



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 17, 2021

TOPIC: Natural Gas Fueling Station

AGENDA TITLE

Approve an Appropriation Adjustment and Three Agreements with Trustar Energy LLC to Design and Build, Operate and Maintain, and Provide Renewable Natural Gas for a Compressed Natural Gas Station at the City Corporate Yard (220 S Daisy Avenue, Santa Ana, CA 92703) in an Amount not to Exceed \$2,122,232 for a up to a Two-Year Term for the Design-Build Agreement, \$403,200 for up to an Eight-Year Term for the Maintenance Agreement, and up to a Thirteen-Year Agreement for the Provision of Natural Gas (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing prior year fund balance of \$1,038,300 dollars in the Air Quality Improvement Fund (AB 2766), Prior Year Carry Forward revenue account, and appropriating the same amount into the Fleet Services - Air Quality Improvement Account (AQMD).
2. Authorize the City Manager to execute a Design and Build Agreement with TruStar Energy LLC to provide services for Phase I – Design, Phase II – Equipment Procurement and Phase II – Construction, of a new compressed natural gas (CNG) fueling station at the City Corporate Yard, in an amount not to exceed \$2,122,232, with a contingency of \$333,638, for a one-year term beginning August 17, 2021 and expiring August 16, 2022, with a one-year renewal option, subject to non-substantive changes approved by the City Manager and City Attorney.
3. Authorize the City Manager to execute a maintenance agreement with TruStar Energy LLC to provide services to maintain the CNG fueling station, for a five-year period beginning upon the completion of construction, with provisions for three one-year extensions, in an amount not to exceed \$403,200, subject to non-substantive changes as approved by the City Manager and City Attorney.
4. Authorize the City Manager to execute a no-cost Environmental Attribute agreement with TruStar Energy LLC to provide renewable natural gas (RNG) for the CNG fueling station for a ten-year period beginning March 16, 2021 and expiring March 15, 2031,

with provisions for three, one-year extensions, subject to non-substantive changes as approved by the City Manager and City Attorney.

5. Approve the Design and Build Project Cost Analysis for a total estimated delivery cost of \$2,378,379 which includes \$104,340 for Design (Phase I), \$812,102 for Equipment Procurement (Phase II), a 15% contingency \$333,638 for Phase II, \$1,412,152 for the Build Agreement, \$139,717 for Contract Administration and \$116,430 for Inspection.

DISCUSSION

The Fleet Services Division is responsible for providing fuel for City vehicles, which includes unleaded, diesel, propane, liquefied natural gas, and compressed natural gas (CNG) at the Corporate Yard, and unleaded and diesel fuel at the Police Administration Facility. SCAQMD Rule 1196 mandates that the City transition all its diesel vehicles to a more environmental friendly fuel over the next few years.

The Division has determined CNG is the most reliable fuel for its fleet and has begun converting its diesel fleet to CNG. Within the next few years, the CNG fleet is expected to grow to over 60 vehicles. Although the Corporate Yard houses a CNG fueling station, it is beyond its useful life and only contains 14 fueling points, which accommodates 15 City vehicles. Due to the age of the station and the increased fueling points needed to service the new CNG fleet, staff recommends the construction of a new CNG station.

On July 30, 2020, the Public Works Agency issued Request for Proposals (RFP) 20-095 seeking a consultant to design, build, operate, and maintain the new CNG station. The RFP was advertised on the City's online bid management and publication system, with bids due on September 24, 2020. Fifty-three vendors downloaded the project documents. Four proposals were received and evaluated by a selection committee based on criteria as outlined in the RFP. The evaluation committee conducted interviews with the four proposers. The evaluation results are as follows:

FIRM	CITY	AVERAGE SCORE
TruStar Energy	Rancho Cucamonga	93
EFS West	Valencia	85
Clean Energy	Newport Beach	80
Arnez Engineering Contractors	Anaheim	79

TruStar Energy's proposal demonstrated a high technical competency and experience performing the requested services. The proposal contained a clear path toward achieving City goals and objectives as required by the RFP. The RFP presented a five-phase approach to completing the project and TruStar's proposal offered close to \$250,000 in savings during the first phase, in addition to reducing the total project cost by \$540,000, to \$1,684,233 (not including contingency) by leveraging RNG fuel credits. Staff recommends approving three agreements with TruStar Energy to provide services to

design, build, operate, and maintain a new CNG fueling station, and provide RNG at the City Corporate Yard (Exhibits 1-3).

