



STAFF REPORT

DATE: April 26, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO NEGOTIATE AND EXECUTE A CONTRACT FOR COMPRESSED NATURAL GAS FUELING STATION MANAGEMENT WITH CLEAN ENERGY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the attached Resolution will delegate authority to the General Manager/CEO to award a contract to Clean Energy, upon successful completion of negotiations, to manage the public Compressed Natural Gas (CNG) fuel pump at Bus Maintenance Facility 2 (BMF2).

FISCAL IMPACT

The execution of this contract will provide revenue to SacRT and is accounted for in the FY22 Operating Budget. The estimated revenues cannot be disclosed at this time as SacRT and Clean Energy are still in active negotiations. However, all costs associated with the fuel and maintenance of the facility will be covered under the contract, resulting in revenues in excess of operating costs.

DISCUSSION

As part of the construction of the BMF2 CNG facility, SacRT received grant funds to construct a remote fueling island for use by other public agencies and private entities to promote the use of clean alternative fuels. SacRT initially took on the task of managing licenses and payments for third-party users. To ease the administrative burden on SacRT's Facilities and Finance Staff to manage private users of the facility, in 2015 SacRT conducted a competitive solicitation to engage a contractor to handle credit processing, provide training to users, issue access cards, and provide first-level technical support to users.

The Federal Transit Administration (FTA), which contributed funds to the construction of the facility, authorized SacRT to allow this incidental use of the facility and to engage a contractor to manage the use if certain conditions were met, including managing the price of the CNG dispensed to ensure SacRT is not competing unfairly with privately-owned companies, and imposing federal "flow down" provisions on the contractor such as record

preservation and nondiscrimination.

Paladin, who was the main user of the facility to fuel its security guard vehicles, submitted the sole proposal in response to the 2015 solicitation, but was deemed non-responsive due to a lack of required experience managing fueling stations. SacRT subsequently entered into negotiations with Paladin and determined that it could nonetheless fulfill SacRT's needs.

In May 2015, SacRT entered into an agreement with Paladin to manage the public fueling pump at BMF2. The fueling activities have generally been successful and SacRT has received revenues in excess of operating costs throughout the life of the Contract. At the same time, Paladin has not undertaken extensive efforts to market the facility to additional users.

In anticipation of the Contract with Paladin expiring on May 5, 2021, Staff released a Request for Quote (RFQ) CN2021029 Compressed Natural Gas Fueling Station Management. The RFQ was released March 26, 2021 and SacRT received a single proposal from Clean Energy on April 9, 2021. The Clean Energy proposal was deemed non-responsive due to failure to comply with minimum requirements regarding the pricing proposal. Although the pricing schedule provided did not contain all of the required information, the rest of the proposal met all the requirements and there were no other bidders. Therefore, staff would like to work with the potential vendor as this would provide additional revenues to SacRT while providing opportunities for other agencies to continue fueling at this location. Because this is a revenue contract and SacRT only received a single proposal, it is reasonable and allowable to negotiate a contract with Clean Energy to manage the public pump.

Clean Energy has extensive experience in operating and maintaining CNG fueling stations. The firm has specific experience with retail customer management and marketing of CNG fueling facilities, which will hopefully increase SacRT's revenues received as compared to the revenue currently generated. Clean Energy appears to meet all the minimum requirements to perform the duties of CNG fueling station management.

Because the current contract will expire prior to the next Board meeting, Staff recommends that the Board delegate authority to the General Manager/CEO to execute a Contract with Clean Energy to manage the public fueling pump at BMF2, upon successful completion of negotiation of the contract terms.

RESOLUTION NO. 21-04-0042

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

April 26, 2021

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO NEGOTIATE
AND EXECUTE A CONTRACT FOR COMPRESSED NATURAL GAS FUELING
STATION MANAGEMENT WITH CLEAN ENERGY**

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

THAT, authority is hereby delegated to the General Manager/CEO to enter into a Contract for Compressed Natural Gas Fueling Station Management with Clean Energy to manage the public fueling island at Bus Maintenance Facility 2, including entering into agreements with users, processing credit card transactions, managing access, and providing first-line support, upon successful completion of negotiation of terms that will provide a fair share of revenue to SacRT.

STEVE MILLER , Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary