Agenda Report

October 5, 2015

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: **AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER WITH ATLAS COPCO COMPRESSORS LLC TO FURNISH AND DELIVER EQUIPMENT FOR THE EXPANSION OF TIME-FILL/FAST-FILL REFUELING SYSTEM AT CITY YARDS – PHASE II (71543) IN AN AMOUNT NOT TO EXCEED $547,176**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that on July 23, 2007, the City Council found the Installation of Time-fill/Fast-fill Refueling System at City Yards (Phase I) to be exempt from the California Environmental Quality Act (CEQA), that the scope of project construction (Phase II) was anticipated by the action, and such scope of project construction does not constitute changed circumstances or new information which would trigger further environmental review pursuant to CEQA;

2. Grant an exemption for this purchase order pursuant to PMC 4.08.049(B) where the best interests of the City are served by a direct award without competitive selection process; and

3. Authorize the issuance of a purchase order with Atlas Copco Compressors LLC in an amount not to exceed $547,176 for the purchase of compressed natural gas equipment for the Time Fill/Fast Fill Refueling System at the City Yards.

BACKGROUND:

In 1999, the South Coast Air Quality Management District (SCAQMD) released its Multiple Air Toxics Exposure Study II (MATES II), which identified diesel fuel particulates as a toxic air contaminant and that compressed natural gas (CNG) vehicles significantly reduce the amount of air contaminant emissions from vehicles. Additionally, SCAQMD Rules 1186.1 and 1191 – 1196 require government fleets and private contractors under contract with public entities to purchase non-diesel lower emission

and alternative fuel vehicles. The rule applies to transit bus, school bus, refuse hauler, sweepers and other vehicle fleets of at least 15 vehicles that operate in Los Angeles, San Bernardino, Riverside, and Orange counties. Since 2000 the City has purchased CNG vehicles for the sanitation, street sweeping and transit programs. In an effort to facilitate vehicle fueling the City built a CNG fueling facility.

Phase I of this project began in 2007 and was completed in 2009. At that time, the City's CNG fleet included fourteen dedicated CNG vehicles and six refuse packers retrofitted to operate on dual fuel (CNG and diesel). Due to SCAQMD requirements, the City anticipated purchasing additional CNG vehicles and expanding the CNG fueling station to accommodate additional vehicles. The City currently operates a total of 67 CNG-powered vehicles, including 25 ARTS buses, which necessitates an expansion of the existing CNG fueling system to accommodate existing fueling levels and future growth.

In December of 2012, the City was awarded $225,000 in grant funding through the SCAQMD's Mobile Source Air Pollution Reduction Review Committee (MSRC) for expansion of the existing fueling facility. This CIP project, *Expansion of Time-fill/Fast-fill Refueling System at City Yards – Phase II*, includes the addition of a CNG compressor, additional storage vessels, a new control system, one fast-fill dispenser, associated piping and site construction. The Phase II expansion project has been designed and the plan review phase has been completed.

Based on the specifications and recommendations of the project engineer, Fiedler and Associates, there are specific performance requirements for the equipment. In order to interface dependably, and due to the propriety nature of the software, it is imperative that the new compressor, control system and associated equipment come from the same manufacturer as the existing equipment. An attempt to implement any other competitive equipment would require a retrofit of the control system at additional expense to the City. Upon implementation of most systems of this type, selection of specific software usually also requires proprietary equipment. The software selected in Phase I was made with consideration as to what would be in the best interest of the City, and the new equipment should complement the existing proprietary equipment for the expansion. The two compressors (existing and new) as well as the control system must possess the functionality and required programming to operate independently, or jointly, depending on the fueling demand. This proprietary software interface will also reduce energy consumption, increase the longevity of the two compressors, provide redundancy in case of a failure, and provide enhanced functionality. Similar replacement parts will help minimize maintenance costs.

Atlas Copco Compressors LLC (Atlas) is the sole manufacturer and authorized distributor for the required equipment in the United States. Altas sells directly to project owners and does not maintain a network of manufacturer representatives. The equipment for Phase I of this project was purchased from Atlas. Therefore, purchasing the requested equipment for Phase II from Atlas is in the City's best interest. Atlas meets the stringent requirements of the project's performance specifications and will

deliver the equipment within 26 weeks of purchase authorization per the "furnish and deliver specification."

Public Works staff is currently developing construction specifications for the general construction and installation of this equipment. It is anticipated that this project will be bid in November 2015.

In June 2015, the Department Public Works forwarded specifications to furnish and deliver pricing of the new CNG equipment to Atlas. This equipment will be delivered to the project site for installation by the general contractor under separate contract. Atlas' quote for the equipment is detailed below:

TABLE 1 – SUMMARY OF CNG EQUIPMENT COSTS

ITEM DESCRIPTION	UNIT	QUANTITY	UNIT PRICE (In Figures) Dollars	ITEM TOTAL (In Figures) Dollars
CNG Compressor	Ea.	1	241,150	241,150
CNG Fuel Dispenser	Ea.	1	65,860	65,860
Priority Panel	Ea.	1	26,250	26,250
Storage Vessels and Associated Rack System	Ea.	3	28,600	85,800
Storage Vessel Rack System Seismic Restraint Design and Calculations Signed and Stamped by a Structural Engineer Licensed in the State of California. Four wet stamped copies required.	Ea.	1	8,000	8,000
Delivery to the Project Site in Pasadena, CA	Ea.	1	29,300	29,300
Item Total				456,360
Tax				41,073
Subtotal				497,433
Contingency at 10%				49,743
Grand Total				**547,176**

COUNCIL POLICY CONSIDERATION:

This project supports the City Council's goals to improve, maintain and enhance public facilities and infrastructure and increase conservation and sustainability.

ENVIRONMENTAL ANALYSIS:

On July 23, 2007, the City Council found Phase I of the project, *Installation of Time-fill/Fast-fill Refueling System at City Yards* to be exempt from the (CEQA). In that the original Phase I project scope anticipated purchase of additional CNG vehicles and an expansion of the CNG system to meet the increase in fueling needs, the Phase II expansion scope of project construction and equipment purchase does not constitute changed circumstances or new information that would trigger further environmental review pursuant to CEQA.

FISCAL IMPACT:

The cost of this action is $547,176. Funding will be addressed by the utilization of existing budgeted appropriations from the CIP project *Expansion of Time-fill/Fast-fill Refueling System at the City Yards - Phase II* (budget account 71543). It is anticipated that the entire cost will be spent during the current fiscal year.

The following table presents a summary of the sources of funds that will be used

AQMD/MSRC Grant	$ 225,000
Fleet Maintenance Fund	$ 275,000
Refuse Fund	$ 160,000
Proposition A	$ 340,000
Total Sources	**$ 1,000,000**

The following table represents the expense summary

Design	$	74,999
Equipment	$	497,433
Contingency	$	49,743
Construction/Admin/Inspection	$	377,825
Total Sources	**$**	**1,000,000**

Respectfully submitted,

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