City of FRESNO **REPORT TO THE CITY COUNCIL**

AGENDA ITEM NO. 2F
COUNCIL MEETING 06-06-13
APPROVED BY
DEPARTMENT DIRECTOR
CITY MANAGER

June 6, 2013

FROM: KENNETH P. HAMM, Director
Department of Transportation/FAX

SUBJECT: ACTIONS PERTAINING TO THE UPGRADES TO THE FAX COMPRESSED NATURAL GAS FUEL STATION (BID FILE 3182) (COUNCIL DISTRICT NO. 3)

1. ADOPT A FINDING OF CLASS 3 CATEGORICAL EXEMPTION, PURSUANT TO SECTION 15303 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES.
2. AWARD A CONTRACT FOR THE BASE BID IN THE AMOUNT OF $1,151,886.00 TO CLEAN ENERGY INC. OF SEAL BEACH, CALIFORNIA
3. AUTHORIZE THE DIRECTOR OF TRANSPORTATION OR HIS DESIGNEE TO SIGN THE AGREEMENT ON BEHALF OF THE CITY

RECOMMENDATIONS

Staff recommends the City Council:

1. Adopt a finding of Class 3 categorical exemption pursuant to section 15303 of the California Environmental Quality Act (CEQA) guideline to upgrade and add capacity to the existing FAX Compressed Natural Gas (CNG) fuel station infrastructure.

2. Award a contract for the Base Bid to Clean Energy Inc. of Seal Beach, California in the amount of $1,151,886.00, to upgrade and add capacity to the existing FAX Compressed Natural Gas (CNG) fuel station infrastructure.

3. Authorize the Director of Transportation or his designee to sign the agreement on behalf of the City.

EXECUTIVE SUMMARY

The Department of Transportation (FAX) requests authorization to purchase and install additional fueling capacity for the existing City of Fresno CNG fuel station, and integrate this added capacity into the existing, dispensing and fuel management infrastructure located on the FAX operations and Maintenance Facility at 2223 G Street, Fresno, CA. This increased capacity is required to accommodate deployment of additional buses using CNG fuel, as well as reduce the potential for service disruptions due to unplanned breakdowns of equipment. The current station, with its 1,600 SCFM (standard cubic feet per minute) capacity, is reaching the maximum number of CNG Buses that it can support at the current fleet size of 78 units. Additional CNG buses planned for deployment in FY 2014/2015 will demand more CNG fuel than the current station capacity can support, and without added capacity service disruptions are likely to occur. Staff determined that existing station capacity can be increased to meet demand by adding a new 1200 SCFM compressor and an additional fuel dispenser unit.

The Department of Transportation developed a bid specification for the upgrade and the City of Fresno Purchasing Division advertised the RFP (Bid File No. 3182) on this project beginning July 04 2012. Bids were

opened on August 9 2012. Three bidders responded. Clean Energy Inc. of Seal Beach, CA. was the lowest responsive and responsible bidder at $1,151,886.00. The Engineer's Estimate was $1,200,000.0. The contract price is $49,000.00 (4%) below the Engineer's estimate. It is recommended that Council authorize the Director of Transportation to enter into an agreement with Clean Energy Inc. to upgrade and add compression capacity to the existing FAX CNG fuel station infrastructure.

BACKGROUND

In 2002 the City of Fresno began to convert its transit fleet to (CNG). This effort was undertaken to comply with emissions regulations imposed by the State of California's Air Resource Board and required the City to replace diesel buses with CNG powered units as the buses reached their end of economic life. To support the use of CNG in City Transit operations, CNG fueling infrastructure was added to the FAX transit facility. This station was built to support an initial deployment of 25 CNG buses with capacity to support growth in the CNG fleet. The station was also designed to allow future addition of compression capacity to support complete conversion of the transit bus fleet. The CNG bus fleet has since grown from the initial 25 units to 78, and will continue to grow until the fleet of 100 plus units is fully converted. Additionally, the demand for CNG from other City departments and outside customers has significantly increased. In order to support this increased demand, additional compression capacity is required. The Department of Transportation developed bid specifications for the addition of a third, 1200 SCFM compressor, increasing compression capacity from the original 1600 to 2800 SCFM. The bid specification also addressed other station improvements including:

- Addition of a fourth dispensing unit to allow an additional fueling point for external customers and a backup fueling point for FAX bus fleet.
- Upgrade of station management and control systems to provide higher efficiency and faster fueling times.
- Additional redundancy to allow scheduled maintenance of any given compressor without adversely affecting transit bus fueling operations (currently not enough capacity if one compressor is down for maintenance/repair).

The City's Purchasing Division assisted the Transportation Department with the development of specifications and solicitation for contractor services. A Notice Inviting Bids was published in the Business Journal on July 04 2012, and posted on the City's web site. The specifications were distributed to 40 prospective bidders. Three sealed bid proposals were received and opened in a public bid opening on August 9 2012. The range in pricing for the three bid proposals was from $1,151,886.00 to $1,278,000.00.

Clean Energy Inc. of Seal Beach, California submitted a base bid price in the amount of $1,151,886.00 and is considered the lowest responsive and responsible bidder. The Transportation Department is intending to award the base bid only for a total of $1,151,886.00. The recommended award is 4%, or approximately $49,000.00 under the Engineer's Estimate.

Council may:

1. Award a contract in the amount of $1,151,886.00 to Clean Energy Inc. of Seal Beach, CA.

2. Reject all bids and direct staff to rebid the project. If all bids are rejected, the project will be rebid resulting in a delay of approximately 150 days and jeopardize funding due to existing deadlines.

ENVIRONMENTAL FINDING

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Class 3 Categorical Exemption set forth in CEQA Guidelines, Section 15303 (Existing New Construction or Conversion of Small Structures) based on this being a small project involving new construction/conversion of existing small structures. Furthermore, staff has determined that none of the exceptions to the categorical exemptions set forth in CEQA Guidelines, section 153003 apply to this project.

Staff has also determined and received FTA concurrence that the project meets the criteria for a NEPA categorical exclusion (CE) in accordance with 23 CFR Part 771.118 C(9) – (Assembly or construction of facilities that is consistent with existing land use and zoning requirements (including floodplain regulations) and uses primarily land disturbed for transportation use, such as: buildings and associated structures; bus transfer stations or intermodal centers; busways and streetcar lines or other transit investments within areas of the right-of-way occupied by the physical footprint of the existing facility or otherwise maintained or used for transportation operations; and parking facilities).

FISCAL IMPACT

The project is funded through Federal Transit Administration (FTA) and State Proposition 1B grants. The FTA funding includes American Recovery and Reinvestment Act (ARRA) dollars. This capital project is included in the Department's FY2013 approved capital budget.

Attachments: Evaluation of Bid Proposals, Bid File No. 3182
Fiscal Impact Statement
Environmental Assessment No. EA-13-011

EVALUATION OF BID PROPOSALS

FOR: DESIGN BUILD OF A CNG FUELING STATION UPGRADE FOR FRESNO AREA EXPRESS

Bid File No.3182
Bid Opening: 08/09/12

BIDDERS	BID AMOUNT
1. Clean Energy & Clean Energy Construction 585 W. Beach Street Watsonville, Ca 95076	$1,151,886.00 Base Bd Add alternate $ 426,988.00
2 EFS West 959 Clovis Ave. Clovis, CA 93612	$1,278,000.00 Add alternate $ 787,950.00
3 Mansfield Gas Equipment Systems 4280 E. Lowell Street Ontario, CA 91761	$1,234,035.00 Add alternate $ 601,909.00 Non-responsive

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, August 29, 2012, 5:00 P.M.

The Engineer's Estimate/Budget Allocation for this expenditure is $1,200,000. The contract price is 4% /below the Engineer's Estimate/Budget Allocation.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/ Division. Explain need for project/equipment):

The Department of Transportation (FAX) requires additional fueling capacity for the existing City of Fresno CNG fuel station, and integrate this added capacity into the existing, dispensing and fuel management infrastructure. This increased capacity is required to accommodate deployment of additional buses using CNG fuel, as well as reduce the potential for service disruptions due to unplanned breakdowns of equipment. The current station, with its 1,600 SCFM (standard cubic feet per minute) capacity, is reaching the maximum number of CNG Buses that it can support at the current fleet size of 78 units. Additional CNG buses planned for deployment in FY 2014/2015 will demand more CNG fuel than the current station capacity can support, and without added capacity service disruptions are likely to occur. Staff determined that existing station capacity can be increased to meet demand by adding a new 1200 SCFM compressor and an additional fuel dispenser unit.

