Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0334, **File Type:** Contract **Agenda Number:** 43.

REGULAR BOARD MEETING
MAY 28, 2026

SUBJECT: RENEWABLE NATURAL GAS (RNG) PROVIDER

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD a five (5) year Indefinite Delivery/Indefinite Quantity (IDIQ) contract, Contract No. OP132076000, with Shell Energy North America (US), LP for Renewable Natural Gas (RNG), inclusive of a five-year base in the Not-To-Exceed (NTE) amount of $140,004,228.05 and one three-year option in the NTE amount of $88,902,684.81, for a combined NTE amount of $228,906,912.86; and

B. EXECUTE individual Task Orders, Transaction Confirmations, and Contract Modifications up to 10% of the contract value.

ISSUE

Metro uses Renewable Natural Gas (RNG) fuel to power the engines on the majority of the bus fleet. RNG fuel is currently being procured under four contracts due to previously limited RNG availability from one single supplier.

RNG remains a critical bridge fuel during Metro’s transition to a fully Zero-Emission Bus (ZEB) fleet. As charging infrastructure is constructed and new electric buses are phased into service, RNG ensures uninterrupted transit operations while maintaining progress toward greenhouse gas and criteria pollutant reduction goals. Maintaining a reliable RNG supply during this transition period protects operational continuity, safeguards service reliability, and provides flexibility as Metro refines future fleet and energy demand projections.

BACKGROUND

Metro’s energy choices have far-reaching implications for climate, air quality, community health, and the stability of our transportation network. Recognizing this, Metro has made long-term commitments to energy efficiency, renewable energy adoption, greenhouse gas reductions, climate adaptation, and systemwide energy resilience. These commitments have been in place since 2007 and are reaffirmed through the Board-approved 2019 Climate Action and Adaptation Plan, 2025 Climate Action and Adaptation Plan Update, the 2025 Energy Master Plan (EMP), and the 10-Year Strategic Plan, *Moving Beyond Sustainability*, and the 2026 MBS Five-Year Update.

Metro continues the development and installation of the electric bus charging infrastructure and procurement of new electric buses. Metro will continue to achieve greenhouse gas emissions and criteria air pollutant reduction goals during this transition by using Compressed Natural Gas (CNG) buses using RNG fuel during this transition.
Renewable natural gas can be difficult to differentiate from fossil fuel based natural gas, since both gases can be used interchangeably in the same applications. The main difference between fossil fuel -based natural gas and RNG lies in each gas' production methods, and consequently their environmental impacts.

RNG is a carbon-neutral fuel that captures human-generated biogas already present in the environment in landfills, wastewater treatment plants and livestock operations. Raw biogas or methane from these sources is then converted into RNG at a treatment plant. Methane capture helps mitigate climate change by removing harmful gases that would otherwise be released into the atmosphere and pollute the communities where landfills and livestock operations exist. RNG is considered renewable as it comes from naturally occurring sources.

DISCUSSION

As Metro phases in Zero-Emission Buses (ZEBs), beginning with the G and J-Lines, staff will be able to collect data to inform the pace of RNG reduction over the next few years. The phasing of new ZEB deliveries and completion of ZEB infrastructure will further refine the information. The contract's end-date synchronization will provide staff with time to accurately assess future gas consumption needs, although RNG consumption is anticipated to decline with the expanded delivery and use of ZEBs. The procurement of electric buses is currently underway, and construction of the charging infrastructure is in process. As additional electric buses are placed into service, staff will be able to more accurately assess the declining demand for RNG as CNG buses are systematically retiring from service. Additional funding is required to fuel the existing fleet of Metro buses operating on RNG to prepare Metro for any significant future cost fluctuations. This provides reliable, essential transit service to our customers through the smooth, uninterrupted operation of the bus fleet.

Consolidating the existing RNG agreements into a single contract structure improves administrative efficiency, enhances pricing transparency, and strengthens Metro's negotiating position in a maturing renewable gas market. A unified contract vehicle also allows Metro to better align fuel procurement strategy with long-term energy planning objectives outlined in the Energy Master Plan and Moving Beyond Sustainability framework. This structure enables Metro to respond to market conditions while maintaining consistency across divisions and fueling operations. This also supports administrative efficiency, operational coordination, and procurement consistency. The approach is responsive to prior Board discussion regarding opportunities to streamline Metro's renewable natural gas contracting structure. The recommended contract structure provides operational flexibility during the transition period while allowing Metro to periodically reassess future RNG demand as fleet electrification accelerates.

The issues and solutions to Metro’s energy and climate change challenges are intertwined. In fact, more than half of Metro’s climate change strategy is tied to energy, energy management, energy resiliency, and renewable energy. There must be an integrated approach moving forward, and the recommended award of Contract No. OP132076000 to Shell Energy North America (US), LP for Renewable Natural Gas (RNG) Provider Services is designed to fulfill that need. These services will ensure the protection of human health and the environment, address the challenge of operational sustainability while ensuring a renewable, resilient and reliable energy future.

As stated during public comment at the April Operations, Safety, and Customer Experience Committee meeting, one of the proposers, Clean Energy Renewable Fuels (CERF), filed a protest on April 22, 2026, on the contract award to Shell Energy North America. Metro reviewed the claims cited by CERF in their letter and denied the protest on May 1, 2026. Subsequently, CERF filed an appeal to the protest decision on May 6, 2026. After careful review, consideration, and investigation of the issues set forth in CERF’s appeal, Metro determined the appeal did not have merit and was, therefore, denied on May 22, 2026. The protest period for this procurement has expired.

DETERMINATION OF SAFETY IMPACT

The award of this contract will ensure that all operating divisions have an adequate supply of renewable natural gas for the Metro bus fleet that provides safe, clean, and reliable transportation service for Metro customers. A reliable supply of RNG supports safe transit operations by ensuring uninterrupted fueling of the bus fleet. Maintaining stable fuel access reduces the risk of service disruptions that could affect customers who depend on Metro for essential travel. Operational continuity is a key component of system safety, and this contract ensures that bus divisions have the necessary fuel resources to operate safely and reliably.

The use of RNG further improves safety, as it is a carbon-neutral fuel produced by capturing human-generated biogas already present in the environment at landfills, wastewater treatment plants, and livestock operations. The capturing of these gases improves the safety of our communities by capturing the harmful gases that would otherwise be released into the atmosphere and pollute our environment.

FINANCIAL IMPACT

Funding for RNG will be included in FY26 and FY27 operating budgets in various bus divisions' cost centers, under project 306002 - Operations Maintenance, under line item 50402 FUEL CNG - REVENUE EQUIPMENT. Cost center managers and the Chief Operations Officer will be responsible for budgeting the cost of RNG in the future fiscal years.

Under the California Air Resources Board’s (CARB) Low Carbon Fuel Standard (LCFS) and the US Environmental Protection Agency’s Renewable Index Numbers (RINs) programs, Metro is currently generating carbon credits through the dispensing of natural gas for bus fueling and use of electricity for light and heavy rail propulsion. Specific to renewable natural gas, the fuel's lower carbon intensity enables us to generate carbon credits. These carbon credits are managed through the Metro Office of Sustainability and sold by Metro's Vendor/Contract Management, with proceeds reinvested towards Metro sustainability and resiliency initiatives, consistent with the 2020 10-year Sustainability Strategic Plan.

Staff's LCFS credit revenue assumptions for this RNG procurement were intentionally conservative and modeled at approximately $40 per LCFS credit. Under this assumption, projected revenue from the future sale of carbon credits generated over the life of this contract is approximately $44.5 million. Recent observed LCFS market pricing has generally ranged above that level, with recent weekly averages between April through May 2026 ranging approximately $62 and $67 per credit.

These market conditions reinforce the long-term value of Metro's greenhouse gas reduction and environmental credit monetization strategy. Revenue generated through LCFS and Renewable Identification Number (RIN) programs helps offset operational fuel costs while supporting Metro's broader sustainability, resiliency, and zero-emission transition objectives.

Impact to Budget

The current sources of funds for this action are Federal 5307, Proposition A, Proposition C, Measure R, Measure M, and the Transportation Development Act. This funding is eligible for bus and rail operations.

