



June 7, 2017
2:00 p.m.

AGENDA

**Board Budget and Finance Committee Meeting
Riverside Transit Agency – Board Room
1825 Third Street
Riverside, CA 92507**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at www.riversidetransit.com or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

ITEM

RECOMMENDATION

- 1. CALL TO ORDER**
- 2. SELF-INTRODUCTIONS**

| <u>ITEM</u> | <u>RECOMMENDATION</u> |
|--|-------------------------|
| 3. PUBLIC COMMENTS – NON-AGENDA ITEMS Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes. | RECEIVE COMMENTS |
| 4. <u>APPROVAL OF MINUTES – MAY 3, 2017 COMMITTEE MEETING (P.3)</u> | APPROVE |
| 5. <u>CASH FLOW PROJECTIONS (P.6)</u> | RECEIVE AND FILE |
| 6. <u>QUARTERLY CAPITAL STATUS (P.8)</u> | RECEIVE AND FILE |
| 7. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.10)</u> | RECEIVE AND FILE |
| 8. <u>AUTHORIZATION TO AMEND AGREEMENT NO. 13-005 AND AWARD A PURCHASE ORDER TO CLEVER DEVICES (CD) FOR THE PURCHASE AND INSTALLATION OF GLOBAL POSITIONING SYSTEM (GPS) COMPONENTS ON 22 NON-REVENUE VEHICLES (P.17)</u> | APPROVE |
| 9. <u>AUTHORIZATION TO AWARD AGREEMENT NO. 16-064 TO TRILLIUM CNG FOR MAINTENANCE OF THE AGENCY'S COMPRESSED NATURAL GAS (CNG) FUELING STATIONS IN RIVERSIDE AND HEMET (P.19)</u> | APPROVE |
| 10. BOARD MEMBER COMMENTS | |
| 11. ANNOUNCEMENTS | |
| 12. NEXT MEETING Wednesday, July 12, 2017, 2:00 p.m. Riverside Transit Agency 1825 Third Street Riverside, CA 92507 | |
| 13. MEETING ADJOURNMENT | |

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
May 3, 2017

1. **CALL TO ORDER**

Committee Chair Berwin Hanna called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on May 3, 2017, in the RTA Board Room.

2. **SELF INTRODUCTIONS**

Self-introductions of those in attendance took place.

Committee Members Attending

1. Committee Chair Berwin Hanna, City of Norco
2. Director Linda Molina, City of Calimesa
3. Director Dawn Haggerty, City of Canyon Lake
4. Director Dick Haley, City of Corona
5. Board Chair Linda Krupa, City of Hemet
6. Director Anthony Kelly Jr., City of Jurupa Valley
7. Director Maryann Edwards, City of Temecula
8. Alternate Director Frank Johnston, County of Riverside, District II
9. Alternate Director Barry Busch, County of Riverside, District V

Committee Members Absent

1. Mark Orozco, City of Beaumont
2. Director Chuck Washington, County of Riverside, District III

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board of Directors
3. Tom Franklin, Chief Operating Officer
4. Craig Fajnor, Chief Financial Officer
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Laura Camacho, Chief Administrative Services Officer
7. Charlie Ramirez, Controller
8. Bob Bach, Director of Maintenance
9. Jim Kneepkens, Director of Marketing
10. Rohan Kuruppu, Director of Planning
11. Natalie Zaragoza, Director of Contracts
12. Rick Kaczerowski, Director of Information Technologies
13. Adam Chavez, Deputy Director of Maintenance
14. Brad Weaver, Marketing Manager
15. Eric Ustation, Government Affairs Manager
16. Lisa Almilli, Mobility Manager
17. Joe Forgiarini, Planning & Scheduling Manager
18. Kristin Warsinski, Planning & Programming Specialist
19. Leif Lovegren, Planning Analyst
20. Michael Jung, Planning Intern

3. **PUBLIC COMMENTS – NON-AGENDA ITEMS**

None.