FOR: DESIGN BUILD OF A CNG FUELING STATION UPGRADE FOR FRESNO AREA EXPRESS

Bid File No.3182
Bid Opening: 08/09/12

In 2002 the City of Fresno began to convert its transit fleet to (CNG). This effort was undertaken to comply with emissions regulations imposed by the State of California's Air Resource Board and required the City to replace diesel buses with CNG powered units as the buses reached their end of economic life. To support the use of CNG in City Transit operations, CNG fueling infrastructure was added to the FAX transit facility. This two compressor, 1600 SCFM station was built to support an initial deployment of 25 CNG buses with capacity to support growth in the CNG fleet. The station was also designed to allow future addition of compression capacity to support complete conversion of the transit bus fleet.

The CNG bus fleet has since grown from the initial 25 units to 78, and will continue to grow until the fleet of 100 plus units is fully converted. Additionally, the demand for CNG from other City departments and outside customers has significantly increased. In order to support this increased demand, additional compression capacity is required. The Department of Transportation therefore developed bid specifications for the addition of a third, 1200 SCFM compressor, increasing compression capacity from the original 1600 to 2800 SCFM. The bid specification also addressed other station improvements including:

- Addition of a fourth dispensing unit to allow an additional fueling point for external customers and a backup fueling point for FAX bus fleet.
- Upgrade of station management and control systems to provide higher efficiency and faster fueling times.
- Additional redundancy to allow scheduled maintenance of any given compressor without adversely affecting transit bus fueling operations (currently not enough capacity if one compressor is down for maintenance/repair).

EVALUATION OF BID PROPOSALS

FOR: DESIGN BUILD OF A CNG FUELING STATION UPGRADE FOR FRESNO AREA EXPRESS

Bid File No.3182
Bid Opening: 08/09/12

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

[X] Award a contract in the amount of $1,151,886.00

Remarks: (Clean Energy is lowest responsive bidder.)

[ ] Reject all bids. Reason:

Department Head Approval

Jim Schaad For Kenneth Hamm

Title Director of Transportation

Date 4/20/13

A DBE goal of 0% was established for this project. The recommended Contractor complied with the DBE requirements pursuant to the bid specifications.

Beth McNeill 5/2/13
DBE Program Coordinator Date

[✓] Approve Dept. Recommendation

[ ] Disapprove

[ ] See Attachment

[✓] Approve Finance/Purchasing Recommendation

[ ] Disapprove

FINANCE DEPARTMENT

Jason MacDonald 4/30/13
Purchasing Manager Date

Lauren Bradley 5/2/2013
Assistant Controller Date

CITY MANAGER

5/1/13
City Manager or Designee Date

FISCAL IMPACT STATEMENT

PROGRAM:

RECOMMENDATION	TOTAL OR CURRENT	ANNUALIZED COST
Direct Cost	$1,151,886.00	
Indirect Cost	$ 0.00	
TOTAL COST	$1,151,886.00	
Additional Revenue or Savings Generated	$ 0.00	
Net City Cost	$1,151,886.00	
Amount Budgeted (If none budgeted, identify source)	$1,200,000.00	

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CITY OF FRESNO
CATEGORICAL EXEMPTION
ENVIRONMENTAL ASSESSMENT NO. EA-13-011

THE PROJECT DESCRIBED HEREIN IS DETERMINED TO BE CATEGORICALLY EXEMPT FROM THE PREPARATION OF ENVIRONMENTAL DOCUMENTS PURSUANT TO ARTICLE 19 OF THE STATE CEQA GUIDELINES.