EQUITY PLATFORM

Award of this contract advances Metro's Equity Platform by delivering energy reliability improvements that protect communities most dependent on transit. lower-income riders, communities of color, people with disabilities, seniors, youth, and essential workers disproportionately rely on Metro for daily access to jobs, healthcare, and basic services-and they are the first and hardest hit when outages disrupt service. The Energy Master Plan projects a 200% increase in electricity demand by 2050 and identifies three bus divisions and three park-and-ride facilities already operating in constrained utility zones, underscoring the urgency of strengthening system reliability to avoid disproportionate service impacts on equity-priority riders.

This action ensures the uninterrupted operation of Metro's bus fleet that serves Los Angeles County and disproportionately serves marginalized and vulnerable transit riders. RNG is needed to be able to provide reliable and safe bus service until ZEBs can be phased in and ensure that the bus fleet that serves most regions in Los Angeles County, including many underserved communities, can provide safe, clean, and reliable services to neighborhoods where disparities within the region can exist between residents' access to jobs, housing, education, health, and safety. Bus Fleet Management works to maintain equity in bus assignments in accordance with Title VI of the Federal regulations. Fleet Management will continue to focus on maintaining equity in EFC/low-income communities as newer buses arrive in the coming years.

At the time of solicitation, the Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement due to the lack of subcontracting opportunities. Shell Energy North America (US), LP is expected to perform the work with its own workforce.

VEHICLE MILES TRAVELED (VMT) 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 operational activities that will support Metro's maintenance and continued success of its RNG bus feet, need to implement advanced strategies to meet our energy and climate goals and further encourage transit ridership, ridesharing, and active transportation. 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

The RNG contracts support Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. Renewable natural gas is required for the bus fleet, providing clean, safe, and reliable transportation services for Metro customers.

In addition to supporting Strategic Goal 2, this contract advances Strategic Goal 5 by strengthening Metro's environmental sustainability leadership and accelerating progress toward greenhouse gas reduction and clean energy commitments. The use of RNG as a transition fuel aligns with Metro's long-term electrification strategy and supports implementation of the Energy Master Plan and Moving Beyond Sustainability objectives.

ALTERNATIVES CONSIDERED

The alternative is to continue procurement of RNG utilizing the four contracts with various contract end dates. In this scenario, Metro would still need to increase the contract authority for three contracts, Contract No. OP59812000A with Clean Energy, Contract No. OP59812000B with Shell, and Contract No. OP59812000C with Trillium as a separate board item. This approach is not recommended since conversion to a single contract for RNG is expected to provide better pricing and services for the delivery of natural gas. There is currently enough renewable natural gas supply accessible to any single supplier in the market. Procurement of renewable natural gas from retail stations outside of the contract is not feasible due to the large size of our bus fleet. The procurement of non-renewable natural gas is not recommended as it would result in the loss of environmental benefits, carbon credits, and revenues.

A single consolidated contract structure also improves coordination across divisions, simplifies contract administration, and enhances Metro's ability to manage fuel procurement in response to evolving market conditions. This approach reduces duplication of effort and supports integrated planning across fleet operations and energy management programs.

Another alternative considered to address price volatility is hedging. Commodity Swap/Cash Settlement Agreements ("Commodity Hedges") can be entered into to mitigate the volatility in index pricing. Staff monitors the market pricing of Commodity Hedges regularly. Historically, on average the price of entering Commodity Hedges has either exceeded the price of purchasing RNG at market rates or RNG market rates have fallen within a reasonable range of annual budgetary tolerance. At this time, staff does not recommend entering into Commodity Hedges but will continue to monitor market pricing of these instruments.

Extension of the current contracts or procurement of fossil natural gas if this contract is not approved would also expose Metro to additional operational fuel costs and LCFS deficit obligations that would materially reduce environmental revenues currently supporting Metro sustainability and resiliency initiatives. Those exposures would cost the agency from between $17.9M (contract extension of current contracts for one year) to $40M (no contract award and no extension of current contract for one year).

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP132076000 and proceed with issuing Task Orders as the need for these services arise. Material activities and work products relative to the support provided by this contract will be included in Metro’s annual sustainability report.