4. **APPROVAL OF MINUTES – APRIL 5, 2017 COMMITTEE MEETING**

M/S/C (HAGGERTY/EDWARDS) approving the April 5, 2017 committee meeting minutes.

The motion carried unanimously.

5. **CASH FLOW PROJECTIONS**

Mr. Fajnor presented the cash flow projections.

6. **QUARTERLY INVESTMENT REPORT**

Mr. Fajnor presented the quarterly investment report.

7. **AUTHORIZATION TO AWARD AGREEMENT NO. 17-028 TO CREATIVE BUS SALES (CBS) FOR THE PURCHASE OF FIVE HOMETOWN TROLLEY VEHICLES**

M/S/C (HALEY/JOHNSTON) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 17-028 to CBS for the purchase of five Hometown Trolley vehicles under the CalACT/MBTA Vehicle Cooperative Purchasing Agreement in an amount not to exceed \$1,542,646.59 which includes a 2.5 percent contingency.

The motion carried unanimously.

8. **REQUEST TO HOLD PUBLIC HEARING ON THE FISCAL YEAR 2017/2018 (FY18) OPERATING BUDGET, CAPITAL BUDGET, AND FY18-FY20 SHORT RANGE TRANSIT PLAN (SRTP) AND ADOPT THE SRTP AND FY18 BUDGETS**

M/S/C (HAGGERTY/KELLY) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Hold a public hearing on the FY18 Operating budget, FY18 Capital budget, and the FY18 – FY20 SRTP, and adopt the SRTP and budgets at the May 25, 2017 Board of Directors meeting.
- Authorize staff to amend all necessary contractual documents affected by the adopted budget as appropriate and in accordance with Agency Procurement Policies.

The motion carried unanimously.

9. **BOARD MEMBER COMMENTS**

Comments were made by Director Linda Molina and Director Maryann Edwards.

10. **ANNOUNCEMENTS**

None.

11. **NEXT MEETING**

Wednesday, June 7, 2017, 2:00 p.m.
Riverside Transit Agency
1825 Third Street
Riverside, CA 92507

12. **MEETING ADJOURNMENT**

The meeting was adjourned at 2:40 p.m.

DRAFT

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 7, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late-May 2017 with projections through July 2017. This reporting period covers the remainder of FY17 and the first month of FY18.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY17/18 Cash Flow Projection**

| | Actual | | | | | | | | | | |
|----|---|-----------|-------------|-----------|-----------|-----------|-------------|-------------|-----------|-------------|-----------|
| 1 | General Account | 5/26/2017 | 6/2/2017 | 6/9/2017 | 6/16/2017 | 6/23/2017 | 6/30/2017 | 7/7/2017 | 7/14/2017 | 7/21/2017 | 7/28/2017 |
| 2 | Est. Cash, Beg Balance (Book) | 745,120 | 4,928,066 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 3 | Receipts: | | | | | | | | | | |
| 4 | LTF Operating - recurring | 4,909,897 | (9,500,000) | | | | | | | 4,886,621 | |
| 5 | LTF OPEB | | | | | | | | | 277,778 | |
| 6 | FET Credit | | | | | | | | | | |
| 7 | RIN's Credit | | | | 36,804 | | | 30,000 | | | |
| 8 | LCFS | | 95,952 | | | | | | | | |
| 9 | CalPERS CERBT Disbursement | | | | 81,065 | | | | | | 85,000 |
| 10 | Farebox | 124,515 | 140,000 | 140,000 | 140,000 | 140,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 |
| 11 | Total Other Farebox | 68,633 | 129,462 | 6,179 | 114,866 | 32,000 | 44,438 | | 31,381 | 336,539 | 40,000 |
| 12 | Total Other Local | 13,093 | 5,000 | 9,500 | 5,000 | 5,000 | 10,305 | 5,000 | 5,000 | 5,000 | 9,000 |
| 13 | FTA Operating | | 6,377 | 1,305,681 | 24,544 | | | 24,542 | 740,000 | 11,546 | |
| 14 | Capital - Local, State | | 5,000 | 5,000 | 5,000 | 35,179 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 15 | Echo - FTA Capital | 19,302 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| 16 | Transfer from Investment to Gen Acct. | 100,000 | 7,211,479 | | 18,411 | 906,821 | 2,781,087 | 3,649,458 | | | 277,280 |
| 17 | Disbursements: | | | | | | | | | | |
| 18 | Payroll = Net+Tax | (835,335) | | (930,000) | | (870,000) | | (1,080,000) | | (920,000) | |
| 19 | A/P Wires | (40,768) | (2,776,337) | (14,000) | (230,690) | (54,000) | (280,830) | (2,574,000) | (265,640) | (14,000) | (356,280) |
| 20 | A/P Checks | (175,104) | (175,000) | (175,000) | (175,000) | (175,000) | (175,000) | (175,000) | (175,000) | (175,000) | (175,000) |
| 21 | Capital Expenditures | (1,286) | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) |
| 22 | Transfer to Investment from Gen Acct. | | | (327,360) | | | | | (455,741) | (4,528,484) | |
| 23 | Transfer to OPEB Trust Acct. | | | | | | (2,500,000) | | | | |
| 24 | Actual Ending Book Balance / Targeted Minimum Balance | 4,928,066 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

