



STAFF REPORT

DATE: December 9, 2019

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING EXECUTION OF FUEL CARD CREDIT APPLICATION, AND APPROVING CNG FUEL PRICE AGREEMENT WITH CLEAN ENERGY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the sole source procurement and ratifying the prior actions of the General Manager/CEO will allow Sacramento Regional Transit District ("SacRT") to continue the relationship with Clean Energy to obtain Compressed Natural Gas (CNG) fuel for the City of Elk Grove ("City") cutaway buses used to provide paratransit service under the service contract with the City.

FISCAL IMPACT

SacRT spends approximately \$120,000 per year on fuel for the Elk Grove paratransit operations. Reimbursement for these costs is through the fixed revenue-hour rate paid by the City.

DISCUSSION

The agreement between SacRT and the City for Fixed Route, ADA Paratransit/Dial-a-Ride, and Maintenance Operations specifies that the City will provide the fuel for all fixed route service vehicles and that SacRT will be responsible for the fuel costs for all other City-owned vehicles related to the Contract, specifically the paratransit vehicles.

The agreement also specifies that "SacRT must procure a fuel contract with a fuel provider within the City of Elk Grove's boundaries." The fixed route service vehicles are fueled at a facility located at 9050 Elkmont Drive, Elk Grove CA 95624, a short distance from the City corporation yard. The fueling facility is owned and operated by Interstate Oil, which has a relationship with Clean Energy to allow Clean Energy to vend CNG fuel at this location. This is the only CNG fueling facility located within the City's boundaries and, therefore, the only location that would satisfy the condition of the Elk Grove agreement.

On May 31, 2019, to be prepared for the July 1, 2019 service transition, the General Manager/CEO signed a Fuel Card Credit Application for Clean Energy to allow for

fueling of the paratransit cutaways at the Elkmont Drive facility. Based on the volume of fuel required and the intent to procure the fuel from Clean Energy for the five-year term of the Elk Gove agreement, both a sole source procurement and the credit card should have been approved by the Board of Directors, but were not. In addition, at this time Staff desires to enter into a fuel pricing agreement with Clean Energy that would provide a discount from the retail purchase rate for CNG.

At this time, Staff is requesting that the Board approve a sole source procurement of CNG fuel from Clean Energy for Elk Grove paratransit vehicles, ratify the General Manager/CEO's execution of the Fuel Card Credit Application, and approve the CNG Fuel Price Agreement to provide a discount for CNG fuel.

RESOLUTION NO. 19-12-0131

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 9, 2019

APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING EXECUTION OF FUEL CARD CREDIT APPLICATION, AND APPROVING CNG FUEL PRICE AGREEMENT WITH CLEAN ENERGY

WHEREAS, pursuant to California Public Utilities Code Section 102222, contracts for the acquisition of supplies and equipment must be awarded only after competitive bidding; and

WHEREAS, Section 1.405.B.1 of the SacRT Procurement Ordinance (18-08-01) permits noncompetitive procurement if the supplies can be provided only by one firm and efforts to seek competition would be futile; and

WHEREAS, the agreement between the Sacramento Regional Transit District (SacRT) and the City of Elk Grove for Fixed Route, ADA Paratransit/Dial-a-Ride, and Maintenance Operations specifies that Compressed Natural Gas (CNG) fuel for paratransit cutaway vehicles owned by the City of Elk Grove must be obtained by SacRT from a fuel supplier within the boundaries of the City of Elk Grove.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, because Clean Energy is the only CNG fuel provider within the boundaries of the City of Elk Grove, through its relationship with Interstate Oil to vend fuel at the facility at 9050 Elkmont Way, it would be futile to seek competition for CNG fuel for Elk Grove paratransit cutaway vehicles and, therefore, pursuant to Section 1.405.B.1 of the Procurement Ordinance a sole source procurement with Clean Energy is approved for CNG fuel necessary to meet the requirements of the Elk Grove agreement; and

THAT, the action of the General Manager/CEO in executing the Fuel Card Credit Application with Clean Energy is hereby ratified.

THAT, the CNG Fuel Price Agreement by and between the Sacramento Regional Transit District (therein "Customer") and Clean Energy (therein "CE"), whereby CE agrees to provide a discount on CNG fuel from the retail rate for a term of five years, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Agreement.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary