure is constructed and new electric buses are phased into service, RNG ensures uninterrupted transit operations while maintaining progress toward greenhouse gas and criteria pollutant reduction goals. Maintaining a reliable RNG supply during this transition period protects operational continuity, safeguards service reliability, and provides flexibility as Metro refines future fleet and energy demand projections.

Discussion

- ***Zero-emission transition underway:*** Electric buses + charging infrastructure; RNG use declines as CNG buses retire.
- ***Bridge fuel needed:*** RNG ensures service reliability, continuity, and operational flexibility during transition.
- ***One contract approach:*** Streamlines administration, improves price transparency, strengthens negotiating power.
- ***Strategic alignment:*** Supports Energy Master Plan and Moving Beyond Sustainability; adapts to market changes.
- ***Award of Contract No. OP132076000*** to Shell Energy North America ensures a resilient, renewable energy supply that supports public health, environmental goals, and operational sustainability.

Proposal Evaluation 1

AWARDEE

Shell Energy North America (US), LP

EVALUATION CRITERIA	MAXIMUM POINTS	Shell Energy North America (US), LP	Clean Energy Renewable Fuels, LLC dba in CA as Clean Energy Renewables	U.S. Venture, Inc.	Anew RNG, LLC	Trillium USA Company, LLC
Qualifications, Capabilities & Experience	30	27.67	29.50	28.17	28.67	28
Proposed Project Organization & Staffing	15	13.83	14.83	13.83	14.50	13.67
Project Approach & Work Plan	15	13.25	14.75	13.50	14	12.88
Price Proposal	40	40	35.38	21.83	0	.53
Total Score	100	94.75	94.46	77.33	57.17	55.08



Proposal Evaluation 2

PRICE ANALYSIS: 40% of Evaluation Criteria

Proposer Name	Bid Amount	Metro ICE	LCFS Credits	RINS Credits	Negotiated Amount (see Notes below)
Shell Energy	\$228,906,912.87	\$232,407,019.00	\$59,473,556.68	\$213,919,553.60	(\$44,486,197.41)
Clean Energy	\$197,452,629.63	\$232,407,019.00	\$0.00	\$229,199,521.68	(\$31,746,892.05)
U.S. Energy	\$269,741,479.38	\$232,407,019.00	\$72,001,840.18	\$192,094,432.96	\$5,645,206.24
Trillium	\$269,741,479.38	\$232,407,019.00	\$30,731,246.21	\$174,628,207.04	\$64,382,026.13
Anew	\$297,182,308.08	\$232,407,019.00	\$60,247,154.25	\$171,081,071.56	\$65,854,082.27

Notes:

1. The Metro ICE estimated using only the Commodity Price that Metro will pay to purchase the RNG fuel.
2. The ICE did not account for any monetization of environmental credits that Metro will receive as part of this agreement.
3. Shell's BAFO Commodity Price of \$228,906,912.87 and when applied will likely yield a total of \$44,486,197.41 in potential revenue to Metro.
4. Same process was applied to all proposals and results are shown in last column of the above table.



ADDITIONAL CONSIDERATIONS

Recommended contract structure provides operational flexibility during the Metro's fleet electrification transition while allowing the agency to periodically assess future RNG demand as ZEB deployment accelerates.

Based on a conservative assumption of \$40 per LCFS credit price and the credit allocations contained in Shell's Best and Final Offer, potential revenue to Metro is approximately \$45M over the contract term. Recent observed LCFS market pricing from April to May 2026 has generally ranged between \$62-\$67 per credit, reinforcing the long-term value of Metro's environmental credit monetization strategy.

Year 1 No Award fiscal consequences

- Extension of existing contracts result in ~\$17.9M in net annual cost
- Non-award and procurement of fossil natural gas result in ~\$40M in net annual costs and foregone environmental credit revenues



PROTEST TIMELINE AND RESOLUTION

- Report presented in the April 2026 Operations, Safety, and Customer Experience Committee meeting,
- Clean Energy Renewable Fuels (CERF), filed a protest on April 22, 2026.
- Metro reviewed the claims cited by CERF in their letter and denied the protest on May 1, 2026.
- CERF filed an appeal to the protest decision on May 6, 2026.
- After careful review, consideration, and investigation of the issues set forth in CERF's appeal, Metro determined the appeal did not have merit and was, therefore, denied on May 22, 2026.
- The protest period for this procurement has expired.



DEOD COMMITMENT

At the time of solicitation, the Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement due to the lack of subcontracting opportunities. Shell Energy North America (US), LP is expected to perform the work with its own workforce.

Local Small Business Enterprise (LSBE) preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP132076000 and proceed with issuing Task Orders as the need for these services arise. Material activities and work products relative to the support provided by this contract will be included in Metro's annual sustainability report.

Staff will continue monitoring RNG market conditions, carbon credit performance, and fuel consumption trends as Zero-Emission Buses are deployed. Updates will be incorporated into Metro's annual sustainability reporting and budget planning processes to ensure alignment with operational needs and long-term energy strategy.

