Agenda Report

November 10, 2026

TO: Honorable Mayor and City Council

FROM: Departments of Public Works and Transportation

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CLEAN ENERGY FUELS CORP. FOR PHASE I DESIGN-BUILD SERVICES FOR THE HYDROGEN FUELING STATION PROJECT FOR AN AMOUNT NOT-TO-EXCEED $6,884,770 AND AUTHORIZE SUBMITTAL OF A MEASURE R MIP FUNDING REQUEST**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the Hydrogen Fueling Station Project at 159 S. Kinneloa Avenue, including the design-build contract proposed herein, is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.25(b)(7), which exempts qualifying public projects to construct infrastructure or facilities to refuel zero-emission public transit buses; and certify that the project will be completed by a skilled and trained workforce pursuant to Public Resources Code Section 21080.25(f);

2. Authorize the City Manager to enter into a contract, as a result of the competitive best-value selection process and as specified by Section 4.08.136 of the Pasadena Municipal Code, with Clean Energy Fuels Corp., in a form approved by the City Attorney, for Phase I final design, permitting, preconstruction, and specifically authorized early procurement services for an amount not-to-exceed $6,884,770, including a City-controlled contingency of $625,888. Phase II construction, commissioning, operations and maintenance, and related services will require separate City Council authorization. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services;

3. Authorize the City Manager to submit the Hydrogen Fueling Facility Project to Metro on behalf of the City of Pasadena, requesting Measure R Mobility Improvement Project (MIP) funding from the unappropriated balance awarded to

the City of Pasadena in-lieu of the California Boulevard Grade Separation Project; and

4. Direct staff to return to the City Council before authorizing Phase II with the final capital funding plan, the remaining contract authorization, the baseline schedule, and the forecasted operations, maintenance, and hydrogen-supply costs.

EXECUTIVE SUMMARY:

Staff recommends that the City Council authorize a $6,884,770 Phase I contract with Clean Energy Fuels Corp. to advance the design and permitting of a permanent Hydrogen Fueling Station at 159 South Kinneloa Avenue to support Pasadena Transit's hydrogen fuel cell electric bus fleet.

Clean Energy Fuels Corp. ranked first in the competitive best-value selection process. The firm has relevant transit-hydrogen experience, an integrated design and construction team, local maintenance resources, and a detailed approach to reliability, noise control, commissioning, and future expansion.

This action would authorize Phase I only, including final design, permitting, preconstruction planning, and specifically approved purchases of equipment with long delivery times. It would not authorize full construction or operation of the station. Staff will return to the City Council for separate approval of Phase II after funding is secured and the final project cost, schedule, operating costs, and hydrogen-supply costs are confirmed.

The potential total authorization for both phases is $25,298,323. This amount includes design and construction, a City-controlled contingency, three years of fueling-equipment maintenance, and an allowance for one year of hydrogen fuel. Of that total, only $6,884,770 would be authorized now; the remaining $18,413,553 would require a future Council action.

Staff also requests authorization to seek $13.9 million in Measure R MIP funding from Metro. Approximately $8 million would replace Proposition A/C Local Return funds currently assigned to the project. The remaining approximate $5.9 million would provide additional project funding. Metro is evaluating to identify whether the project can be incorporated into the Transit Operations and Maintenance Facility (TOMF) funding agreement or if this project may proceed as a separate MIP project.

BACKGROUND:

Pasadena adopted its Zero Emission Bus Rollout Plan in 2023. The Rollout Plan calls for a mix of fuel-cell electric and battery-electric buses to meet the operating needs of Pasadena Transit and Pasadena Dial-A-Ride. The station would support Pasadena Transit's first 17 hydrogen fuel-cell buses and is being designed with a capacity to fuel as many as 45 buses. The City expects to update the Rollout Plan within the next 18

months to reevaluate how each technology should be used, including whether additional battery-electric buses should operate on fixed routes. While the updated plan may change the number and mix of future fuel-cell and battery-electric bus purchases, the need to fuel Pasadena Transit's first 17 hydrogen fuel cell buses, and any additional hydrogen fuel cell buses, remains. Providing capacity for future fleet growth is consistent with the adopted Rollout Plan and allows for this facility to remain operational without any impacts to service.

