

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

January 27, 2005

TO: BOARD OF DIRECTORS

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Director of Purchasing and Materials Management

SUBJECT: Authorization to Award a Contract to Weaver Electric for the Construction of a new Compressed Natural Gas (CNG) Fueling Facility in Riverside; Authorization to Contract with the Southern California Gas Company for the Natural Gas Connection; Approve a Budget and Short Range Transit Plan (SRTP) Amendment for Additional Project Funding; Authorize a Potential Draw Down of Allocated but Unclaimed Local Transportation Fund (LTF) Reserves

Summary: The Agency's CNG fueling station in Riverside is approximately 11 years old. At the time the station was commissioned, the Agency operated a small number of CNG vehicles.

The transition from diesel fuel to CNG has increased the demand on the aging CNG fuel station.

On a daily basis the number of Agency vehicles fueled in Riverside is approximately 73. In addition, the Agency provides other local area agencies access to the CNG station for fueling on a contingency basis.

To accommodate the Agency's growing needs for a larger, more efficient fueling facility, staff began the process of identifying funding sources for a new CNG fueling facility in FY 2003. In October 2003, the Agency Board of Directors approved a budget and SRTP amendment to initiate this project.

Fuel Solutions, a subcontractor on the prior Hemet CNG project, was awarded the design portion for this project and provided the independent cost estimate and specifications for the new station. The new station will increase fueling capacity by incorporating the latest fast fill and time fill technologies. The station will have two natural gas compressors each with a capacity of 1,650 standard cubic feet per minute (SCFM) with an aggregate capacity of 3,300 SCFM of CNG. The station design will also include four buffer storage vessels with a combined capacity of 40,000 SCF.

The existing CNG fueling station will remain online and operational for use as a back-up during a breakdown or emergency situation. This station may also be used for public fueling access if negotiations with the Southern California Gas Company and Merit Oil are successful. Both companies have expressed an interest in reintroducing and making available to the public CNG fuel at the Merit Gas Station located on the corner of Durahart and Third Street.

On September 15, 2004, Invitation for Bid (IFB) 4-019 was issued to 26 prospective vendors. In addition, as is customary for all formal procurements, a public notice of the procurement was published in a local newspaper of general circulation and a sample bid package was sent to several bid package clearinghouses.

On October 25, 2004, four responsive and responsible bids were received from the following firms:

VENDORS	Total Amount
Weaver Electric, Inc.	\$1,589,669
Allsup Corporation	\$1,824,300
EFS West	\$1,973,547
ET Environmental	\$2,277,332

In addition to the above pricing, the Agency will need to execute a contract with the Southern California Gas Company (Gas Company) for the installation of a four-inch gas line from Third Street approximately 610 feet north to where the new fueling facility will be located. The cost from the Gas Company for the installation of the gas line is \$118,959. Staff, along with the technical consultant, Fuel Solutions, reviewed the costs proposed by the Gas Company (a public utility regulated by the California Public Utilities Commission) and found them to be fair and reasonable.

By adding Weaver Electric Inc.'s cost of \$1,589,669 for their portion of the project and the Southern California Gas Company's cost of \$118,959 the total project cost will be \$1,708,628. This total project cost exceeds the original project budget; therefore, staff is also requesting a budget and SRTP amendment be approved by both the Agency Board of Directors and Riverside County Transportation Commission (RCTC) Board of Commissioners.

Fiscal Impact:

This project will be funded by multiple FTA grants, an MSRC grant, LTF funds, State STA funds and miscellaneous revenue funds. As indicated in the table below, some of the funds identified are residual funds leftover from previously completed capital projects. The current available funding that has been set aside for this project is as follows:

<u>Source of Funding:</u>	<u>Amount:</u>
1) CA-90-Y183 (FY2003)	\$ 549,603
2) CA-90-Y272 (FY2004)	\$ 99,105
3) Allocated/Unclaimed LTF Reserve or FY 2005 Sec 5307	\$ 97,136
4) STA 100% (FY1999, 2002, 2004)	\$ 330,060
5) LTF 100% (FY2003)	\$ 500,000
6) MSRC (FY2004)	\$ 100,000
7) Misc. Lease Revenues	<u>\$ 32,724</u>
Total	<u><u>\$ 1,708,628</u></u>

As stated above, the Agency Board of Directors approved a budget and SRTP amendment to initiate this project in October 2003. Project funding totaled \$1,431,196. Project expenditures to date total \$119,397. This leaves a project fund balance of \$1,311,799. \$1,708,628 is needed to complete the project; therefore, additional funding of \$396,829 will be reprogrammed from other related capital projects. Staff is also requesting approval of a budget and SRTP amendment authorizing the additional project funding. A detailed breakout of the project budget and additional funding is shown below:

Original Budgeted Amount (Budget/SRTP Amendment 10/23/03)	\$ 1,431,196
<u>Project Expenses to Date:</u>	
2 Heat Exchangers	65,198
Fueling Station Design	<u>54,199</u>
Subtotal: Project Spending to Date	<u>119,397</u>
CNG Station Project Balance	1,311,799
Weaver Electric/Gas Co. Bid Amount	1,708,628
Project Funding (Surplus+/(Deficit))	<u>(396,829)</u>
<u>Additional Funding</u>	
Facility Improvements - FY2003 Grant: CA-90-Y183	139,200
Match - STA 03s-RT09	34,800
Facility Improvements - FY2004 Grant: CA-90-Y272	79,284
Match - STA 04S-RT02	8,663
Match - LTF 04L-RT02	11,158
Reprogram BRT Study - 02S-RT05	91,000
Operator Funds	<u>32,724</u>
Subtotal : Additional Funding	<u>396,829</u>
Additional Amount Needed (Surplus+/(Deficit))	<u>\$ -</u>

\$97,136 of Federal Section 5307 funding was included in the initial project funding of \$1,431,196 that was approved by the Board of Directors. A formal grant request to receive this funding has been submitted to the Federal Transit Administration (FTA). The grant is currently under review by the FTA. The projected approval date is unknown at this time. The Agency currently has \$7,825,197 of Allocated/Unclaimed LTF reserves (prepaid reserve amounts plus LTF reserves) held at RCTC. In a separate Budget and Finance Committee action, staff is requesting approval of a \$5,830,000 draw down of these reserves to cover a possible operating revenue shortfall. If this draw down is approved, there will be an LTF reserve balance of \$1,995,197 available for other uses. If the grant is not approved at the time this funding is needed, staff requests that an additional \$97,136 be drawn down from reserves to cover the federal funding. This draw down will reduce the reserve balance from \$1,995,197 to \$1,898,061. These monies will be transferred back to reserves when the federal funding becomes available.

Recommendation:

This item was discussed at the Board Budget and Finance Committee meeting of January 5, 2005. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award a contract to Weaver Electric for the construction of a CNG fueling station in an amount that will not exceed \$1,589,669.
- Authorize staff to award a contract to the Southern California Gas Company in the amount of \$118,959 for the installation of approximately 610 feet of four-inch gas line from Third Street to the new CNG facility site.
- Authorize a potential \$97,136 draw down of Allocated/Unclaimed LTF reserves held on account at RCTC to cover a possible federal funding shortfall.
- Authorize budget and SRTP amendments to reflect these actions.