Staff will continue monitoring RNG market conditions, carbon credit performance, and fuel consumption trends as Zero-Emission Buses are deployed. Updates will be incorporated into Metro’s annual sustainability reporting and budget planning processes to ensure alignment with operational needs and long-term energy strategy.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie Wiggins
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY
RENEWABLE NATURAL GAS (RNG) PROVIDER/OP132076000

1.	**Contract Number**: OP132076000	
2.	**Recommended Vendor**: Shell Energy North America (US), L.P.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. **Issued**: 07/02/2025	
	B. **Advertised/Publicized**: 07/03/2025	
	C. **Pre-Proposal Conference**: 07/09/2025	
	D. **Proposals Due**: 08/11/2025	
	E. **Pre-Qualification Completed**: 09/04/2025	
	F. **Ethics Declarations Form Submitted to Ethics**: 08/11/2025	
	G. **Protest Period End Date**: 04/21/2026	
5.	**Solicitations Downloaded**: 33	**Bids/Proposals Received**: 5
6.	**Contract Administrator:** Ricardo E. Narvaez	**Telephone Number:** (213) 418-3158
7.	**Project Manager**: Uduak-Joe Ntuk	**Telephone Number**: (213) 922-4197

A. Procurement Background

This Board Action is to approve Contract No. OP132076000 for the procurement of Renewable Natural Gas (RNG) to fulfill Metro's RNG bus fuel requirements. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Request for Proposal (RFP) No. OP132076 was issued in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery/Indefinite Quantity (IDIQ). The Diversity & Economic Opportunity Department (DEOD) did not recommend a goal for this solicitation.

Four (4) amendments were issued for this RFP:

- Amendment No. 1, issued July 25, 2025, revised the schedule of quantities and prices, and added the certification of prospective contractor form exhibit to the RFP.
- Amendment No. 2, issued July 30, 2025, extended the proposal and prequalification due date.
- Amendment No. 3, issued August 8, 2025, revised the evaluation criteria.
- Amendment No. 4, issued November 24, 2025, revised the evaluation criteria.

A total of 104 firms downloaded the RFP and were included on the planholders' list. A virtual pre-proposal conference was held on July 9, 2025, and was attended by 10 participants. There were 31 questions received for this RFP and responses were provided prior to the proposal due date.

A total of five proposals were received by the due date of August 11, 2025, and are listed below in alphabetical order:

1. Anew RNG, LLC (Anew)
2. Clean Energy Renewable Fuels, LLC dba in CA as Clean Energy Renewables (Clean Energy)
3. Shell Energy North America (US), LP (Shell)
4. Trillium USA Company, LLC (Trillium)
5. U.S. Venture, Inc. (U.S. Energy)

B. <u>Evaluation of Proposals</u>

A diverse Proposal Evaluation Team (PET) consisting of staff from Metro's Office of Sustainability, Program Management, and Strategic Financial Management departments was convened to conduct a comprehensive technical evaluation of the proposals received.

The proposals were evaluated according to the following evaluation criteria:

• Qualifications, capabilities and experience	30 percent
• Proposed project organization & staffing	15 percent
• Project approach & work plan	15 percent
• Price Proposal	40 percent

The evaluation criteria are appropriate and consistent with criteria developed for other similar procurements. Several factors were considered when developing these weights, giving the greatest importance to the price and qualifications, capabilities, and experience.

On August 21, 2025, the evaluation committee conducted virtual interviews with the firms. The firm's key personnel had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed each firm's technical proposal with a focus on the industry experience, organizational resources, and work plan to deliver the requirements.

Each firm was asked questions regarding their strategy for ensuring supply continuity, systems in place for transparent tracking of RNG volumes, commitment to supply Metro's full requirement and volume availability, existing RNG production sites relative to the pipeline interconnection serving Metro CNG stations, process to ensure regulatory compliance, and experience mitigating challenges with RNG credits to past clients.

All five (5) firms were determined to be in the competitive range.

Qualifications Summary of Firms within the Competitive Range:

Anew RNG, LLC (Anew)

Anew is headquartered in Houston, Texas and has a global presence in other US and European cities.

It is a wholly owned subsidiary of Anew Climate, LLC founded in 2005, and is one of the largest environmental commodity companies in North America, with a focus on RNG marketing and environmental commodities. It serves RNG, low carbon fuels, electric vehicles, emissions, carbon, renewable fuel, and renewable energy credit markets.

