File #: 2024-0193, **File Type:** Contract **Agenda Number:** 29.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 20, 2025**

SUBJECT: OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS AT DIVISIONS 2, 8, 9, & 15

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate, Contract No. OP125246000 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 a Not-To-Exceed (NTE) amount of $6,150,097 for the three-year base period, and $2,036,432 for the first one-year option term and $2,036,432 for the second one-year option term, for a combined NTE amount of $10,222,962, effective March 1, 2025, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

The existing contract for CNG fueling station operations and maintenance (O&M) services at Divisions 2, 8, 9, and 15 will expire on February 28, 2025. Effective March 1, 2025, a new contract award is required to ensure service continuity and safe and timely operations.

BACKGROUND

Metro is transitioning from a CNG (renewable natural gas) to a zero-emission bus fleet. Metro's bus electrification efforts reached a key milestone in July 2020 when the first electric buses debuted on the Metro G Line (Orange). More were phased in throughout 2020 so that, by the start of 2021, 100% of the G Line buses were battery-electric. As staff works to transition other divisions to an electric fleet fully, Metro will still require operating and maintenance services to its CNG compounds to fuel the non-electric buses with CNG. Our goal is to reduce tailpipe pollutant emissions further and contribute to improved air quality while reducing noise and increasing comfort for passengers.

On August 1st, 2013, the Board awarded a 10-year, firm fixed unit rate Contract No. OP33432555 to Clean Energy for CNG fueling station O&M services at Divisions 2, 8, 9, & 15. Under the existing contract, the contractor is responsible for conducting preventive maintenance, as-needed repairs, staff training, maintaining records, and complying with the regulations of the authorities having jurisdiction. Effective August 1, 2023, Contract Modification 1 was executed for a one-year, no-cost time extension. Effective July 31, 2024, Contract Modification 2 extended the performance period by

two months to September 30, 2024. Effective September 30, 2024, Contract Modification 3 was executed to extend the Period of Performance by an additional five months through February 28, 2025. Staff has processed these contract modifications within the approved contract modification authority to allow for continuity of services until a new contract could be established.

This action is necessary to support the existing fleet of CNG buses currently in service until these divisions fully transition to a zero-emission electric bus fleet. In lieu of awarding another 10-year contract, the recommendation is to pursue a five-year contract to allow flexibility in assessing future needs to support CNG infrastructure as Metro transitions to an electric bus fleet.

DISCUSSION

Under this new contract, the Contractor must perform comprehensive O&M services of the CNG equipment at Metro Bus Divisions 2, 8, 9, & 15, including maintenance of all related electrical systems, fuel hoses, nozzles, and the gas monitoring system. The Contractor must provide all repair parts, overhaul services, and consumables, including compressor oils, lubricants, and dryer desiccants. In addition, the Contractor must provide all scheduled and unscheduled replacements for compressors, motors, valves, and all other equipment and appurtenances necessary to operate Metro's CNG fueling facilities efficiently.

The Contractor will also provide Metro personnel with the necessary training to perform routine maintenance work and pay for all associated labor costs per contract requirements. Furthermore, the contract includes terms and liquidated damages to minimize equipment downtime and bus roll-out interruption. Liquidated damages may be imposed if the bus roll-out schedule is not met, and buses are directed to alternate locations for fuel to meet the scheduled roll-out. For example, lack of fueling capacity or fueling performance, or if more than one CNG compressor is not available to operate between 5:00 PM and 5:00 AM daily. Lastly, the contract includes requirements for CNG facility de-commissioning during the contract's life to accommodate Metro's electric bus fleet deployment and phase-out of the CNG buses.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The FY25 budget includes $5,000,000 for this action under cost center 3367-Facilities Maintenance, account 50308, Service Contract Maintenance, project 306002, Bus Maintenance. The total contract value is $10,222,962 over a five-year (60-month) period.

Since this is a multi-year contract, the cost center manager and Deputy Chief of Infrastructure Maintenance & Engineering will be accountable for budgeting the cost in future years.

Impact to Budget

This action's current source of funds includes operating eligible sales tax funding, including Proposition A/C, Measure R/M, the Transportation Development Act, and State Transit Assistance. Given approved funding provisions and guidelines, applying these funds to this project maximizes the intent of the eligible funding.

EQUITY PLATFORM

Due to the lack of subcontracting opportunities, the Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement. However, Clean Energy made a 0.65% DBE commitment for this contract.

Metro Operations supports Equity Focus Communities while increasing mobility options and access to jobs, educational institutions, and other opportunities. The services provided by this contract could affect those patrons that use bus services within Division 2 (720 E. 15th St, Los Angeles), Division 8 (9201 Canoga Ave, Chatsworth), Division 9 (3449 Santa Anita Ave, El Monte), and Division 15 (11900 Branford St, Sun Valley) service areas.