The City-owned project site is located at 159 South Kinneloa Avenue. The program includes an approximately 18,000-gallon liquid-hydrogen storage tank, at least two H35 dispensers and a fueling canopy, pumps and process equipment, a mechanical enclosure, controls, monitoring and emergency systems, circulation and surface parking, landscaping, screening, and pedestrian lighting along Kinneloa Avenue. Hydrogen will be delivered directly to the site; as it will not be produced on site. A traffic signal and enhanced crosswalk at Kinneloa Avenue and Del Mar Boulevard are being advanced separately under *Traffic Signal at Del Mar Boulevard and Kinneloa Avenue* (75922) CIP project and are not included in the Clean Energy Fuels Corp. contract.

On August 15, 2024, the City Manager authorized Stantec Consulting Services, Inc. to perform preliminary engineering, environmental support, public outreach, and performance-specification work. On March 17, 2025, the City Council authorized use of the Design-Build-Operate-Maintain (DBOM) delivery method pursuant to Pasadena Municipal Code Section 4.08.136. This delivery method assigns final design, equipment integration, construction, commissioning, and early fueling-equipment maintenance to one contractor.

Project Scope and Phased Delivery

Under the total contract scope, Clean Energy Fuels Corp. would be responsible for final design, equipment integration, construction, testing, commissioning, and the initial fueling-equipment operations and maintenance period. Clean Energy Fuels Corp. would coordinate its equipment manufacturer, general contractor, civil and geotechnical designers, process engineers, controls integrator, and local operations staff. Clean Energy Fuels Corp. would construct the site improvements included in the contract; after acceptance, the City would maintain the property including the non-fueling site improvements identified in the final responsibility matrix.

Phase I is intended to advance the design to permit-ready documents, complete agency and utility coordination, finalize equipment submittals and the project schedule, and identify long-lead equipment and procure those items the City specifically authorizes for early purchase to protect the project schedule. Any early equipment commitment must be expressly authorized, supported by available funding, and accompanied by defined cancellation terms. The Phase I contract must state the City's maximum financial exposure if Phase II does not proceed.

Phase II would include the remaining procurement and fabrication, site construction, system installation, testing, training, commissioning, and three years of fueling-equipment operations and maintenance. Phase II will not proceed until the required funding is secured, appropriated and authorized by City Council for the remaining work.

Public Outreach

The City began project-specific community outreach before issuing the DBOM Request for Proposal (RFP). Public meetings were held on August 26, 2024, September 19, 2024, and April 15, 2025, to launch the project-specific community outreach for this project. Staff also met with AbilityFirst on September 30, 2024, and September 30, 2025, to provide an informational presentation to nearby health-care providers. Outreach materials were shared which included notices and mailings to the surrounding owners and occupants, bilingual project materials, website and social-media information, presentations, sign-in sheets, and comment cards.

Community outreach highlighted the importance of the station's compatibility with the surrounding neighborhood, particularly nearby residences and AbilityFirst. In response, the preliminary design incorporates screening and landscaping, enclosed equipment and noise controls, managed site circulation, and pedestrian lighting. The separately planned traffic signal and crosswalk improvements at Kinneloa Avenue and Del Mar Boulevard will also enhance pedestrian safety. These measures remain subject to final design and permit review. Staff will continue engaging the community and providing project updates during design and construction.

Selection of the DBOM Contractor

Under the City's Policies and Procedures for Alternative Project Delivery, the Procurement Oversight Committee approves the evaluation criteria and how points are allocated before the RFP is advertised and oversees compliance with procurement requirements. The Selection Committee evaluates proposals, conducts interviews, and recommends a proposer. Members of the Procurement Oversight Committee for this procurement are listed in Attachment C.

