



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council **Item No.** \_\_\_\_\_

**FROM:** City Manager

**SUBJECT:** Approve Project Completion and Acceptance for Supplying Electrical Power to the Existing CNG Fueling Station next to the Commerce Refuse-to-Energy Facility (CREF) and Authorize Staff to Record the Notice of Completion (NOC)

**MEETING DATE:** March 17, 2020

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### **RECOMMENDATION:**

Approve the project completion and acceptance for supplying electrical power to the existing CNG fueling station next to the Commerce Refuse-to-Energy Facility (CREF) and authorize Staff to record the Notice of Completion (NOC).

### **BACKGROUND:**

City of Commerce *Compressed Natural Gas* (CNG) and *Liquefied Natural Gas* (LNG) fueling station is located at the site of *Commerce Refuse-to-Energy Facility* (CREF) at 5940 Sheila Street. CREF was opened in 1987 and was maintained and operated by the County Sanitation Districts of Los Angeles County.

The CNG/LNG fueling station was the first of its kind in southeast Los Angeles in an industrialized region of the City. The station is situated for easy access to 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. 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.

A component of the facility is a Southern California Edison (SCE) substation that distributed power from CREF to the grid as well as to the CNG/LNG facility. The CREF facility officially closed its operations on June 26, 2018 due to operating costs. Although much of the CREF facility will remain, SCE will dismantle the sub-station therefore power to the CREF will cease. Therefore, the project was required to maintain the fueling station. It became imperative that another mechanism is put in place to supply electrical power to the CNG/LNG fueling station, so it could continue its operations in

supplying CNG and LNG fuel to the City buses and vehicles as well as external paying customers.

### **ANALYSIS:**

The contract documents were approved by the City Council for advertisement at the February 5, 2019 meeting. Subsequently, R2Build Engineering was determined to be the lowest responsible bidder. The award of the contract was also approved by the City Council at the April 2, 2019 meeting in the amount of \$249,000 and authorized a 20% construction contingency of \$49,800 for the total amount of \$298,000.

The installation of electrical power to the CNG station was performed in accordance with the approved construction documents. Due to unforeseen circumstances that resulted in additional work, change orders were incurred in the amount of \$102,886.01. However, the project was substantially completed on February 10, 2020.

The final cost for the installation of electrical power to the CNG station is \$351,886.01, which is within the approved contract amount.

City staff recommends that the City Council accept the Project as satisfactory and complete. Upon acceptance, staff will file the "Notice of Completion" (NOC) with the County Recorder's Office for the Project and release the withheld 5% retention of \$17,594.30 to R2Build Engineering 35 days after the NOC is recorded.

### **ALTERNATIVES:**

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

### **FISCAL IMPACT:**

All work was completed in a satisfactory manner and in accordance with the project plans and specifications. The retention of \$17,594.30 is included in the approved project budget.

### **RELATIONSHIP TO STRATEGIC GOALS:**

This item relates to the City Council's specific 2016 Strategic Action Plan's:

#### Capital Improvement Projects

- Goal to "develop and implement a sustainable CIP Program to ensure the quality of existing infrastructure and support future plans for the City and develop and invest in infrastructure and beautification projects that support economic growth."

#### Community Quality of Life

- Guiding Principle 4 to “support and evaluate community services, programs and events that promote healthy and quality lifestyles for our residents. Enhance public safety and social services through innovative programs that meet the needs of the residential and business communities.”

Prepared by: Chidi Ugwueze, Facility CIP Project Manager  
Approved by: Claude McFerguson, Director of Transportation  
Recommended by: Daniel Hernandez, Director of Public Works  
Reviewed by: Josh Brooks, Acting Finance Director  
Approved as to form: Noel Tapia, City Attorney  
Respectfully submitted: Edgar P. Cisneros, City Manager

**ATTACHMENTS:**

1. Resolution