The CNG fueling stations ensure our customers have access to reliable transportation to meet their daily needs and support healthier communities by building cleaner infrastructure in areas of historic socioeconomic disparities and minimizing the volatile compounds created by standard fueling options.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT through maintenance activities that will further encourage transit ridership. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This Board action supports Strategic Goal 2: Deliver outstanding trip experiences for all transportation system users as we are committed to providing attractive, affordable, efficient, and safe service. This Board action also supports Strategic Goal 5, providing responsive, accountable, and trustworthy governance within the Metro organization. Performing preventive maintenance, inspections, and as-needed repairs will ensure timely bus rollouts and provide safe and reliable operation of CNG fueling stations at Metro bus Divisions 2, 8, 9, & 15.

ALTERNATIVES CONSIDERED

Another alternative considered is to provide O&M services with in-house staff. This would require hiring and training additional certified personnel and purchasing tools, equipment, vehicles, and supplies. In addition, internal staff would assume the added responsibility and liability. Staff assessment indicates this is not cost-effective for Metro as the required expertise and operational knowledge are highly specialized and costly. Therefore, utilizing professionals with the knowledge and experience of industry standards throughout the country is a best practice.

NEXT STEPS

Upon approval by the Board, staff will execute a firm fixed unit rate Contract No. OP125246000 with Clean Energy for Operation and Maintenance (O&M) of Compressed Natural Gas (CNG) fueling stations at divisions 2, 8, 9, & 15, effective March 1, 2025.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Errol Taylor, Deputy Chief Operations Officer, Infrastructure Maintenance & Engineering, (213) 922-3227
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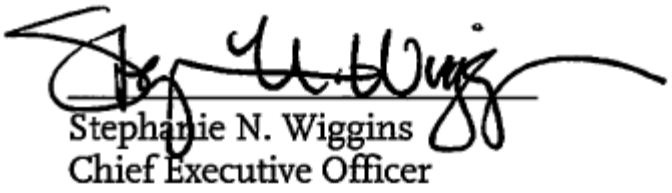
Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

CNG FUELING STATIONS OPERATIONS & MAINTENANCE SERVICES AT DIVISIONS 2, 8, 9 & 15 - OP125246000

1.	**Contract Number**: OP125246000	
2.	**Recommended Vendor**: Clean Energy	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 09/12/2024	
	B. Advertised/Publicized: 09/12/2024	
	C. Pre-Proposal Conference: 09/19/2024	
	D. Proposals Due: 10/21/2024	
	E. Pre-Qualification Completed: 01/10/2025	
	F. Ethics Declaration Forms Submitted to Ethics: 11/04/2024	
	G. Protest Period End Date: 02/24/2025	
5.	**Solicitations Downloaded**: 10	**Bids/Proposals Received**: 1
6.	**Contract Administrator**: Pascale Batarseh	**Telephone Number**: (213) 922-6338
7.	**Project Manager**: Anthony Carballo	**Telephone Number**: (213) 418-3335

A. Procurement Background

This Board Action seeks approval for Contract No. OP125246000 issued in support of the operations, maintenance and testing of existing CNG fueling stations at Divisions 2, 8, 9 and 15. The contract spans a three-year base term with two (2) one-year options. Board approval of contract awards are subject to the resolution of any properly submitted protest(s), if any.

Request for Proposals (RFP) No. OP125246 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate. The Diversity & Economic Opportunity Department did not recommend a goal for this solicitation.

Two (2) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on September 19, 2024 extended the Questions & Answers due date;
- Amendment No. 2, issued on October 7, 2024 extended the proposal due date, and revised Exhibit 2 – Schedule of Quantities and Prices and corrected a typo in the Scope of Services.

A total of eight (8) firms downloaded the RFP and were included in the planholders list. A virtual pre-proposal conference was held on September 19, 2024, and was attended by five (5) participants representing two (2) firms. There were twenty-one

(21) questions received for this RFP and responses were provided prior to the proposal due date.

A total of one (1) proposal was received on October 21, 2024.

B. Evaluation of Proposals

A diverse Proposal Evaluation Team (PET) consisting of staff from Facilities and Property Maintenance, and Bus Maintenance was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Qualifications of the Firm/Team 15% Percent
- Work Plan/Project Approach 20% Percent
- Management Plan/Approach 35% Percent
- Cost Proposal 30% Percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar competitive Request for Proposals. Several factors were considered when developing these weights, giving the greatest importance to Management Plan/Approach.

Since only one (1) proposal was received, staff conducted a market survey of the firms on the planholders list to determine why no other proposals were received. Only one firm responded to our inquiry indicating that the reason they chose not to participate in this solicitation was based on a combination of Term and Scope of Work, and the requirement that workers performing maintenance services were not their staffing.

Based on the results of the market survey, Metro staff determined that the solicitation was not restrictive and that decisions not to propose were based on individual business considerations.

During the week of December 4, 2024, the PET met to discuss the evaluation process and began their review of the proposal. During evaluations, it became necessary to request clarifications from the firm regarding their personnel coordination plan as well as their spare parts strategy. Metro received the Proposer's clarifications on December 16, 2024. Clean Energy answered Metro's questions and provided all the required information for the PET to complete their proposal review.

Qualifications Summary of Firms within the Competitive Range:

Clean Energy

Clean Energy has the organizational capacity to service Metro's CNG fueling stations. Their expertise is high, as they have a track record of working with the nation's largest transit agencies. They have a lot of knowledge and experience with qualified personnel to lead their teams. Their project manager has a high level of supervisory experience that can effectively coordinate and act as the point of contact for issues that arise at CNG compounds. The training, safety, monitoring, and emergency preparedness Clean Energy possesses are all critical to Metro CNG operations.

The PET finalized their scoring on December 18, 2024 and the following is a summary of the PET scores.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Clean Energy**				
3	Qualifications of the Firm/Team	86.67	15.00%	13.00	
4	Work Plan/Project Approach	86.67	20.00%	17.33	
5	Management Plan/Approach	85.00	35.00%	29.75	
6	Price	90.00	30.00%	30.00	
7	**Total**		**100.00%**	**90.08**	**1**

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon the expectation of adequate competition, previous contracts, and fact finding. The reason that the Proposal amount increased from $7,356,950 to $10,222,962 is due to Metro including a weighted formula for the calculation of maintenance costs based on the per term price provided by the contractor (with three tiers and a percentage), representing the likely usage of each tier. Upon reviewing the Contractor's proposal, it was determined that this formula resulted in an artificially low proposal amount that would likely not be enough to cover Metro's actual needs under this contract. A revised formula was developed and reissued to the Contractor. The firm fixed unit rates the Contractor proposed remained the same from their original proposal, but the revised formula resulted in an increase to the Not-to-Exceed amount of the contract, which is more in line with Metro's expected requirements.

	Proposer Name	Proposal Amount	Metro ICE	NTE amount
1.	Clean Energy	$7,356,950	$10,383,590	$10,222,962

D. Background on Recommended Contractor

The recommended firm, Clean Energy, located in Newport Beach, California, has been in business for 27 years and is a leader in the field of operating and maintaining natural gas equipment nationwide. Some of Clean Energy's customers over the years, as listed in their proposal, are Foothill Transit, Valley Metro RPTA, City of Phoenix ABM Facilities, Omnitrans, Gold Coast Transit, and Santa Clarita Transit. Clean Energy has provided reliable maintenance services at these four CNG fueling stations since 2013 under another current contract and has performed satisfactorily. They have supported Metro's CNG operations in many projects.

DEOD SUMMARY

CNG FUELING STATIONS OPERATIONS & MAINTENANCE SERVICES AT DIVISIONS 2, 8, 9 & 15 - OP125246000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) participation goal for this procurement due to the lack of subcontracting opportunities. However, Clean Energy made a 0.65% DBE commitment.

Small Business Goal	0% DBE	Small Business Commitment	0.65% DBE

	DBE Subcontractors	Ethnicity	% Committed
1.	Dr. Detail Services, Inc.	Hispanic American	0.65%
		Total Commitment	**0.65%**

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this contract. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

E. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of $2.5 million.

INFRASTRUCTURE, MAINTENANCE, AND ENGINEERING

CNG Contract Division 2, 8, 9, 15

Metro

Operations, Safety, & Customer Experience Committee Meeting
February 20, 2025

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate, Contract No. OP125246000 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 a Not-To-Exceed (NTE) amount of $6,150,097 for the three-year base period, and $2,036,432 for the first one-year option term and $2,036,432 for the second one-year option term, for a combined NTE amount of $10,222,961, effective March 1, 2025, subject to the resolution of any properly submitted protest(s), if any.

Metro

ISSUE & DISCUSSION

AWARDEE

Clean Energy

NUMBER OF BIDS

1

DEOD COMMITMENT

DBE – 0.65%

ISSUE

The existing contract for CNG fueling station Operations and Maintenance (O&M) services at Divisions 2, 8, 9, and 15 will expire on February 28, 2025. A new contract award, effective March 1, 2025, is required to ensure service continuity and safe and timely operations.

DISCUSSION

Under this new contract, the Contractor must perform comprehensive O&M services of the CNG equipment at Metro Bus Divisions 2, 8, 9, & 15, including maintenance of all related electrical systems, fuel hoses, nozzles, and the gas monitoring system.

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