

STAFF REPORT

DATE: June 10, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Lisa Hinz, VP, Security, Safety and Customer Satisfaction
SUBJ: APPROVING A SOLE SOURCE PROCUREMENT AND THE THIRD AMENDMENT TO THE CONTRACT FOR ON-CALL COMPRESSED NATURAL GAS EQUIPMENT REPAIR AND PARTS SERVICES WITH CLEAN ENERGY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving a short-term (6-month) extension to the current contract will provide continued access to critical services for repair and maintenance of the compressed natural gas (CNG) fueling equipment at SacRT's bus maintenance facilities to ensure that SacRT can provide reliable service while SacRT evaluates a future path forward for CNG maintenance and repairs.

FISCAL IMPACT

The not-to-exceed amount for the amendment will be \$30,000 for both routine quarterly inspections and estimated on-call repair needs, increasing the Total Consideration amount from \$150,000 to \$180,000. This amount is included in the Operating Budget for FY25.

DISCUSSION

The vast majority of SacRT's full-sized fixed-route bus fleet is fueled with CNG. SacRT has two CNG fueling facilities, located at its bus maintenance facilities at 1323 28th Street, Sacramento CA 95816 (BMF1) and 3701 Dudley Way, McClellan Park, CA 95652 (BMF2). These systems include compressors, storage, dispensers, piping, master control panels, and other ancillary specialized equipment. Any extended downtime at these facilities makes it difficult if not impossible to continue bus service. While BMF2 is available as a backup fueling facility for vehicles typically fueled downtown, it is difficult to transport a large number of buses from the downtown location to BMF2.

Since 2013, SacRT has contracted with Clean Energy for CNG maintenance and repair services. While SacRT has issued multiple competitive solicitations for these services, SacRT has been unsuccessful in obtaining competition for these services from one of the limited number of CNG service providers.

The most recent contract was entered into in 2021, initially for a one-year term, so that SacRT could undertake another competitive solicitation. While Clean Energy submitted a proposal to SacRT in response to that competitive solicitation, its proposal was deemed non-responsive because Clean Energy would not commit to SacRT's required 4-hour response time for emergency situations. After negotiations, Clean Energy agreed to provide a 4-hour response time if SacRT agreed to include regular quarterly inspections within the scope; on June 9, 2022, the parties executed a First Amendment to the contract on a sole source basis to modify the scope, increase the contract Total Consideration to a maximum \$150,000, and extend the term to June 8, 2024.

On April 5, 2024, a Request for Proposal (RFP) for a new Contract for On-Call Compressed Natural Gas Repair and Inspection Services was posted to the PlanetBids eProcurement portal. Staff anticipated being able to award a new contract, pursuant to the RFP, at the June 10 Board meeting. On May 6, 2024, SacRT received one proposal, from Clean Energy; however, the proposal was deemed materially non-responsive for two reasons: (1) even with routine inspection services included in the scope, Clean Energy would not commit to a 4-hour response time; and (2) Clean Energy proposed increasing the frequency of inspections to monthly, rather than quarterly, as required under the RFP, at a significantly-increased cost.

At this time, Staff is evaluating SacRT's long-term needs with respect to these services and potential alternative approaches to meet these needs. In the interim, while SacRT's Facilities Maintenance Mechanics conduct frequent inspections of the equipment, have received training in the maintenance of the CNG equipment, and are continuing to develop further competencies to reduce reliance on a third-party contractor, Staff would like to ensure Clean Energy's emergency services are available if needed.

Clean Energy has agreed to a short-term extension of the existing contract on the current terms (including a 4-hour response time) for a 6-month period. To bridge the brief gap between the contract expiration date and the Board meeting, the General Manager/CEO approved a Second Amendment to the Contract to extend the term to June 15 without increasing the Total Consideration. At this time, the Board is being asked to approve a Third Amendment to further extend the term to December 31, 2024, and increase the Total Consideration by \$30,000 to cover the cost of both the quarterly inspections and potential on-call services that may be required during the extended Contract term.

RESOLUTION NO. 2024-06-071

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

June 10, 2024

APPROVING A SOLE SOURCE PROCUREMENT AND THE THIRD AMENDMENT TO THE CONTRACT FOR ON-CALL COMPRESSED NATURAL GAS EQUIPMENT REPAIR AND PARTS SERVICES WITH CLEAN ENERGY

WHEREAS, Clean Energy has provided on-call repair and maintenance services for SacRT's Compressed Natural Gas (CNG) Equipment since 2013; and

WHEREAS, the continuous functioning of SacRT's CNG fueling facilities is essential to SacRT's bus operations; and

WHEREAS, despite multiple competitive solicitations since 2020, SacRT has not received any responsive proposals for these services; and

WHEREAS, Section 1.405.B.2 of the Procurement Ordinance (2022-12-01) permits a sole source procurement if the Board or General Manager, as applicable, determines that it is in the best interest of SacRT to enter into a contract for non-professional services to solicit only one contractor or amend an existing contract without competition; and

WHEREAS, the General Manager/CEO previously determined that it was in SacRT's best interest to contract with Clean Energy on a sole source basis for quarterly inspection and on-call repair services to ensure that emergency services are available to keep SacRT's CNG fuel facilities in working order; and

WHEREAS, the existing Contract will expire June 15, 2024; and

WHEREAS, SacRT is currently evaluating long-term options to meet SacRT's needs for CNG maintenance.

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

THAT, the Board determines that it is the best interest of SacRT, under Section 1.405.B.2 of the Procurement Ordinance, to amend the existing Contract term for a brief period.

THAT, the Third Amendment to the Contract for On-Call Compressed Natural Gas Equipment Repair and Parts Services by and between the Sacramento Regional Transit District (therein "SacRT") and Clean Energy (therein "Contractor") whereby Contractor

agrees to continue providing quarterly inspection services and on-call repair services, the term is extended to December 31, 2024, and the Total Consideration is increased by \$30,000, from \$150,000 to \$180,000, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary