

Council Meeting of
November 20, 2012

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Transit- Approve contract for compressed natural gas fueling station. Expenditure: \$175,000

RECOMMENDATION:

Recommendation of the Transit Director that City Council approve a contract with the South Coast Air Quality Management District (AQMD) and to appropriate \$175,000 to assist in the funding of a Compressed Natural Gas (CNG) fueling station.

FUNDING:

The South Coast Air Quality Management District will provide a \$175,000 grant for a limited access Compressed Natural Gas (CNG) fueling station.

BACKGROUND/ANALYSIS:

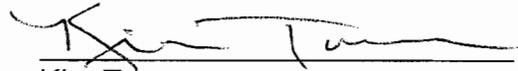
Torrance Transit is undergoing an aggressive conversion of its buses from its all diesel to an alternate fuel fleet. By the end of fiscal year 2015, it is projected the fleet will be comprised of 53 Compressed Natural Gas (CNG) vehicles. This conversion will require transit to replace its diesel fueling station with a compressed natural gas station.

The SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution. They are authorized under State Code Section 44223 (a) to impose a motor vehicle fee. Under the code it is mandated that 30% of such fees be placed in a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles. Annually, the AQMD through its Mobile Source Air Pollution Reduction Review Committee (MRSC) develops a work program to fund appropriate projects. Local jurisdictions, transit operators, and other agencies are eligible to submit applications proposing projects for funding. In October of 2011, transit staff submitted a project application for the construction of a CNG fueling station.

On December 2, 2011, the South Coast Air Quality Management District Governing Board approved funding for the project. All approved agencies are required to execute a contract prior to the beginning the project. A companion item to this item tonight is for the construction of a CNG fueling facility to be located within the City yard for exclusive use by city vehicles. There is an opportunity to utilize these funds to offset costs for the construction of the station and receive a reduction in the compression fee associated with the use of the new station. This offset will save approximately \$180,000 in compression fees for the City while utilizing these grant funds for an appropriate use as specified by the SCAQMD.

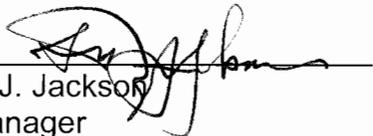
The Transit Director is recommending that your honorable body approved the attached contract with the South Coast Air Quality Management District for funding.

Respectfully submitted,



Kim Turner
Transit Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachment; A) Contract with South Coast Air Quality Management District



**South Coast
Air Quality Management District**



Contract No. MS11071

AB 2766/MSRC ALTERNATIVE FUEL INFRASTRUCTURE PROGRAM CONTRACT

WHEREAS, the parties to this Contract are the South Coast Air Quality Management District (hereinafter referred to as "AQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and the City of Torrance (hereinafter referred to as "CONTRACTOR") whose address is 3031 Torrance Boulevard, Torrance, California 90503.

WHEREAS, AQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California (State) and AQMD is authorized under State Health & Safety Code Section 44225 (Assembly Bill (AB) 2766 Stats. 1990 ch. 1705) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act; and

WHEREAS, under State Health and Safety Code Section 44223(a) the AQMD's Governing Board has authorized the imposition of the statutorily set motor vehicle fee that is remitted to AQMD and by taking such action the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to AQMD; and

WHEREAS, State Health and Safety Code Section 44243(c) further mandates that thirty (30) percent of such vehicle registration fees that are remitted to the AQMD be placed by AQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles; and

WHEREAS, State Health and Safety Code Section 44244(a) creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account and pursuant to approval of the work program by AQMD's Governing Board, and the AQMD Governing Board authorized a contract with CONTRACTOR for the project described in Attachment 1 - Statement of Work, incorporated herein and made a part hereof; and

WHEREAS, CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR's Alternative Fuel Infrastructure Proposal dated October 13, 2011.

NOW THEREFORE, the Parties agree as follows:

TERMS AND CONDITIONS OF PERFORMANCE

1. **DMV FEES** - CONTRACTOR acknowledges that AQMD cannot guarantee the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that payment under this Contract is contingent upon AQMD receiving sufficient funds from the DMV, and that AQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees.
2. **AUDIT** - CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by AQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from Motor Vehicles pursuant to the Clean Air Act of 1988. AQMD shall coordinate such audit through CONTRACTOR'S audit staff. If an amount is found to be inappropriately expended, AQMD may withhold funding from CONTRACTOR in the amount equal to the amount that was inappropriately expended. Such

withholding shall not be construed as AQMD's sole remedy and shall not relieve CONTRACTOR of its obligation to perform under the terms of this Contract.

3. TERM - The term of this Contract is for seventy three (73) months from the date of execution by both parties, unless terminated earlier as provided for in Clause 6 below entitled Termination. No work shall commence prior to the Contract start date, except at CONTRACTOR's cost and risk, and no charges are authorized until this Contract is fully executed, subject to the provisions stated in Clause 28.
4. SUCCESSORS-IN-INTEREST - Obligations under this Contract requiring the operation of equipment and annual reporting for five (5) years as defined in Attachment 1- Statement of Work, shall be binding upon CONTRACTOR, their respective successors-in-interest and heirs.
5. REPORTING – CONTRACTOR shall submit reports to AQMD as outlined in Attachment 1 - Statement of Work. AQMD reserves the right to review, comment, and request changes to any report produced as a result of this Contract.
6. TERMINATION
 - A. In the event any party fails to comply with any term or condition of this Contract, or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 – Statement of Work, this failure shall constitute a breach of this Contract. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this contract. Notification shall be provided in the manner set forth in Clause 15. The non-breaching party reserves all rights under law and equity to enforce this contract and recover damages.
 - B. AQMD reserves the right to terminate this Contract, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, CONTRACTOR shall, except as and to the extent or directed otherwise by AQMD, discontinue any Work being performed under this Contract and cancel any of CONTRACTOR's orders for materials, facilities, and supplies in connection with such Work, and shall use its best efforts to procure termination of existing subcontracts upon terms satisfactory to AQMD. Thereafter, CONTRACTOR shall perform only such services as may be necessary to preserve and protect any Work already in progress and to dispose of any property as requested by AQMD.
 - C. CONTRACTOR shall be paid in accordance with this Contract for all Work performed before the effective date of termination under Clause 6.B. Before expiration of the thirty (30) days' written notice, CONTRACTOR shall promptly deliver to AQMD all copies of documents and other information and data prepared or developed by CONTRACTOR under this Contract with the exception of a record copy of such materials, which may be retained by CONTRACTOR.
7. EARLY TERMINATION – This Contract may be terminated early due to the following circumstances: The fueling station becomes inoperable, and is either not technically able to be repaired, or is too costly to repair, and such failure is not caused by CONTRACTOR's negligence, misuse, or malfeasance.
8. REFUELING STATION LOCATION, OPERATIONAL AVAILABILITY & ACCESSIBILITY, AND THROUGHPUT – CONTRACTOR is obligated to comply with the alternative-fuel refueling infrastructure requirements set forth as follows:
 - A. Refueling station shall remain in the original location, operational for a period of not less than five (5) years from the date the station begins dispensing fuel.

- B. In the third, fourth, and fifth years of station operation, CONTRACTOR shall meet the annual fuel throughput requirements as set forth in Attachment 1, Statement of Work.
- C. Should CONTRACTOR deviate from either of these obligations, for reasons other than those stated in Clause 7, above, CONTRACTOR shall reimburse AQMD for a prorated share of the funds provided. The prorated share for which CONTRACTOR shall be liable shall be 100% if the deviation occurs within one (1) year of initial station operation; 80% if the deviation occurs between years one (1) and two (2); 60% between years two (2) and three (3); 40% between years three (3) and four (4); 20% between years four (4) and five (5); and 0% after year five (5). The appropriate reimbursable amount shall be paid to AQMD within sixty (60) days from the date of the deviation.
9. INSURANCE - CONTRACTOR represents that it is permissibly self-insured and will maintain such self-insurance in accordance with applicable provisions of California law throughout the term of this Contract. CONTRACTOR shall provide evidence of sufficient coverage during the term of this Contract and any extensions thereof that meet or exceed the minimum requirements set forth by the South Coast AQMD below. CONTRACTOR shall furnish certificate of self-insurance to: South Coast Air Quality Management District, Attn: Risk Management Office. **The AQMD Contract Number shall be included on the face of the certificate.** If CONTRACTOR fails to maintain the required insurance coverage, AQMD reserves the right to terminate the Contract or purchase such additional insurance and bill CONTRACTOR or deduct the cost thereof from any payments owed to CONTRACTOR. Minimum insurance coverages are as follows:
- A. Worker's compensation insurance in accordance with either California or other state's applicable statutory requirements.
 - B. General Liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in general aggregate.
 - C. Automobile Liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage.
10. INDEMNIFICATION - CONTRACTOR agrees to hold harmless, defend and indemnify AQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action judgments, attorney's fees, or any other expenses arising from or related to any third party claim against AQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of CONTRACTOR, its employees, subcontractors, agents or representatives in the performance of this Contract.
11. PAYMENT
- A. AQMD shall reimburse CONTRACTOR up to a total amount of One Hundred Seventy Five Thousand Dollars (\$175,000) in accordance with Attachment 2 – Payment Schedule expressly incorporated herein by this reference and made a part hereof of the Contract.
 - B. An amount equal to ten percent (10%) shall be withheld from each invoice. Upon satisfactory completion of project and final acceptance of work and the final report, CONTRACTOR's invoice for the ten percent (10%) withheld shall be released. Proof of project completion shall include a Final Report detailing the project goals and accomplishments, data collected during project performance, if any, documentation of significant results, and emissions reduction input data needed for calculation of emissions reductions.

- C. Any funds not expended upon early Contract termination or Contract completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by AQMD to CONTRACTOR within thirty (30) days after approval by AQMD of an itemized invoice prepared and furnished by CONTRACTOR.
- D. If, at the completion of the Project described in Attachment 1, the actual cost of the project is less than the Total Project Cost described in Attachment 2, the Firm Fixed Price amount reimbursed to CONTRACTOR by AQMD shall not exceed fifty percent (50%) of the actual cost of the project.
- E. An invoice submitted to AQMD for payment must be prepared in duplicate, on company letterhead, and list AQMD's contract number, period covered by invoice, and CONTRACTOR's social security number or Employer Identification Number and submitted to:

South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 Attn: Cynthia Ravenstein, MSRC Contract Administrator

- 1. Charges for equipment, material, and supply costs, travel expenses, subcontractors, and other charges, as applicable, must be itemized by CONTRACTOR. Reimbursement for equipment, material, supplies, subcontractors, and other charges shall be made at actual cost. Supporting documentation must be provided for all individual charges (with the exception of direct labor charges provided by CONTRACTOR).
 - 2. CONTRACTOR's failure to provide receipts shall be grounds for AQMD's non-reimbursement of such charges. CONTRACTOR may reduce payments on invoices by those charges for which receipts were not provided.
 - 3. CONTRACTOR must submit final invoice no later than ninety (90) days after the termination date of this Contract or invoice may not be paid.
12. COMPLIANCE WITH APPLICABLE LAWS - CONTRACTOR agrees to comply with all federal, state, and local laws, ordinances, codes and regulations and orders of public authorities in the performance of this Contract and to ensure that the provisions of this clause are included in all subcontracts.
13. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)
- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
 - B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from funding sources other than AB2766. These MSERCs, which are issued by AQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
 - C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. AQMD staff, at the time an MSERC application is submitted, will calculate total

MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.

14. DISPLAY OF MSRC LOGO - CONTRACTOR agrees to permanently display one MSRC decal in a prominent location on each vehicle purchased pursuant to this Contract. CONTRACTOR also agrees to permanently display one MSRC decal in a prominent location on each fueling or charging station constructed or upgraded pursuant to this Contract. Decals will be provided by AQMD upon notification that subject fueling station equipment and/or vehicles are placed into service. Decals are approximately twelve (12) inches in height and eighteen (18) inches in width (Note: a smaller decal may be provided if CONTRACTOR demonstrates that application of the standard decal is not feasible). CONTRACTOR shall maintain decal for life of vehicle or equipment subject to this Contract. Should any decal become damaged, faded, or otherwise unreadable, CONTRACTOR shall request replacement decal from AQMD and apply new decal in the same or other prominent location. AQMD shall not be responsible for damage to paint or other vehicle surfaces arising from application or removal of decals. In addition, all promotional materials related to the project, including, but not limited to, press kits, brochures and signs shall include the MSRC logo. Press releases shall acknowledge MSRC financial support for the project.
15. NOTICES - Any notices from either party to the other shall be given in writing to the attention of the persons listed below, or to other such addresses or addressees as may hereafter be designated in writing for notices by either party to the other. A notice shall be deemed received when delivered or three days after deposit in the U. S. Mail, postage prepaid, whichever is earlier.

AQMD:
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 Attn: Cynthia Ravenstein, MSRC Contract Administrator

CONTRACTOR:
 City of Torrance
 20500 Madrona Ave.
 Torrance, CA 90503
 Attn: Jim Mills

16. INDEPENDENT CONTRACTOR – CONTRACTOR is an independent contractor. CONTRACTOR, its officers, employees, agents, representatives, or subcontractors shall in no sense be considered employees or agents of AQMD, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by AQMD to its employees. AQMD will not supervise, direct, or have control over, or be responsible for, CONTRACTOR's or subcontractor's means, methods, techniques, work sequences or procedures or for the safety precautions and programs incident thereto, or for any failure by them to comply with any local, state or federal laws, or rules or regulations, including state minimum wage laws and OSHA requirements
17. OWNERSHIP - Title and full ownership rights to any products purchased or developed under this Contract shall at all time remain with CONTRACTOR.
18. AQMD LIEN RIGHTS - CONTRACTOR hereby grants AQMD a security interest in any and all equipment or vehicles purchased in whole or in part by funding provided by AQMD pursuant to this Contract.

CONTRACTOR acknowledges and agrees that AQMD shall have all lien rights as a secured creditor on any and all equipment and/or vehicles purchased in whole or in part by the CONTRACTOR, under this Contract or any amendments thereto. The AQMD shall have lien rights in effect until the CONTRACTOR satisfies all terms under the Contract, including but not limited to, the use and reporting requirements. **Accordingly, CONTRACTOR further agrees that AQMD is authorized to file a UCC filing statement or similar security instrument to secure its interests in the equipment and/or vehicles that are the subject of the Contract.** In the event CONTRACTOR files for bankruptcy protection, CONTRACTOR shall notify AQMD within 10 business days of such filing.

19. NON-DISCRIMINATION - In the performance of this Contract, CONTRACTOR shall not discriminate in recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, or physical handicap and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900, *et seq.*), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall likewise require each subcontractor to comply with this clause and shall include in each such subcontract language similar to this clause.
20. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the written consent of the other, and any attempt by either party to do so shall be void upon inception.
21. NON-EFFECT OF WAIVER - CONTRACTOR's or AQMD's failure to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.
22. ATTORNEYS' FEES - In the event any action (including arbitration) is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.
23. FORCE MAJEURE - Neither AQMD nor CONTRACTOR shall be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of AQMD or CONTRACTOR.
24. SEVERABILITY - In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.
25. HEADINGS - Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

26. DUPLICATE EXECUTION - This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.
27. GOVERNING LAW - This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any dispute shall be Los Angeles County, California.
28. PRE-CONTRACT COSTS - Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that a formal Contract is not executed, neither the MSRC nor the AQMD shall be liable for any amounts expended in anticipation of a formal Contract. If a formal Contract does result, pre-contract cost expenditures authorized by the Contract will be reimbursed in accordance with the cost schedule and payment provision of the Contract.
29. CHANGE TERMS - Changes to any part of this Contract must be requested in writing by CONTRACTOR and approved by MSRC in accordance with MSRC policies and procedures. Requests to expend funds above the Contract value stated in Clause 11.A must be approved prior to the expenditure of additional funds. CONTRACTOR must make such request a minimum of 90 days prior to desired effective date of change. All modifications to this Contract shall be in writing and signed by the authorized representatives of the parties. Fueling station location changes shall not be approved under any circumstances, and in no case shall the contract term be extended for more than one (1) year beyond the original termination date.
30. PREVAILING WAGES – CONTRACTOR is alerted to the prevailing wage requirements of California Labor Code section 1770 et seq. Copies of the prevailing rate of per diem wages are on file at the AQMD's headquarters, of which shall be made available to any interested party on request. Notwithstanding the preceding sentence, CONTRACTOR shall be responsible for determining the applicability of the provisions of California Labor Code and complying with the same, including, without limitation, obtaining from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work, making the same available to any interested party upon request, paying any applicable prevailing rates, posting copies thereof at the job site and flowing all applicable prevailing wage rate requirements to its subcontractors. CONTRACTOR shall indemnify, defend and hold harmless the South Coast Air Quality Management District against any and all claims, demands, damages, defense costs or liabilities based on failure to adhere to the above referenced statutes.
31. ENTIRE CONTRACT - This Contract represents the entire agreement between the parties hereto related to CONTRACTOR providing services to AQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is requested.
32. AUTHORITY - The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY OF TORRANCE

By: _____
Dr. William A. Burke, Chairman, Governing Board

By: _____
Name:
Title:

Date: _____

Date: _____

ATTEST:
Saundra McDaniel, Clerk of the Board

By: _____

APPROVED AS TO FORM:
Kurt R. Wiese, General Counsel

By: 

//MSRC06AltFuelInfrastructure
Revised 24 October 2008

CITY OF TORRANCE,
a municipal corporation

By: _____
Frank Scotto, Mayor

ATTEST:

Sue, Herbers, City Clerk

JOHN L. FELLOWS III
City Attorney

By: _____

**Attachment 1
Statement of Work
City of Torrance
Hereinafter referred to as CONTRACTOR
Contract Number MS11071**

Project Description

CONTRACTOR shall construct a new limited access compressed natural gas (CNG) fueling station located at 20500 Madrona Avenue, Torrance, California and operate this station for a minimum of five years.

Statement of Work

CONTRACTOR shall install and maintain a new fill CNG fueling station located at 20500 Madrona Avenue, Torrance, California, as specified in Attachment 3, CNG Fueling Station Specifications. All equipment must be new and not previously used.

CONTRACTOR shall operate this station at the specified location for a minimum of five years from the date the station begins dispensing fuel.

Throughput Requirement: Beginning with the third year of station operation, CONTRACTOR shall dispense a minimum of 425,000 diesel gallon equivalents of natural gas annually.

Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the MSRC's co-funding of the station to the media and/or community. Acceptable outreach may include, but is not limited to, a Grand Opening/project kickoff event, press releases, or a press conference. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by AQMD staff, unless AQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below, notifying AQMD staff at least fourteen days prior to any outreach event.

Project Schedule (based on date of Contract execution)

Task	Completion
Finalize station design	Month 3
Submit Outreach Plan	Month 7
Purchase equipment, construct station and commence operations	Month 10
Implement Public Outreach Plan	Month 11
Quarterly reports	Months 4, 7, and 10
Final Report	Month 13
Annual Reports	Annually for 5 years

Hardware: CNG Fueling Station Equipment

**Attachment 1
Statement of Work - continued
City of Torrance
Hereinafter referred to as CONTRACTOR
Contract Number MS11071**

Reports

Quarterly Reports: Through commencement of station operation, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: equipment acquisition; achievement of milestones; station activity; preliminary findings and recommendations for completion of contract; and any project delays or problems and solutions. Progress Reports that do not comply will be returned to the CONTRACTOR as inadequate.

Annual Reports: On an annual basis for a period of five years following commencement of station operation, CONTRACTOR shall report the annual amount of CNG dispensed.

Final Report: A final report shall be submitted by the CONTRACTOR in the format provided by, and in the manner directed by, AQMD staff. Report shall include, at a minimum: a) an executive summary; b) a detailed discussion of the results and conclusions of this project; c) photos illustrating the project, including at least one photo with MSRC decal clearly visible; and d) any media/outreach materials and news clippings generated by the project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, as well as impact on near and long term alternative fuel vehicle goals. The MSRC will provide at least 30 days' notice if CONTRACTOR will be required to prepare and present the final report at a meeting of the MSRC.

**Attachment 2
Payment Schedule
City of Torrance
Hereinafter referred to as CONTRACTOR
Contract Number MS11071**

Cost Breakdown

Description	Maximum AB 2766 Discretionary Funds payable under this Contract	Other Co-Funding	Total Project Cost
Fueling station equipment and installation, including shipping and taxes	\$175,000	\$2,207,313	\$2,382,313

Reimbursement will be made only after verification of equipment purchase, installation, and placement into service of the new station. At a minimum, acceptable verification shall consist of:

- photos of completed installations;
- a report(s) signed by a responsible official certifying that the station installation has been completed as described in Attachments 1 and 3; and
- invoice(s) from subcontractor(s) performing the installations, if any.

If, at the completion of the Project, the expenditures are less than the Total Cost amount above, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis, so that:

- the amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall not exceed 50% of actual combined equipment and installation costs, including delivery and taxes.

**Attachment 3
Supporting Documentation
City of Torrance
Hereinafter referred to as CONTRACTOR
Contract Number MS11071**

The supporting documents attached hereto as Attachment 3 represent obligations of the CONTRACTOR. Nothing herein shall be construed as an assumption of duties or obligations by the AQMD or granting of any rights to third parties against the AQMD.

1. CNG Fueling Station Specifications
2. Proof of Self-Insurance

**Attachment 3
Supporting Documentation
City of Torrance
Hereinafter referred to as CONTRACTOR
Contract Number MS11071**

1. CNG Fueling Station Specifications

At a minimum, the CNG fueling station shall include the following equipment:

- A. One Gas Dryer
- B. Compressor(s) providing at least 1,600 scfm combined capacity
- C. Storage vessels providing at least 30,000 scf total capacity
- D. (2) High-flow single hose dispensers
- E. (1) Dual-hose dispenser



CITY OF TORRANCE

FINANCE DEPARTMENT
City of Torrance Risk Management

Eric Tsao
Finance Director

Randall Sellers
Risk Manager
Telephone: 310-618-2958
FAX: 310-618-2927

May 31, 2012

Cynthia Ravenstein
MSRC Contracts Administrator

Subject: MSRC Award for new CNG Station

Please note that the City of Torrance is self-insured for automobile, general and professional liability for up to \$5,000,000 per occurrence. There is \$20,000,000 of coverage in place in excess of the \$5,000,000 self-insured retention.

The City has all-risk property coverage with deductibles that vary depending upon the property covered from \$1,000 to \$100,000. Property in the care, custody and control of the City is covered.

The City is self-insured for workers' compensation for up to \$2,000,000 per occurrence and has excess coverage in place for occurrences over this amount.

The City has a formal self-insurance program and funds available to pay potential claims and judgments.

Feel free to call me at 310-618-2958 if you have any questions or need additional information.

Sincerely,

Randall Sellers
Risk Manager

C: Jim Mills, Transit Administration Manager