The Department of Public Works, in coordination with the Department of Transportation, issued RFP No. 2026-RFP-0123 on April 8, 2026. The RFP included a written-proposal criteria totaling 100 points and an interview worth 50 points. Four firms submitted proposals and advanced through the evaluation process. The selection committee interviewed the firms on August 31, 2026, and reviewed written responses to the follow-up questions.

Rank	Proposer	Evaluated Price	Proposal (100 points)	Interview (50 points)	Total (150 points)
1	Clean Energy Fuels Corp., Newport Beach, California	$27,859,709.24	**81.4**	**46.3**	**127.7**
2	Messer LLC, Bridgewater, New Jersey	$32,429,562.54	**70.0**	**38.5**	**108.5**
3	Linde Services Inc., Woodlands, Texas	$34,078,407.65	**58.9**	**34.5**	**93.4**
4	Avina Clean Hydrogen, Short Hills, New Jersey	$37,911,773.00	**54.0**	**12.5**	**66.5**

Note: The evaluated price included proposal components that are not part of the recommended contract.

Clean Energy Fuels Corp.'s evaluated price proposal was the lowest and best value proposal received. Clean Energy Fuels Corp. also demonstrated operating experience at a Southern California transit liquid-hydrogen station, local technicians and remote monitoring, and a project-specific design and execution plan. The evaluated prices above reflect the RFP scoring methodology and do not equal the recommended authorization as the award carries only selected options and a one-year fuel allowance rather than every priced proposal component.

Before contract execution, the City and Clean Energy Fuels Corp. will reconcile proposal assumptions and requested contract changes so that the final agreement reflects the required RFP scope, the approved phase structure, the accepted baseline schedule, and terms approved by the City Attorney. The contract will also require appropriate bonds, insurance, a California-licensed engineer of record for the hydrogen process system, performance testing, warranties, training, emergency-response coordination, parts support, and defined operations and maintenance responsibilities.

Project Cost and Scope Development

The original engineer's estimate of $16 million was a planning-level estimate prepared before final design and before receipt of competitive DBOM proposals. Clean Energy Fuels Corp.'s design-build base price is $18,194,110, which is $2,194,110, or 13.7 percent, above the planning estimate. The selected liquid-hydrogen offload pump and boil-off gas recovery system increases the design-build amount to $20,357,566, which is $4,357,566, or 27.2 percent, above the planning estimate. The full potential authorization is not directly comparable to the construction estimate as it also includes contingency, operations and maintenance, and a one-year fuel allowance.

Cost Component	Amount	Comparison or Purpose
Original planning level engineer's estimate	$16,000,000	Baseline requiring itemized reconciliation
Clean Energy Fuels Corp. base design-build price	$18,194,110	$2,194,110 above estimate; 13.7%
LH2 Offload Pump	$911,588	Separately priced proposal option
Boil-off gas recovery	$1,251,868	Separately priced recovery option
Design-build subtotal	**$20,357,566**	**$4,357,566 above estimate; 27.2%**
10% design-build contingency	$2,035,757	City-controlled; used only as authorized
Three-year fueling equipment O&M	$934,000	Operating service; not capital construction
One-Year Fuel Commodity	$1,971,000	
Total contract authorization	**$25,298,323**	**Design-build, contingency, O&M, and Fuel**

The cost increase reflects both market conditions and development of the project scope. The site-specific soil, circulation, screening, and access requirements became more fully defined; and the selected system adds offload and boil-off recovery features to reduce operating costs. Construction escalation also contributed significantly to the price, driven by a delay of several years awaiting for the adoption and implementation of the City's new Design-Build Municipal Code ordinance. Furthermore, market escalation and the transfer of final design, equipment integration, commissioning, and performance responsibility to a specialty DBOM contractor affect the overall price. The separate traffic signal and crosswalk project is not included in the Clean Energy Fuels Corp. contract amount.

Project Funding

The adopted Capital Improvement Program currently provides $17,504,724 for the Hydrogen Fueling Station. The current funding plan combines State grant funding with Proposition A/C Local Return funds. Grant funding may be used only for eligible and properly documented costs, and the City remains responsible for ineligible costs, cost overruns, and work outside the grant agreements.

Current CIP Funding Source	Amount
EnergIIZE grant	$3,355,860
TIRCP allocation for station	$6,126,000
Proposition A/C Local Return	$8,022,864
Total current appropriation	**$17,504,724**

Pending Council authorization, DOT will request $13.9 million in Measure R MIP funding. Metro staff evaluated and determined the Hydrogen Fueling Facility may be incorporated into the TOMF Measure R MIP funding agreement as the original TOMF scope and cost estimate includes on-site fueling. The fueling scope was later separated after design work determined it would not fit or operate compatibly at the TOMF site. If the project cannot be added to the TOMF agreement, DOT will submit to Metro as a separate MIP project.

Proposed Measure R MIP Request	Amount	Effect
Replacement of current local transit funds	$8,000,000	Would replace, not supplement, existing Proposition A/C funding
Additional project funding	$5,900,000	Requested based on current project costs
Total requested from Metro	$13,900,000	Pending Metro review and approval

The proposed $13.9 million request should not be added in full to the existing project budget because approximately $8 million would replace the current local contribution. The net increase would be approximately $5.9 million. Before Phase II is presented to the Council, Finance and DOT will reconcile the current available balance, prior expenditures and encumbrances, remaining City-side costs, grant eligibility, and the final appropriation required.

Operating Costs and Hydrogen Supply

Clean Energy Fuels Corp.'s three-year operations and maintenance (O&M) price is $934,000, an average of approximately $311,333 per year. The price covers the specialized fueling equipment and related remote monitoring, inspections, and on-site maintenance described in Clean Energy Fuels Corp.'s proposal. It does not include the City's maintenance of non-fueling site improvements, hydrogen purchases, utilities, taxes and fees, temporary fueling, or O&M after the initial three-year term. DOT will budget these costs separately through the DOT operating budget.

To secure the long-term renewable fuel supply for the station, DOT is presenting a companion item concurrently on tonight's agenda recommending that the City join the First Public Hydrogen Authority (FPH2), a California Joint Powers Authority. Presenting the station construction award and the FPH2 membership action on the same agenda allows the City Council to evaluate the capital infrastructure commitment alongside the verified green hydrogen sourcing framework and long-term fuel procurement strategy.

Schedule and Implementation

The current City planning schedule targets construction notice to proceed in February 2027, substantial completion in March 2029, and completion of commissioning by April 2029. Clean Energy Fuels Corp.'s proposal described an approximately 124-week duration after notice to proceed, which must be reconciled with the City's schedule.

Before contract execution, the City and Clean Energy Fuels Corp. must agree to a baseline schedule covering design, permitting, long-lead equipment, grant approvals, construction, testing, training, commissioning, and acceptance, with clear responsibility for schedule assumptions and appropriate contractual remedies. Staff will return with the negotiated baseline schedule as part of the Phase II authorization.

While the 17 fuel-cell electric buses are scheduled for delivery prior to the completion of the permanent facility at 159 South Kinneloa Avenue, DOT has established a structured three-phase fueling strategy to ensure the fleet is tested, commissioned, and placed into revenue service without delay. Temporary and off-site fueling activities are managed separately by DOT and are not included in the Clean Energy Fuels Corp. contract authorization.

COUNCIL POLICY CONSIDERATION:

The recommended action supports the City Council's goals of improving mobility, maintaining reliable public infrastructure, and reducing transportation emissions. The project enables implementation of the adopted zero-emission bus program while placing final design, construction, commissioning, and early fueling-equipment operations and maintenance under a single point of responsibility. Continued fiscal oversight is necessary as the capital award precedes the final fuel price and the long-term fuel and operating costs will be borne by DOT's operating budget.

ENVIRONMENTAL ANALYSIS:

The proposed Hydrogen Fueling Station Project is statutorily exempt from CEQA pursuant to Public Resources Code Section 21080.25(b)(7). The supporting record includes the Pasadena Transit Hydrogen Bus Fueling Station Statement of Support for a Statutory Exemption, dated April 23, 2025. The statement references Section 21080.25(b)(6), which was renumbered to Section 21080.25(b)(7), effective January 1, 2026.

The project will provide hydrogen storage and fueling infrastructure for Pasadena Transit's zero-emission fuel-cell electric buses on City-owned property at 159 S. Kinneloa Avenue. The City is carrying out the project and serves as the CEQA lead agency. The project supports existing transit operations, does not induce additional single-occupancy vehicle trips or include highway widening or additional highway or auxiliary lanes, and does not require demolition of affordable housing. The supporting statement documents are three noticed public community meetings held on August 26, 2024, September 19, 2024, and April 15, 2025. The City will conduct at least two noticed public meetings annually during construction and comply with applicable public notice and skilled and trained workforce requirements.

The supporting record also includes air quality, noise, biological resources, and cultural resources assessments prepared in 2025, and the Supplemental Site Assessment Report dated July 22, 2026. The assessments identify applicable design

features, construction controls, and resource protection procedures. The site assessment identifies lead-impacted soil and soil vapor containing volatile organic compounds and recommends targeted soil removal, updated soil-management and worker-protection procedures, and a vapor barrier beneath the utility building.

The design-build contractor will incorporate applicable permitting, hazardous materials, air-quality, noise, soil-handling, vapor-protection, and environmental-monitoring requirements into the project design, construction plans, schedule, and subcontract documents. Soil disturbance will require prior Department of Toxic Substances Control (DTSC) approval of the Soil Management Plan under the recorded land use covenant. Staff will continue coordinating with DTSC regarding the site plan, excavation limits, and any additional investigation or corrective measures required before construction.

FISCAL IMPACT:

This action will authorize only Phase I to the Clean Energy Fuels Corp. contract for an amount not-to-exceed $6,884,770, funded from existing appropriations in the *Hydrogen Fueling Station* (75133) CIP project. The potential full Clean Energy Fuels Corp. authorization is $25,298,323; however, the pending Measure R MIP request is not included in the current appropriation, and no Phase II work will be authorized at this time. Pending Council authorization and Metro's approval, staff will present the complete funding plan to the Finance Committee and return to the City Council to appropriate any approved funds and request authorization for Phase II. Future O&M and hydrogen purchases will be funded through DOT's operating budget, subject to annual budget authorization. There is no impact on the General Fund.

Component	Phase I	Phase II	Total	Funding
Design-Build	$6,258,882	$14,098,684	$20,357,566	
10% Contingency	$625,888	$1,409,869	$2,035,757	
Capital Subtotal	**$6,884,770**	**$15,508,553**	**$22,393,323**	**Existing CIP 75133 appropriations and Measure R**
3-year O&M	-	$934,000	$934,000	DOT operating budget
1-year Hydrogen Commodity Allowance	-	$1,971,000	$1,971,000	DOT operating budget
Total Clean Energy Fuels Corp. Authorization	**$6,884,770**	**$18,413,553**	**$25,298,323**	
Proposed Measure R MIP request			$13,900,000	$8.0M replacement funding plus $5.9M additional; pending Metro approval

Respectfully submitted,

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With concurrence,

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Attachments:
Attachment A - DBOM Proposer Scoring and Ranking
Attachment B - Clean Energy Fuels Corp. Scope and Price Summary
Attachment C – Procurement Oversight Committee Members