APPLICANT: Mr. Jim Schaad
City of Fresno
Transportation (FAX)
2223 "G" Street
Fresno, CA 93706

PROJECT LOCATION: City of Fresno Municipal Services Center
2223 "G" Street
Fresno, CA 93706
(APN: 458-250-29, -31T and 33T)

PROJECT DESCRIPTION: Add a third CNG compressor and fourth dispenser to the existing CNG station located within the FAX Facility within the Municipal Service Center at 2223 "G" Street. The 1200 SCFM compressor and dual hose dispenser will be placed within the existing footprint of the station. The compressor unit is a skid-mounted, self contained, enclosed and sound attenuated unit with dimensions of approximately 25'(L) x 10'(W) x 10' (H) The addition is to allow more fueling capacity to support the ongoing replacement of diesel buses with CNG units. Bus replacement with CNG units is required to meet the state of California's Air Resource Board emissions reductions requirements. The project also addresses other station improvements including:

- Addition of a fourth dispensing unit to allow an additional fueling point for external customers and a backup fueling point for FAX bus fleet.
- Upgrade of station management and control systems to provide higher efficiency and faster fueling times.
- Additional redundancy to allow scheduled maintenance of any given compressor without adversely affecting transit bus fueling operations (currently not enough capacity if one compressor is down for maintenance/repair).

This project is exempt under Section 15303/Class 3 of the California Environmental Quality Act (CEQA) Guidelines.

EXPLANATION: Section 15303/Class 3 exempts the construction and location of limited numbers of new, small facilities or structures from further environmental review subject to certain criteria. Specifically, in urbanized areas, 4 buildings of up 2,500 square feet in floor area on sites zoned for such use if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive are allowed under the exemption.

The project pertains to approximately 5,200± square feet of M-1 (*Light Industrial District*) zoned land at 2223 G Street, a portion of Assessor's Parcel No. 458-250-29T (located at the north end of the Municipal Service Center, which is southeast of Highway 180, southwest of G Street, northwest of El Dorado Street and south of the Divisadero Street alignment). This application proposes to add a third CNG compressor and fourth dispenser to the existing CNG station located within the existing FAX fueling facility. The 1200 SCFM compressor and dual hose dispenser will be placed within the existing footprint of the station. The compressor unit is a skid-mounted, self contained, enclosed and sound attenuated unit with dimensions of approximately 25'(L) x 10'(W) x 10' (H) The addition is to allow more fueling capacity to support the ongoing replacement of

diesel buses with CNG units. Bus replacement with CNG units is required to meet the state of California's Air Resource Board emissions reductions requirements. This project is located within the Central Area Community Plan and the Southwest Fresno General Neighborhood Renewal Areas, which designate this property for public facility uses. The proposed land use is consistent with the planned land use designation and the existing zoning.

The subject site is currently in use for servicing municipal vehicles. It is bordered on the northwest by an elevated freeway, on the east by other components of the Municipal Service Center, and on the south and west by the Municipal Service Center.

The existing fueling facility was approved in 2004 and found to be in conformance with the 2025 Fresno General Plan Master Environmental Impact Report (MEIR) No. 10130 for purposes of CEQA. The proposed addition of a third CNG compressor and fourth fuel dispenser within the existing facility is exempt from further environmental review under Section 15303 as the construction and location of limited numbers of new, small facilities or structures. Specifically, the project is proposed in an urbanized area, the project consists of fewer than 4 structures of 2,500 square feet, the property is zoned for the use (*M-1 light industrial zone district*) and is served by all necessary public services and facilities. The use of compressed natural gas is already established on the site and was analyzed under Environmental Assessment EA-04-028. All local, state and federal regulations relating to the use and dispensing of compressed natural gas are applied to the project.

