



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**Item No.** \_\_\_\_\_

**FROM:** City Administrator

**SUBJECT:** Approval of Contract Documents and Authorizing Staff to Advertise for Notice Inviting Bids to Supply Electrical Power to the Existing CNG Fueling Station next to the Commerce Refuse-to-Energy Facility (CREF)

**MEETING DATE:** February 5, 2019

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### **RECOMMENDATION:**

Approve contract documents to supply electrical power to the existing CNG fueling station and authorize Staff to advertise for Notice Inviting Bids, so that it can continue its operations in supplying natural gas fuel to buses and other vehicles for the City's Transportation Department.

### **BACKGROUND:**

The electrical power that feeds *Compressed Natural Gas* (CNG) and *Liquefied Natural Gas* (LNG) fueling station comes from the *Commerce Refuse-to-Energy Facility* (CREF). It was the first of its kind in southeast Los Angeles. Located at 5940 Sheila Street (along an alley) in an industrialized region of the City; the station is situated at the intersections of I-5 and the I-710 freeways. It provides environmentally-friendly CNG and LNG fuel for the public transit buses and other City vehicles operated by the Transportation Department.

*Commerce Refuse-to-Energy Facility* (CREF) was opened in 1987 and maintained and operated by the County Sanitation Districts of Los Angeles County. The CREF facility officially closed its operations on June 26, 2018 due to operating costs. Although, much of the CREF facility will remain, Southern California Edison (SCE) will dismantle the sub-station that supplies power to the CREF facility since the power CREF used to generate to the grid would cease. This will mean that the CNG/LNG fueling station must shut down once the sub-station is dismantled if an alternative power source for the CNG/LNG fueling station is not secured.

Therefore, it's imperative that another mechanism is put in place to supply electrical power to the CNG/LNG fueling station, so it can continue its operations in supplying CNG and LNG fuel to the City's buses and vehicles as well as external paying customers.

## **ANALYSIS:**

City staff, along with Southern California Edison (SCE) Planning Division, decided to provide a separate electrical power source to the CNG/LNG fueling station.

Measure AA Committee and City Council approved the funding of \$10,000 for Southern California Edison (SCE) to prepare the initial design and develop plans for supplying electrical power to the existing fueling station on their August 14<sup>th</sup>, 2018 and September 18<sup>th</sup>, 2018 respectively. Under this proposed arrangement, SCE planners are to design the actual power source, including power lines, transformers, meters, etc. that will connect from an existing power source along Sheila Street that will run underground along the existing alley and connect directly to the CNG/LNG fueling station. The alley is currently owned and maintained by the CREF.

The City executed a second amendment to the ground lease with the Commerce Refuse to Energy Authority, for ingress and egress rights over the property access to and from the fueling station, valid through April 12, 2031. Additionally, an easement agreement between CREF and SCE that allows trenching along the alley is required for the project and has been obtained.

Therefore, Staff recommends that a public bid be undertaken to supply electrical power to the existing fueling station and authorize Staff to advertise for bids, so that it can continue its operations in supplying natural fuel to buses and other vehicles for the City's Transportation Department. Subsequently, the Staff, Consultant - IDS Group and SCE, developed the contract bid documents and working design drawings that include specifications (i.e., bid package). Staff reviewed the contract bid documents and approved them for advertisement.

Therefore, this bid package is ready for City Council approval and subsequently to be advertised for bids. See Attachment.

The actual construction is estimated to be approximately \$200,000.

## **ALTERNATIVES:**

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

## **FISCAL IMPACT:**

The Federal Surface Transportation Local (STP-L) program provides a funding source for a variety of transportation related projects. To obligate the use of these funds, local agencies must go through a lengthy and administratively in-depth process due to federal grant regulations. The Los Angeles County Metropolitan Authority (LACMTA) offered the City of Commerce an opportunity to exchange Federal Surface Transportation Program – Local (STP-L) funds for more flexible LACMTA local transportation funds.

On September 6, 2016, City Council approved the fund exchange with LACMTA and the remaining balance in the STP-L revenue account (57-5400-36050.14085) is \$345,650.47. As such, this project can be funded using STP-L funds and will not have an impact to the City's General Fund.

Approved by: Maryam Babaki, P.E., Director of Public Works and Development Services

Approved by: Claude McFerguson, Director of Transportation

Prepared by: Chidi Ugwueze, Facility CIP Project Manager

Reviewed by: Vilko Domic, Finance Director

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Administrator