

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 ext.
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
JULY 18, 2013****SUBJECT: OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS
FUELING STATIONS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

Award a ten-year firm fixed rate contract, Contract No. OP133367106, to Clean Energy for the Operation and Maintenance (O&M) services of Compressed Natural Gas (CNG) fueling stations at Divisions 2, 8, 9, and 15 for an amount not-to-exceed \$24,958,700 effective August 1, 2013.

ISSUE

Clean Energy Corporation currently provides O&M services for Metro CNG fueling stations under two separate contracts at Divisions 2, 8, 9, and 15, under original Public Private Partnership agreements. The public private partnership agreements for divisions 2, 8, 9, and 15 expire on August 1, 2013.

DISCUSSION

Metro operates CNG facilities throughout the county to provide fuel to Metro's bus fleet. For approximately ten years, comprehensive O&M of CNG compounds at Divisions 2, 8, 9, and 15 have been performed under Public Private Partnership (PPP) agreements with organizations possessing the expertise to construct, operate, and maintain CNG facilities. This includes necessary training of personnel, maintaining maintenance records, and complying with regulations of authorities having jurisdiction.

The contractors are required to guarantee performance of the CNG system from compression to fueling. Currently 850 buses are assigned to Divisions 2, 8, 9, and 15. The contractor is subject to performance guarantees to liquidated damages for each bus that is unable to fuel due to equipment failure during specified fueling periods.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure O&M service continuity, and provide prompt response time to ensure delivery of safe, quality, on-time, and reliable services to our customers and the public.

FINANCIAL IMPACT

Total contract value is \$24,958,700. The funding of \$2,455,822 for this service is included in the FY14 budget in cost center 3367, Facilities Property Maintenance, account 50308, Service Contract Maintenance, under project 306002, Operations Maintenance.

Since this is a multi-year contract, the cost center manager and Executive Director, Maintenance will ensure that this item is budgeted in future years.

Impact to Budget

The source of funds for the project is the Enterprise Fund. No other sources of funds were considered for this procurement because these are designated for bus operating expenditures.

ALTERNATIVES CONSIDERED

Staff considered not continuing with the current CNG O&M model by bringing the work in-house. This would require hiring more staff, acquiring additional tools, equipment, training, expertise and the assumption of additional responsibility and liability. This is not recommended by staff as the expertise and operational knowledge are highly specialized and costly. There is also value in utilizing professionals with knowledge of and experience with best practices throughout the country and other parts of the world.

NEXT STEPS

Once this contract is awarded, a Notice to Proceed will be issued to Clean Energy effective August 1, 2013.

ATTACHMENT

A. Procurement Summary

Prepared by: Brady Branstetter, Director, Facilities Maintenance
Lena Babayan, Facilities Maintenance Manager

Questions: Michelle Stewart, Assistant Administrative Analyst, Operations
(213) 922-7270

Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

Frank Alejandro
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

OPERATION AND MAINTENANCE OF CNG FUELING STATIONS

1.	Contract Number: OP133367106	
2.	Recommended Vendor:	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 22, 2013	
	B. Advertised/Publicized: April 22, 2013	
	C. Pre-proposal/Pre-Bid Conference: n/a	
	D. Proposals/Bids Due: May 17, 2013	
	E. Pre-Qualification Completed: May 21, 2013	
	F. Conflict of Interest Form Submitted to Ethics: June 20, 2013	
	G. Protest Period End Date: July 30, 2013	
5.	Solicitations Picked up/Downloaded: 12	Bids/Proposals Received: 2
6.	Contract Administrator: Kenneth Takahashi	Telephone Number: 213-922-1047
7.	Project Manager: Thomas Sambolich	Telephone Number: 213-922-5904

A. Procurement Background

This Board action is for a Best Value procurement issued in support of Operation and Maintenance of Compressed Natural Gas Fueling Stations at Divisions 2, 8, 9, and 15.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Unit Price with economic escalation.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1 was issued on April 29, 2013 to extend the proposal due date, scheduled the job walk, and respond to questions.
- Amendment No. 2 was issued May 6, 2013 to add to the Statement of Work and respond to additional questions.

Two proposals were received on May 17, 2013.

B. Evaluation of Proposals/Bids

A total of two proposers responded to this solicitation. A Source Selection Committee consisting of staff from Metro's Facilities/Property Maintenance and our CNG fueling stations consultant was convened and conducted a comprehensive technical evaluation of the proposals received. The proposals were first evaluated based on meeting minimum qualifications.

Both proposers passed all aspects of the Minimum Qualifications and continued in the evaluation process. Each proposer was then reviewed using the following evaluation criteria and weights:

- | | |
|--|------------|
| • Experience and Capabilities | 20 percent |
| • Effectiveness of Technical and Management Plan | 40 percent |
| • Price (Cost Proposal) | 40 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar CNG Operation and Maintenance and Construction activities. Several factors were considered when developing these weights, giving the greatest importance to the technical qualifications of the proposer. The firms are listed below in alphabetical order:

1. Clean Energy
2. Trillium CNG

Each proposer has worked or is currently performing work or has performed work for Metro's CNG fueling stations at our Divisions.

A best and final offer (BAFO) process was then performed. BAFO's were requested from each proposer requesting clarifications and/or revised pricing based upon allowing rate adjustments beginning in the fourth contract year should CPI changes be greater than 5%. After BAFO receipt, the Source Selection Committee finalized their reviews and scoring for each proposer.

Qualifications Summary of Firms:

Clean Energy

Clean Energy fuels more than 31,000 natural gas vehicles at more than 357 locations across the United States and Canada. Clean Energy currently implements a detailed and comprehensive scheduled maintenance program for the CNG equipment at Metro Divisions 1, 2, 3, 5, 7, 8, 9, 10, 15, and 18.

Trillium CNG

Trillium and Metro pioneered the public/private partnership approach to CNG fueling in 1998 with the installation of the compounds at Divisions 5 and 7. Divisions 1 and 3 were added to the portfolio thereafter. Trillium is not currently a Metro contractor.

	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
1.	Clean Energy				
2.	Experience and Capabilities	95.75	20.00%	19.15	
3.	Effectiveness of Technical and Management Plan	87.50	40.00%	35.00	
4.	Price	100.00	40.00%	40.00	
5.	Total		100.00%	94.15	1
6.	Trillium CNG				
7.	Experience and Capabilities	90.00	20.00%	18.00	
8.	Effectiveness of Technical and Management Plan	85.75	40.00%	34.30	
9.	Price	96.63	40.00%	38.65	
10.	Total		100.00%	90.95	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon price analysis and adequate price competition.

	Bidder/Proposer Name	Proposal Amount	BAFO
1.	Clean Energy	\$28,111,283	\$24,958,700
2.	Trillium CNG	\$24,123,383	\$26,098,246

The BAFO breakdown by Operating Division is as follows:

	Location/Proposer	Clean Energy	Trillium CNG
1.	Division 2	\$6,399,260	\$5,551,969
2.	Division 8	\$5,052,979	\$6,078,924
3.	Division 9	\$6,794,401	\$7,277,776
4.	Division 15	\$6,712,060	\$7,189,577
5.	Total	\$24,958,700	\$26,098,246

D. Background on Recommended Contractors

The recommended firm, Clean Energy located in Seal Beach, California, has been in business for over seventeen years and is a leader in the compressed natural gas fueling station operation, maintenance, and construction industry.

Clean Energy is currently a Metro contractor for CNG fueling operations at other operating divisions and is the contractor constructing the CNG fueling facilities at Division 13.

Clean Energy's Project Manager and other team members each have from fifteen to thirty years of experience in the CNG field. Their Operations Director and Operations Supervisor each have over twenty years' experience in the CNG field.

Clean Energy's performance has been satisfactory.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) recommended a 5% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this procurement. Clean Energy did not make a DBE subcontractor commitment. Meeting the DALP is neither a condition of award nor an issue of responsiveness.