None of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

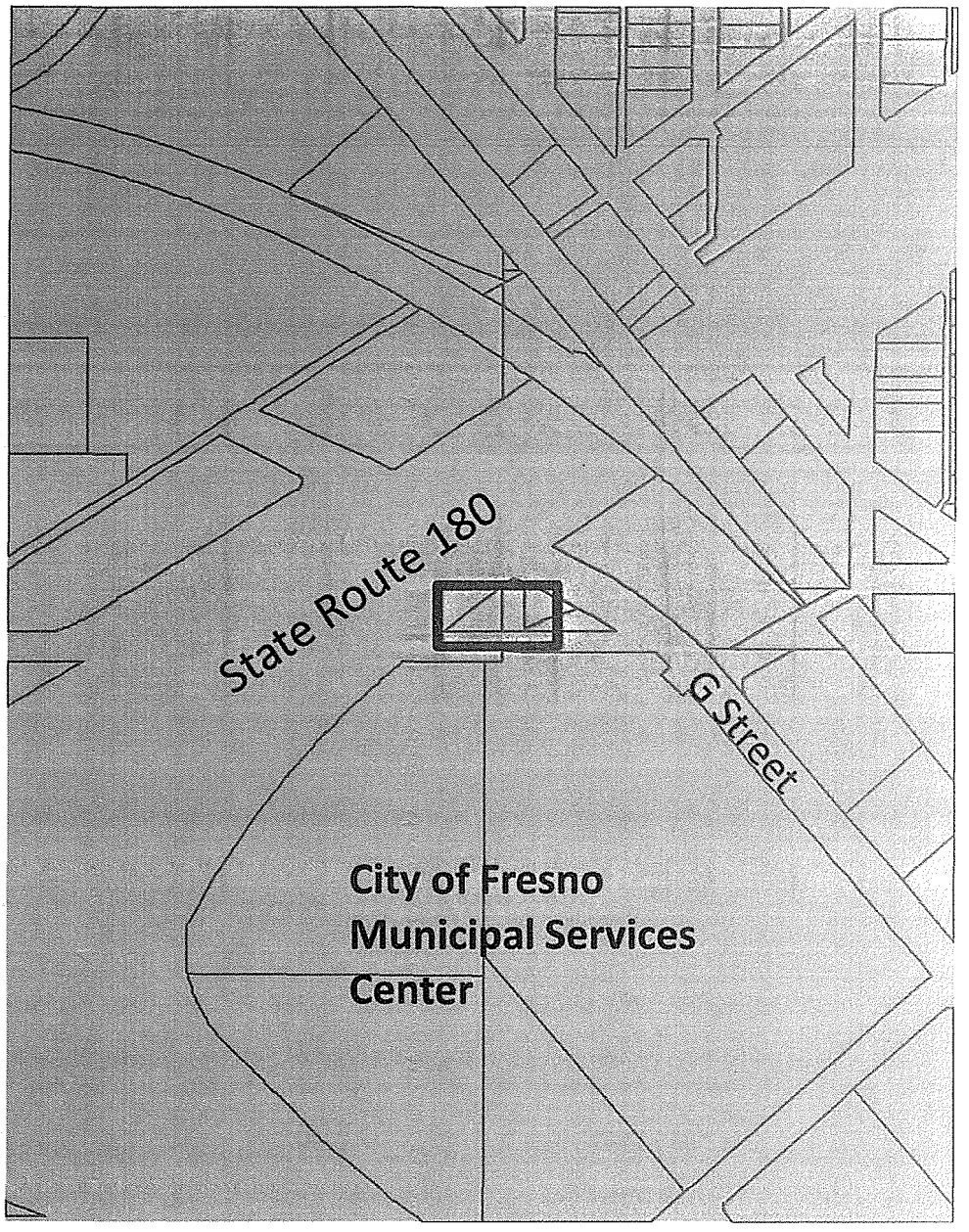
Date: May 24, 2013

Prepared By: Sophia Pagoulatos, Supervising Planner

Submitted By: Sophia Pagoulatos

City of Fresno
Development and Resource Management Department
(559) 621-8062

Attachment: Vicinity Map



Project Location

VICINITY MAP

Environmental Assessment No. EA-13-011

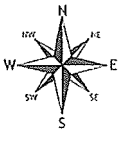
PROPERTY ADDRESS

2223 "G" Street

DEVELOPMENT AND RESOURCE MANAGEMENT DEPARTMENT

APNs: 458-250-29, -31T and 33T

Zone District: M-1
By: S. Pagoulatos, May 24, 2013



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