25 LAIF Account:

| | | | | | | | | | | | |
|----|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 26 | Beginning balance | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,482 | 105,482 |
| 27 | Quarterly Interest Income | | | | | | | | 197 | | |
| 28 | Transfers to/from Gen Acct. | - | - | - | - | - | - | - | - | - | - |
| 29 | Ending balance | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,285 | 105,482 | 105,482 | 105,482 |

30 County Pool Account:

| | | | | | | | | | | | |
|----|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 31 | Beginning balance | 1,215,863 | 1,215,863 | 1,215,863 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,354 | 1,225,354 |
| 32 | Quarterly Interest Income | | | 9,226 | | | | | 265 | | |
| 33 | Transfers to/from Gen Acct. | - | - | - | - | - | - | - | - | - | - |
| 34 | Ending balance | 1,215,863 | 1,215,863 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,089 | 1,225,354 | 1,225,354 | 1,225,354 |

35 CalTrust Account:

| | | | | | | | | | | | |
|----|-----------------------------|------------|-------------|------------|------------|------------|-------------|-------------|------------|------------|------------|
| 36 | Beginning balance | 53,746,008 | 53,646,008 | 46,471,839 | 46,799,199 | 46,780,788 | 45,873,967 | 43,092,880 | 39,477,762 | 39,933,503 | 44,461,987 |
| 37 | Quarterly Interest Income | | 37,310 | | | | | 34,339 | | | |
| 38 | Transfers to/from Gen Acct. | (100,000) | (7,211,479) | 327,360 | (18,411) | (906,821) | (2,781,087) | (3,649,458) | 455,741 | 4,528,484 | (277,280) |
| 39 | Ending balance | 53,646,008 | 46,471,839 | 46,799,199 | 46,780,788 | 45,873,967 | 43,092,880 | 39,477,762 | 39,933,503 | 44,461,987 | 44,184,707 |

| | | | | | | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <i>Restricted</i> | 40,477,626 | 40,505,289 | 40,505,289 | 40,505,289 | 40,505,289 | 38,193,329 | 38,221,044 | 38,221,309 | 38,499,087 | 38,499,087 |
| <i>Available for Operating</i> | 19,417,597 | 7,337,698 | 7,674,285 | 7,655,874 | 6,749,053 | 6,279,925 | 2,637,091 | 3,093,030 | 7,343,736 | 7,066,456 |
| Avg Operating expenses per month => | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 |
| No. of months Oper Cash On Hand => | 3.11 | 1.17 | 1.23 | 1.22 | 1.08 | 1.00 | 0.42 | 0.49 | 1.17 | 1.13 |

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 7, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Quarterly Capital Status

Background: The Agency has, at any one time, a multitude of capital projects in progress or pending as circumstances and funding dictate. These capital projects are funded through a variety of funding sources including, but not limited to, Federal, State, and Local grants. Capital items funded with these grants include, but are not limited to, Revenue and Non-Revenue Vehicles, Transit Facilities, Facility Improvements, and Information Systems.

