

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR THE DESIGN-BUILD EQUIPMENT REPLACEMENT & REHABILITATION OF BUS MAINTENANCE FACILITY 1 COMPRESSED NATURAL GAS (CNG) FUELING FACILITY WITH EFS WEST

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to approve this Contract will allow SacRT to replace outdated and unreliable CNG compressor equipment, the failure of which impacts SacRT's ability to provide revenue operations, as well as update electrical equipment at the fueling facility, the failure of which would disrupt both fueling and maintenance at the site.

FISCAL IMPACT

The total consideration for the Contract will be \$2,840,481.00 plus any applicable taxes and fees, which is fully funded with previously-acquired grant funding.

DISCUSSION

SacRT has been operating and fueling natural gas-powered transit buses for nearly 30 years at the BMF1 CNG Fueling Facility on 28th Street in Midtown. SacRT has a total of 274 CNG vehicles including buses and cutaways. The BMF1 CNG Fueling Facility is used as the primary fueling station for 205 CNG vehicles. Fifty-six (56) CNG vehicles are fueled in Elk Grove and 13 vehicles are fueled at BMF2. SacRT bus maintenance operations are currently centralized at the BMF1 Facility. When the BMF1 CNG Fueling Facility is not in operation due to repair issues, most of the bus fleet must be fueled at the BMF2 CNG Fueling Facility, which is located at McClellan Park. Although the redundant fueling is beneficial, Bus Operations is negatively impacted when fueling at the BMF2 CNG Fueling Facility due to the significant resources required to remobilize nightly fueling at the alternate location. The BMF1 CNG Fueling Facility was originally built in 1993 with three compressor package skids and associated equipment and then expanded in 1999

with the addition of two more compressor package skids and a gas dryer. Some of the BMF1 CNG Fueling Facility critical equipment is at the end of its useful life and requires replacement to maintain daily operations in a State of Good Repair. The critical equipment requiring replacement includes two compressor package skids, associated electrical main breaker, and the gas dryer (which is no longer functioning and is out of service).

Because the detailed design of the compressor package is specific to individual manufacturers, Staff determined that using a design-build process using a best value procurement methodology, rather than a design-bid-build process, would provide benefits to SacRT in the form of reduced project costs, expedited project completion, and design features that are not achievable through the traditional design-bid-build method. Use of the design-build process is authorized for public works projects over \$1 million under Public Contract Code section 22162 and following.

Consistent with the Public Contract Code requirements, SacRT advertised a Request for Qualification (RFQ) for qualified contractors that could perform a design-build of the required replacement equipment. There were three responses to the RFQ from industry leaders in the field of CNG – Trillium, Clean Energy, and EFS West. All 3 contractors were deemed qualified. Staff then developed detailed performance technical specifications and contract documents to release a Request for Proposals (RFP) to the three previously-qualified design-build contractors.

The evaluation factors specified in the RFP were: (a) project understanding; (b) acceptable safety record; (c) project work plan; and (d) price. Consistent with the statute, all proposers were required to confirm that they provide an enforceable commitment to SacRT to use a skilled and trained workforce to perform all work on the project that falls within an apprenticeable occupation in the building and construction trades, as set out in Public Contract Code section 2600 and following.

The pricing in the RFP was structured with a base bid for two replacement compressor package skids with motor control panels and programmable logic controller, with additional package skids and other ancillary items identified as options to acquire the best combination of pricing for replacement of multiple items that could be executed within the available grant funds. The RFP included language allowing SacRT to exercise these options for a period of two years after issuance of Notice to Proceed if additional grant funds became available in the future, with a PPI-based price escalator applied to any options exercised more than 120 days after Notice to Proceed.

Of the three pre-qualified contractors, only one proposal was received from EFS West. The proposal was reviewed for technical capacity and pricing. Procurement staff surveyed the other two pre-qualified proposers and confirmed that the competition was adequate and that the single bid received was not the result of unduly restrictive specifications for performance of the work.

The various options and pricing were reviewed and negotiated with EFS West. The base bid and final options selected will allow rehabilitating the BMF1 CNG Fueling Facility by replacing two of the three oldest compressor skid packages (\$2,347,435.00), the electrical main breaker (\$50,858.00), and the gas dryer (\$442,188.00). The total cost of these items is \$2,840,481.00. During negotiations, EFS West indicated that its suppliers, including ANGI, which will be supplying the compressor package skids, are unwilling to hold pricing in the current volatile market. Consequently, in order to make this award to EFS West, SacRT will have to waive the right to the fixed pricing for any of the optional items not being awarded at this time, most notably additional compressor package skids. While those items could still be added to the Contract at a future date through a Contract Change Order, they would be subject to the pricing offered by EFS West at that time. At this time, there are no near-term grant opportunities foreseen to fund that additional work, so Staff believes that waiving the right to exercise those options will have little practical effect and is justified in order to proceed with expeditious replacement of the most critical equipment needs.

At this time, Staff and EFS West are finalizing the negotiations of modifications to the technical criteria for the performance of the work. Due to supply chain issues and price fluctuations, EFS West has agreed to hold its pricing only through the end of this calendar year, so award cannot be delayed until the next Board meeting. Consequently, the Board is being asked to delegate authority to the General Manger/CEO to make an award upon the successful conclusion of negotiations.

RESOLUTION NO. 21-12-0139

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

December 13, 2021

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR THE DESIGN-BUILD EQUIPMENT REPLACEMENT & REHABILITATION OF BUS MAINTENANCE FACILITY 1 COMPRESSED NATURAL GAS (CNG) FUELING FACILITY WITH EFS WEST

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

THAT, the Board hereby delegates authority to the General Manager/CEO to award a Contract for the Design-Build Equipment Replacement & Rehabilitation of Bus Maintenance Facility 1 (BMF1) CNG Fueling Facility between the Sacramento Regional Transit District, therein referred to as "SacRT," and EFS West, therein referred to as "Contractor," whereby Contractor agrees to complete the Design-Build Equipment Replacement & Rehabilitation of Bus Maintenance Facility 1 (BMF1) CNG Fueling Facility for an amount not to exceed \$2,840,481.00 plus any applicable taxes and fees upon successful conclusion of negotiations.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary