

# Agenda Report

September 21, 2020

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Public Works  
**SUBJECT:** **CONTRACT AWARD TO NATIONAL CNG & FLEET SERVICES, LLC., FOR COMPRESSED NATURAL GAS TANK INSPECTION AND REPAIR SERVICES ON CITY-OWNED VEHICLES FOR AN AMOUNT NOT TO EXCEED \$375,000 FOR UP TO FIVE YEARS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated August 12, 2020, submitted by National CNG & Fleet Services, LLC (NCFS) for inspection, services, and repairs for compressed natural gas (CNG) trucks and service vehicles; ii) authorize the City Manager to enter into a contract with NCFS for an amount not to exceed \$225,000 (which includes a \$15,000 contingency) over a three-year period with the option for two additional one-year extensions in the annual amount of \$75,000 (which includes a \$5,000 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$375,000.

## **BACKGROUND:**

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) requires licensed vendors to provide fuel system inspection services and repairs on the City's trucks and vehicles powered by CNG fuel systems.

Federal Motor Vehicle Safety Standards (FMVSS) Standard 304 specifies requirements for the integrity of CNG fuel cylinders to include inspections of all CNG powered vehicles every three years or 36,000 miles, whichever comes first, or after any accident or fire. The City currently has 52 CNG-powered vehicles in its fleet including sanitation trucks, dump trucks, sweepers, aerial trucks, and sewer trucks. Certified CNG technicians are needed to perform required fuel cylinder inspections, tank certifications,

periodic vehicle maintenance, CNG system component service and repairs, CNG fuel lines testing, and CNG tank covers repairs or replacements. This will ensure that the City meets the compliance requirements and that the City's CNG essential service vehicles are kept in optimal working conditions, allowing various Public Works crew to perform its daily operations and service demands without interruption.

On June 24, 2020 a Notice Inviting Bids for Inspection, Services, and Repairs for CNG Trucks and Service Vehicles was published in the paper as well as posted on PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 10 vendors downloaded the Specifications of which none were local. A total of 1 bid was received by the bid closing date of August 13, 2020 from a non-local firm. Staff also referenced a list of local contractors in the City's business license database as well as online web searches in an attempt to reach potential local vendors. Of the businesses notified, none of the local vendors could provide this specialized service as outlined in the bid specification.

**BID RESULT:**

Per bid specification, the bid table comprised of pricing for only one vehicle to allow for baseline comparison. Bidders were asked to provide a flat rate inspection charge for one vehicle per vehicle category type and an hourly labor rate charge on estimated number of repairs for one vehicle as well. The bid amount submitted below is a reflection of the baseline comparison.

On August 13, 2020, one bid was submitted on PlanetBids. The bid result is as follows:

<u>Bidder</u>	<u>Bid Amount (\$)</u>
1. National CNG and Fleet Services, LLC      Ontario, CA	\$24,200

NCFS, located in Ontario, CA, was established in 2015 and has provided services to other government agencies such as California Department of Transportation (Caltrans), Los Angeles World Airports (LAX), Los Angeles Department of Water and Power (LADWP), and the City of Santa Monica. The City has been doing business with NCFS since 2016 spending an aggregate amount of \$74,976. Based on prior year expenditures and ongoing service requirements, an estimated annual amount of \$70,000 is needed to fulfill the compliance requirements and the safe operation of the City's CNG fleet.

Since NCFS is the sole responsive and responsible bidder, staff recommends that NCFS be awarded a contract for as-needed CNG inspection, services and repairs of CNG vehicles for a three year term with an option for two one-year extension period, renewable at the discretion of the City Manager.

The contract amounts will be set as follows:

	Year 1 to 3	Year 4 Optional 1 <sup>st</sup> Extension	Year 5 Optional 2 <sup>nd</sup> Extension
Base Bid	\$210,000	\$ 70,000	\$ 70,000
Contingency Allowance	<u>\$ 15,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
	\$225,000	\$ 75,000	\$ 75,000
		<b>TOTAL</b>	<b><u>\$375,000</u></b>

The contingency allowance is to cover Consumer Price Index adjustments

**COUNCIL POLICY CONSIDERATION:**

This purchase supports the City Council's strategic goal to maintain fiscal responsibility and stability; and ensure public safety.

**ENVIRONMENTAL IMPACT:**

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

**FISCAL IMPACT:**

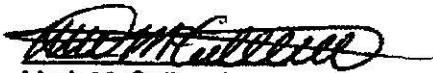
The cost of this contract is \$225,000 and the total cost of this action will be \$375,000. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance & Repair Fund budget account 51122058-823600. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



ARA MALOYAN, P.E.  
Director of Public Works

Prepared by:



Mark McCullough  
Public Works Administrator (BSFMD)

Approved by:



STEVE MERMELL  
City Manager