Depending on the nature of the project, it can take multiple years to accumulate the required funding to complete the project. It can also take multiple years to complete the project once it has commenced. Examples of such a scenario are the heavy-duty CNG bus fleet replacement/expansion and the Intelligent Transportation System (ITS) enhancement/expansion projects.

The Agency will always have capital needs due to replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as transit centers to serve the transportation needs of our customers. As such, the Agency should always have a backlog of open projects that preserve and enhance the future of the Agency.

Summary: A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from March through May 2017. The Agency is required to provide quarterly reporting to the Federal Transit Administration (FTA) one month after the end of each quarter. The Agency is required to provide quarterly reporting to the Riverside County Transportation Commission (RCTC) after the end of each quarter. This reporting was submitted.

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 7, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Quarterly Natural Gas Procurement Status Report

Background: Prior to August 1, 2013, the Agency had always purchased its natural gas (converted to compressed natural gas or CNG) requirements for fueling revenue and non-revenue vehicles from the Southern California Gas Company (SoCal Gas). The cost of the gas from SoCal Gas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

In May 2013, the Board authorized staff to enter into a multi-year contract with GHI LLC (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. The Agency's contract with GHI commenced July 1, 2013 and natural gas purchases commenced in August 2013. The base period of the contract has been completed.

Highlights of the GHI contract are as follows:

- GHI provides a fixed 6% discount off the SoCal Gas commodity cost (in contract option years; years 4 and 5)
- GHI provides the Agency with 5% of the total Renewable Identification Number (RINs) Credit earned
- GHI will both opt-in on the Agency's behalf for the California Air Resources Board (CARB) Low Carbon Fuel Standards (LCFS) Credit program and financially administer the Agency's LCFS Credits
- GHI provides the Agency with 100% of the LCFS Credit value earned

The current Board approved Agency Investment Policy includes language regarding the purchase of natural gas requirements for conversion to CNG. The natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles. The policy includes language describing the discipline to purchase a long-term fixed price-per-term contract provided certain parameters are met. The policy also states that, if the Agency buys its natural gas requirements from an entity other than SoCal Gas, staff would prepare a quarterly report for the Board regarding the performance results under the new purchase arrangement and provide a performance comparison to the prior purchase arrangement.

Summary: Attachment A to this staff report identifies the savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCal Gas. The costs are depicted for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credits earned by the Agency under its natural gas purchase arrangement with GHI. RINs credits are earned and paid monthly. As a reminder, no such opportunity existed with SoCal Gas nor was it offered by the other responsible and responsive bidder during the formal procurement process.

Attachment C to this staff report identifies the LCFS Credits earned by the Agency under its natural gas purchase arrangement with GHI. LCFS credits are earned monthly but paid quarterly. As a reminder, no viable means to provide this credit to the Agency was offered by the other responsible and responsive bidder during the formal procurement process.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether or not the Agency should convert from the current monthly floating index cost per term purchase arrangement to a longer-term fixed price per term purchase arrangement per the Investment Policy. The statistics are kept to follow and enact, if applicable, the discipline installed as part of the annual investment policy.

Based on the investment policy discipline and market conditions, the Agency does not currently have any executed contract purchases.

Fiscal Impact:

Under the current purchase arrangement with GHI, the Agency experienced \$14,369 of savings in the quarter covering February - April 2017 for its natural gas commodity requirements versus buying directly from SoCal Gas.