Its clients include the Orange County Transportation Authority, SunLine Transit Agency and the Dallas Area Rapid Transit Authority.

Clean Energy Renewable Fuels, LLC dba in CA as Clean Energy Renewables (Clean Energy)

Clean Energy is headquartered in Newport Beach, California and has regional offices across North America.

Founded in 1996 and publicly traded since 2007, it is one of the largest providers of RNG for the transportation market in North America. Its clean fuel solutions include RNG, Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), renewable electricity, and hydrogen fuel.

Its clients include some of the largest fleets in the nation such as Republic Services, Amazon, UPS, the New York MTA, and LA Metro. It has supported LA Metro's CNG fleet operations since 2009. Currently, it supplies 11 CNG fueling stations, which include three designed and constructed facilities, as well as RNG to some Metro Divisions.

Shell Energy North America (US), LP (Shell)

Shell Energy is headquartered in Houston, Texas and has regional offices throughout the US and Canada. It is among North America's largest wholesale energy marketers and traders of natural gas, power, environmental, and risk management products. Its operating center in San Diego, California focuses on gas, power, carbon products and RNG services.

Founded in 1998, its parent company, Shell PLC, operates core business areas in Integrated Gas, Upstream and Downstream, and Renewables and Energy Solutions globally in over 70 countries. Its clients include the City of Los Angeles, the State of California, Waste Management Renewable Energy and LA Metro, where it has a current RNG supply contract.

Trillium USA Company, LLC (Trillium)

Trillium is headquartered in Houston, Texas and is one of the largest owners and operators of alternative fueling stations across the US, including CNG, RNG, hydrogen and electric vehicle charging.

Founded in 1964, it is a member of the Love's Family of Companies, which owns and operates hundreds of vehicle fuel stations across multiple states in the US. Collectively, these companies provide a wide range of fueling solutions for heavy-duty fleets. In addition to CNG and RNG, it offers biodiesel, renewable diesel, solar, and microgrids.

Its clients include Cities of Norwalk, Victory Valley, San Diego and Culver City, Orange County Transportation Authority, North County Transit District, and LA Metro, where it has a current RNG supply contract.

U.S. Venture, Inc. (U.S. Energy)

U.S Energy is headquartered in Appleton, Wisconsin and is one of the biggest providers in the US for the supply of renewable natural gas and renewable diesel, development of renewable natural gas projects, and generation and monetization of environmental credit markets such as the federal Renewable Fuel Standard (RFS) and California's Low Carbon Fuel Standard (LCFS).

Over the past 70 years, it has become vertically integrated throughout the fuel supply chain, and as a U.S. Venture company, a leading provider of transportation products and data-based insights, it has a huge portfolio of development projects where it is capturing methane at dairies, landfills, and wastewater treatment plants and converting it to RNG.

Its clients include SoCal Gas, RTC Las Vegas, MARTA (Atlanta, GA), Stanislaw Regional Transit Authority, Modesto, CA and the Salem Mass Area Transit, Salem, OR

Metro conducted individual discussions with Anew, Clean Energy, Shell, Trillium and U.S. Energy regarding the firms' technical proposals, clarifications, contract exceptions, and price assumptions. These discussions were held to give the proposers within the competitive range an opportunity to fully address and meet Metro's requirements.

Upon conclusion of the discussions, Metro issued a request for Best and Final Offers (BAFO) on January 27, 2026. BAFO proposals were distributed to the PET for technical scoring in accordance with the evaluation criteria established in the solicitation.

