



## Board Report

File #: 2021-0659, File Type: Contract

Agenda Number: 19.

### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 18, 2021

**SUBJECT: OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS AT DIVISIONS 1, 3, 5, 7, 10 & 18**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP749030003367 with Clean Energy, for Operation and Maintenance (O&M) of Compressed Natural Gas (CNG) fueling stations at divisions 1, 3, 5, 7, 10 & 18, for a not-to-exceed amount of \$5,285,439 for the five-year base period, and \$5,623,284 for the five (5), one-year option terms, for a combined not-to-exceed amount of \$10,908,723, effective March 1, 2022, subject to resolution of all properly submitted protest(s), if any.

#### **ISSUE**

The existing contracts for CNG fueling stations O&M services at divisions 1, 3, 5, 7, 10 & 18 expire on February 28, 2022. To ensure service continuity along with safe and timely operations, a new contract award is required effective March 1, 2022.

#### **BACKGROUND**

On June 24, 2010 Metro Board of Directors awarded a 10-year, firm fixed unit rate Contract No. OP33432475 to Clean Energy, for Divisions 10 and 18 CNG fueling facility electrification upgrades, including O&M services agreement. On October 28, 2010, Metro Board of Directors awarded a 10-year, firm fixed unit rate Contract No. OP33432555 to Clean Energy, for CNG fueling stations O&M services at Divisions 1, 3, 5, & 7.

Under the existing contracts, the contractor is responsible for conducting preventative maintenance, as-needed repairs, training of staff, maintaining records, and complying with regulations of the authorities having jurisdiction.

While partial roll-out of the zero-emission electric bus services were deployed for revenue service on Metro's G Line (Orange), Metro's existing CNG fueling stations require service continuity of the systematic preventive maintenance program and repair of associated equipment. This action is necessary to support the existing fleet of CNG buses currently in service, ensure timely bus roll-out at

each Division and provide a safe and reliable bus transportation system for our patrons.

## **DISCUSSION**

Under this new contract, the contractor is required to perform comprehensive O&M services of the CNG equipment at Metro Bus Divisions 1, 3, 5, 7, 10 and 18. This includes all related electrical systems, fuel hoses and nozzles, and the gas monitoring system. The Contractor is also required to provide all repair parts, overhaul services, and consumables to include compressor oils, all other lubricants, dryer desiccants, as well as all scheduled and unscheduled replacements for compressors, motors, valves and all other equipment and appurtenances necessary to efficiently operate Metro's CNG fueling facilities.

Per contract requirements, the contractor shall provide Metro personnel with the necessary training to perform routine maintenance work. Metro will charge the contractor for the O&M work performed by Metro personnel, and the contractor shall pay for all associated labor costs.

The contract includes terms and liquidated damages designed to minimize equipment downtime and bus roll-out interruption. Liquidated damages may be imposed if bus roll-out schedule is not met, buses are directed to alternate locations for fueling to meet scheduled roll-out due to lack of fueling capacity or fueling performance, or if more than one (1) CNG compressor is not available to operate between 5:00 PM and 5:00 AM daily.

The contract also includes requirements for CNG facility de-commissioning during the life of the contract, to accommodate Metro's electric bus fleet deployment and phase out of the CNG busses.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure safe, timely, and quality preventive maintenance, operation, and repair services for the CNG fueling stations throughout Metro bus Divisions 1, 3, 5, 7, 10 and 18.

## **FINANCIAL IMPACT**

Under FY22 Budget, funding of \$1,200,000 is included under cost center 3367 - Facilities Maintenance, account 50308, Service Contract Maintenance, under project 306002.

Please note that this new contract term not-to-exceed amount reflects more than 60% cost savings when compared to the existing contract. This is mainly due to updating the contract schedule of quantities to reflect actual CNG usage historical data, and the projected roll-out schedule of the zero-emission electric buses for the upcoming years.

Since this is a multi-year contract, the cost center manager and Deputy Chief of Maintenance & Engineering (Acting) will be accountable for budgeting the cost in future years.

## **Impact to Budget**

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The current sources of funds for this action include Proposition A/C, Measure R/M, Transportation Development Act and State Transit Assistance. Use of these funding sources currently maximizes project funding allocations given approved funding provisions and guidelines.

### **EQUITY PLATFORM**

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this procurement due to the lack of subcontracting opportunities. The purpose of this procurement is to provide comprehensive O&M services for the existing CNG Fueling Stations. Per the Amalgamated Transit Union (ATU) labor agreement, all labor under this contract will be performed by Metro ATU union employees.

Strategies to mitigate any potential negative consequences would be to partner with Vendor/Contract Management (V/CM) to perform outreach events to and assist small businesses within the targeted groups to become Metro certified and encouraged to participate with new contract solicitations.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Board action supports Strategic Goal 5; Provide responsive, accountable, and trustworthy governance within the Metro organization. Performing preventive maintenance, inspections and as-needed repairs will ensure timely bus roll-outs and provide safe and reliable operation of CNG fueling stations at Metro bus Divisions 1, 3, 5, 7, 10 and 18.

### **ALTERNATIVES CONSIDERED**

Staff considered providing this service with in-house staff. This would require the hiring and training of additional certified personnel, purchase of additional tools, equipment, vehicles, supplies, training, expertise and the assumption of extra responsibility and liability. Staff's assessment indicates this is not a cost-effective option for Metro as the expertise and operational knowledge required are highly specialized and costly. There is also value in utilizing professionals with knowledge of and experience with best practices throughout the country.

### **NEXT STEPS**

Upon approval by the Board, staff will execute a firm fixed unit rate Contract No. OP749030003367 with Clean Energy, for Operation and Maintenance (O&M) of Compressed Natural Gas (CNG) fueling stations at divisions 1, 3, 5, 7, 10 & 18, effective March 1, 2022.

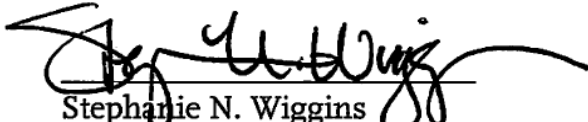
### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

Prepared by: Errol Taylor, Deputy Chief Operations Officer, Maintenance & Engineering (Acting),  
(213) 922-3227  
Lena Babayan, Deputy Executive Officer, Facilities Contracted Maintenance

Services, (213) 922-6765  
Carlos Martinez, Sr. Manager, Facilities Contracted Maintenance Services, (213)  
922-6761

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424  
Debra Avila, Deputy Chief, Vendor/Contract Management, (213) 418-3051



Stephanie N. Wiggins  
Chief Executive Officer