

Council Meeting of
August 9, 2011

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

Members of the Council:

SUBJECT: General Services and Public Works – Authorize change order for Compressed Natural Gas. Expenditure: \$35,000.

RECOMMENDATION

Recommendation of the General Services Director and the Public Works Director that City Council authorize a change order to the sole-source purchasing agreement with Clean Energy Fuels, Inc of Seal Beach, CA (Purchase Order #2011-00000366) in the amount of \$35,000 for a new not to exceed total of \$90,000 for the purchase of Compressed Natural Gas (CNG) for alternative fuel vehicles on an as needed basis.

Funding

Funding for CNG is available in the Public Works FY 2011-2012 Sanitation Operating Budget.

BACKGROUND/ANALYSIS

In November of 2010 your Honorable Body approved an annual sole-source purchasing agreement with Clean Energy Fuels, Inc. for purchase of CNG from their fueling station in Carson CA. The not to exceed expenditure was set at \$55,000. Purchasing trends in the months since the purchase order was created have demonstrated that annual fuel consumption was underestimated. Current usage patterns show that at least another \$26,250 should be added to the purchase order to meet operational requirements through October of 2011.

During March the City took delivery of three new Street Sweeper Trucks, one of which operates on CNG; the other two operate on Propane. The CNG Sweeper is used daily, on a fairly aggressive operating schedule, four days per week. This accounts for increased CNG use within the City's fleet. Additionally, all CNG vehicles in the City fleet are required to travel to and from Clean Energy's CNG fueling station located on Sepulveda Blvd. in Carson to refuel. This will change when Clean Energy's Madrona Avenue CNG Station opens in late September 2011. Until then the City has no alternative other than to refuel our vehicles in Carson, adding considerably to our daily CNG usage.

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.

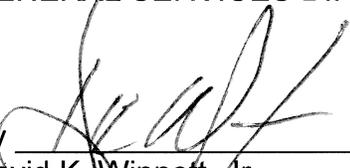
b) For purposes of this Section, "sole-source purchases" means those purchases where it would be undesirable or impossible for the City to advertise for bids for particular work or for patented items, or experimental or unique services or products, or where competitive purchases would be unavailable 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."

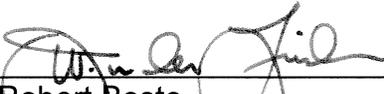
Respectfully submitted,

SHERYL BALLEW
GENERAL SERVICES DIRECTOR

CONCUR:


Sheryl Ballew
General Services Director

By 
David K. Winnett, Jr.
Fleet Services Manager


for Robert Beste
Public Works Director


for LeRoy J. Jackson
City Manager