At the conclusion of the evaluation process, which was comprised of technical evaluations of submitted proposals, oral interviews and presentations, comprehensive discussions with all firms in the competitive range, and review of BAFOs, the proposal of SHELL ENERGY was determined to be the highest-ranked proposal.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Shell Energy North America (US), LP**				
3	Qualifications, Capabilities & Experience	92.23	30.00%	27.67	
4	Proposed Project Organization & Staffing	92.20	15.00%	13.83	
5	Project Approach & Work Plan	88.33	15.00%	13.25	
6	Price Proposal	100.00	40.00%	40.00	
7	**Total**		**100.00%**	**94.75**	**1**
8	**Clean Energy Renewable Fuels, LLC dba in CA as Clean Energy Renewables**				
9	Qualifications, Capabilities & Experience	98.33	30.00%	29.50	
10	Proposed Project Organization & Staffing	98.87	15.00%	14.83	
11	Project Approach & Work Plan	98.33	15.00%	14.75	
12	Price Proposal	88.45	40.00%	35.38	
13	**Total**		**100.00%**	**94.46**	**2**
14	**U.S. Venture, Inc.**				
15	Qualifications, Capabilities & Experience	93.90	30.00%	28.17	
16	Proposed Project Organization & Staffing	92.20	15.00%	13.83	
17	Project Approach & Work Plan	90.00	15.00%	13.50	
18	Price Proposal	54.58	40.00%	21.83	
19	**Total**		**100.00%**	**77.33**	**3**
20	**Anew RNG, LLC**				
21	Qualifications, Capabilities & Experience	95.57	30.00%	28.67	
22	Proposed Project Organization & Staffing	96.67	15.00%	14.50	

23	Project Approach & Work Plan	93.33	15.00%	14.00	
24	Price Proposal	0.00	40.00%	0.00	
25	**Total**		**100.00%**	**57.17**	**4**
26	**Trillium USA Company, LLC**				
27	Qualifications, Capabilities & Experience	93.33	30.00%	28.00	
28	Proposed Project Organization & Staffing	91.13	15.00%	13.67	
29	Project Approach & Work Plan	85.87	15.00%	12.88	
30	Price Proposal	1.32	40.00%	0.53	
31	**Total**		**100.00%**	**55.08**	**5**

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon the Independent Cost Estimate (ICE), price analysis, fact finding, and technical evaluation.

The Metro ICE was estimated using only the Commodity Price that Metro will pay to purchase the RNG fuel. It did not account for any monetization of environmental credits that Metro will receive as part of this agreement.

Shell's BAFO Commodity Price of $228,906,912.87 is approximately 1.5% lower than the Metro ICE of $232,407,019.

When applied, Shell's proposed BAFO LCFS and RINs Credits are likely to offset Shell's BAFO Commodity Price, and yielded a total of $44,486,197.41 in potential revenue to Metro.

Proposer	Metro ICE (Commodity Price Only)	Commodity Price	LCFS Credits	RINs Credits	Total* Proposed Price
Shell	**$232,407,019.00**	**$228,906,912.87**	**$59,473,556.68**	**$213,919,553.60**	**($44,486,197.41)**
Clean Energy		$197,452,629.63	$0.00	$229,199,521.68	($31,746,892.05)
U.S. Energy		$269,741,479.38	$72,001,840.18	$192,094,432.96	$5,645,206.24
Trillium		$269,741,479.38	$30,731,246.21	$174,628,207.04	$64,382,026.13
Anew		$297,182,308.08	$60,247,154.25	$171,081,071.56	$65,854,082.27

*Total Proposed Price (D) = (A) – (B) – (C):

(A) = Commodity Price: The price of the RNG that Metro will pay (Cost to Metro)

(B) & (C) = Environmental Credits: Incentives for using low-carbon fuel (Revenues to Metro)

- (B) = LCFS Credits (Low Carbon Fuel Standard): State-level (e.g., California) credits based on the carbon intensity of fuels
- (C) = RINs Credits (Renewable Identification Numbers): Federal EPA-regulated tracking codes for biofuels

D. Background on Recommended Contractor

Shell Energy is headquartered in Houston, Texas and has regional offices throughout the US and Canada. It is among North America's largest wholesale energy marketers and traders of natural gas, power, environmental, and risk management products. Its operating center in San Diego, CA focuses on gas, power, carbon products and RNG services.

Shell's clients include the City of Los Angeles, the State of California, Waste Management Renewable Energy and LA Metro, where it has a current RNG supply contract. Shell has performed satisfactorily on its contracts with Metro.

DEOD SUMMARY

RENEWABLE NATURAL GAS (RNG) PROVIDER / OP132076000

A. Small Business Participation

At the time of solicitation, the Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement due to the lack of subcontracting opportunities. Shell Energy North America (US), LP is expected to perform the work with its own workforce.

B. Local Small Business Enterprise (LSBE) Preference

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 project. DEOD will continue to 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.

F. Manufacturing Careers Policy

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least $50 million.