

Agenda Report

TO: CITY COUNCIL

DATE: March 23, 2009

FROM: CITY MANAGER

SUBJECT: AMENDMENT TO CONTRACT NO. 19,410 WITH GAS EQUIPMENT SYSTEMS, INC., FOR LABOR AND MATERIALS FOR CONSTRUCTION OF A COMPRESSED NATURAL GAS (CNG) FUELING STATION TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT BY \$45,000 FROM \$886,396 TO \$931,396

RECOMMENDATION:

It is recommended that the City Council:

1. Amend Contract No. 19,410 with Gas Equipment Systems, Inc., to increase the contract by \$45,000 for a total not to exceed amount of \$931,396 for additional scope of work as part of the Compressed Natural Gas Fueling Station construction at the City Yards; and
2. Find that Contract No. 19,410 was found to be exempt from the California Environmental Quality Act by the Council on July 23, 2007, and that the amendment proposed herein does not rise to the level of changed circumstances or new information which would require further environmental review.

BACKGROUND:

On July 23, 2007, Contract No. 19,410 was awarded to Gas Equipment Systems, Inc., for the subject project for a not to exceed amount of \$886,396. At the time of bid award there was no contingency allocation made to handle unknown conditions or occurrences. This contract includes the installation of a CNG station, 20 CNG time fill dispensers, one CNG fast fill dispenser, and a storage area for the CNG fuel vessels. This station will serve the entire CNG fleet which consists of 21 Public Works vehicles and two public transportation buses. The CNG station is located within an area adjacent to the existing fueling station for vehicles at the City Yards. This project was undertaken with \$360,000 in grant funding from the SCAQMD.

During the course of work, several items were identified that required immediate attention in order to not hold up the construction of this fueling station. Because each of these were minor in cost, staff did not bring the contract amendments forward for City Council approval until the end of the contract. The initial fuel station design was based upon the 2001 California Building Code. In January 2008, the City adopted the 2007 California Building Code. To reflect changes in the 2007 California Building Code and receive Plan Check approval, the station's engineering design needed revisions; thus requiring additional labor and material to comply with this regulation. Additionally, data lines and conduits required an upgrade in order to transmit station data to the existing Fuel Management System. Repairs to damaged asphalt areas were due to open trenches and normal traffic patterns at the City Yards and the installation of additional safety measures to protect the gas line necessitate additional change orders. Finally, two additional time-fill posts will be installed due to the increase in size of our existing CNG fleet and the speed with which it occurred. All of the change to the project have been completed with the exception of the additional time fill dispensers which is \$13,000.

In order to finish the contract and complete the additional work staff is requesting an amendment to the Gas Equipment Systems, Inc., contract. This amendment will allow the construction to be finalized and will represent only a 5% increase over the original contract price. All change orders have been submitted and reviewed by staff, therefore only one contract amendment is necessary to close the contract and pay the contractor in full.

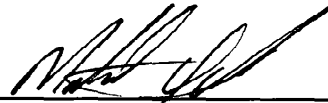
ENVIRONMENT DETERMINATION:

At the time of contract award, this project was acknowledged as being categorically exempt from the California Environmental Quality Act in accordance with Class 1, Section 15301 (Existing Facilities). The contract amendment requests additional funds to complete the original scope of work and no changes to the project scope are proposed. Therefore, there is no new information or changed circumstances that require further environmental review.

FISCAL IMPACT:

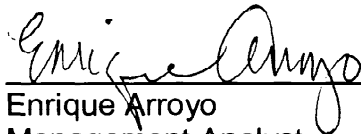
Sufficient funds for this contract amendment are available in Capital Improvement Program Budget Account 71542, Installation of Time-fill/Fast-fill Refueling System at City Yards.

Respectfully submitted,



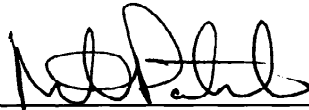
MICHAEL J. BECK
City Manager

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Martin Pastucha, Director
Department of Public Works