DESIGN AND BUILD COST ANALYSIS

The project will be designed and constructed in two phases. At this time, the City has funding to complete Phase I and Phase II(a) – Equipment Procurement (only) allowing TruStar to design the project and procure the necessary equipment. Phase II(b) - Construction will proceed when funding is identified and includes construction of the station and installation of the equipment.

To deliver the complete Design and Build Project, the estimated total project delivery cost includes design/build services, construction administration, inspection, and an allowance for contingencies to account for unexpected or unforeseen work. Construction administration and inspection includes construction management, implementation of the City's Community Workforce Agreement requirements, and inspection of the Contractor's work to ensure contract compliance, workmanship, and quality. As indicated in the Cost Analysis (Exhibit 4) and summarized in the table below, the estimated total construction delivery cost of the project is \$2,378,379.

Project Item	Total
Phase I: Design	\$ 104,340
Phase II(a): Equipment Procurement	\$ 812,102
Phase II(b): Construction and Installation	\$ 1,412,152
Phase II(a+b): Equipment and Construction (15% Contingency)	\$ 333,638
Contract Administration (6%)	\$ 139,717
Contingencies Inspection (5%)	\$ 116,430
CONSTRUCTION DELIVERY COST	\$ 2,918,378
Renewable Natural Gas (RNG) Credit	(\$ 540,000)
NET CONSTRUCTION DELIVERY COST	\$ 2,378,379

ENVIRONMENTAL IMPACT

The use of CNG vehicles and RNG in place of gasoline or diesel has an immediate positive impact on air quality by reducing greenhouse gas emissions. The use of CNG reduces noise and odor pollution, and also eliminates the risk of ground water contamination.

FISCAL IMPACT

Funding for the agreements is as follows:

- Appropriation Adjustment from FY 2020-21 to FY 2021-22: Design and Equipment Procurement Agreement: Phase I and II(a) (Equipment Procurement and

contingency): Funds for the design and equipment procurement of this project totaling \$1,038,257 are as follows:

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2021-22	03117101-66400	Fleet SVCS-Air Quality Improvement	Machinery and Equipment	\$588,257
2021-22	03117101-66220	Fleet SVCS-Air Quality Improvement	Improvements Other Than Building	\$450,000
Total				\$1,038,257

- Phase II(b) (Construction): There is no fiscal impact associated with this action at this time. Prior to proceeding with construction of this project, Public Works Agency staff must receive Finance and Management Services Agency approval of funding and accounts to be used to ensure funds are available. Upon successful completion of the fiscal review, a corresponding Notice to Proceed in an amount not to exceed \$1,083,975 will be issued.
- Maintenance Agreement: The five-year operation and maintenance agreement, with three, one-year renewal options, will be budgeted in the fiscal year in which the City anticipates the CNG construction will be completed and appropriated in future fiscal year budgets as follows:

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2022-23	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
2023-24	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
2024-25	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
2025-26	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400

Fiscal Year	Accounting Unit	Fund Description	Accounting Unit, Account Description	Amount
2026-27	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
Renewal Options:				
2027-28	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
2028-29	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
2029-30	07517100-62322	Fleet Maintenance	Equipment Maintenance Garage Operation, Maintenance & Repair Machinery & Equipment	\$50,400
TOTAL				\$403,200

- Environmental Attribute Agreement: There is no fiscal impact associated with this agreement.

EXHIBIT(S)

1. Design and Build Agreement with TruStar Energy
2. Maintenance Agreement with TruStar Energy
3. Environmental Attribute Agreement with TruStar Energy
4. Cost Analysis

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager