

Council Meeting of
November 2, 2010

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

Members of the Council:

SUBJECT: General Services/Public Works - Sole-Source Purchasing Agreement to furnish Compressed Natural Gas (CNG) for Alternative Fuel Vehicles

Expenditure Not To Exceed: \$55,000.00

RECOMMENDATION

Recommendation of the General Services Director that the City Council authorize a sole-source purchasing agreement with Clean Energy Fuels Corporation of Seal Beach, California, in an amount not to exceed \$55,000.00, to furnish compressed natural gas (CNG) on an as-needed basis for a period of one year. The term of the agreement will run from November 1, 2010 to October 31, 2011.

Funding

Funding for fuel is currently available in the Public Works FY 2010-2011 Sanitation Operating Budget and will be available in their FY 2011-2012 budget as well.

BACKGROUND/ANALYSIS

The Sanitation Division of Public Works currently operates six (6) Refuse Collection Trucks that are fueled by CNG, an alternative fuel approved under the clean air fleet rules established by the South Coast Air Quality Management District. In addition, your Honorable Body recently approved the acquisition of one (1) CNG-fueled Street Sweeper which is to be delivered to the City in December of 2010.

The trucks currently in use are refueled daily at the Clean Energy CNG fueling station located on Sepulveda Blvd. in Carson, an approximate ten-mile round trip from the City Yard. However, per the terms of a recent partnership with the City, Clean Energy Fuels will soon install two (2) public and City access CNG dispensers on the Madrona Avenue traffic turnout located in front of the City Yard employee parking lot. When installation of these dispensers is completed in early 2011 the City will no longer need to drive to Carson for daily CNG requirements.

During the previous 12 month period, the City has spent approximately \$43,000 for CNG. Staff recommends a not to exceed amount of \$55,000 for this agreement which will account for the addition of one (1) CNG-fueled Street Sweeper to the fleet later this year, as well as providing for unanticipated market-based changes in fuel prices that could occur during the term of service.

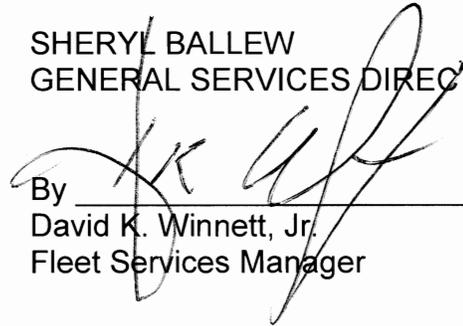
The Torrance Municipal Code, "SECTION 22.3.17. EXCEPTIONS; SOLE-SOURCE PURCHASES" states:

"a) The provisions of this Article will not apply to purchases of sole-source services or property, which purchases will be made in accordance with such procedures and regulations as will be established by the City Manager.

b) For purposes of this Section, "sole-source purchases" means those purchases where it would be undesirable or impossible for the City to advertise for bids for particular work or for patented items, or experimental or unique services or products, or where competitive purchases would be unavailable or would not prove advantageous for the City. No sole-source purchases may be made where to do so would show favoritism, improvidence, extravagance, fraud or corruption, or result in the waste of public funds, but may be used only to obtain the best economic result for the public."

Respectfully submitted,

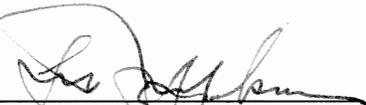
SHERYL BALLEW
GENERAL SERVICES DIRECTOR

By 
David K. Winnett, Jr.
Fleet Services Manager

CONCUR:


Sheryl Ballew
General Services Director


Robert Beste
Public Works Director


LeRoy J. Jackson
City Manager