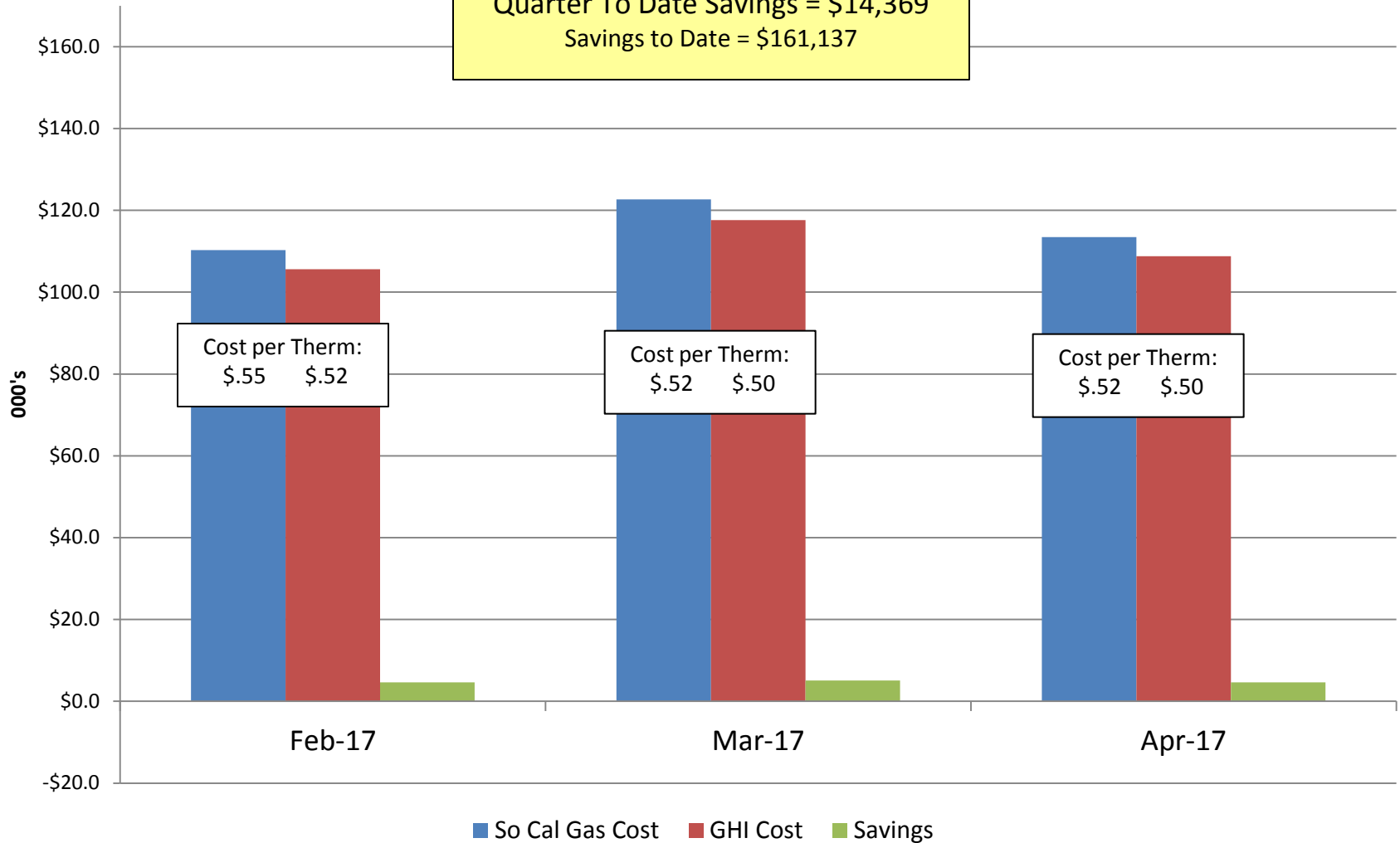
The Agency also earned a total of \$200,491 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG.

Recommendation:

Receive and file.

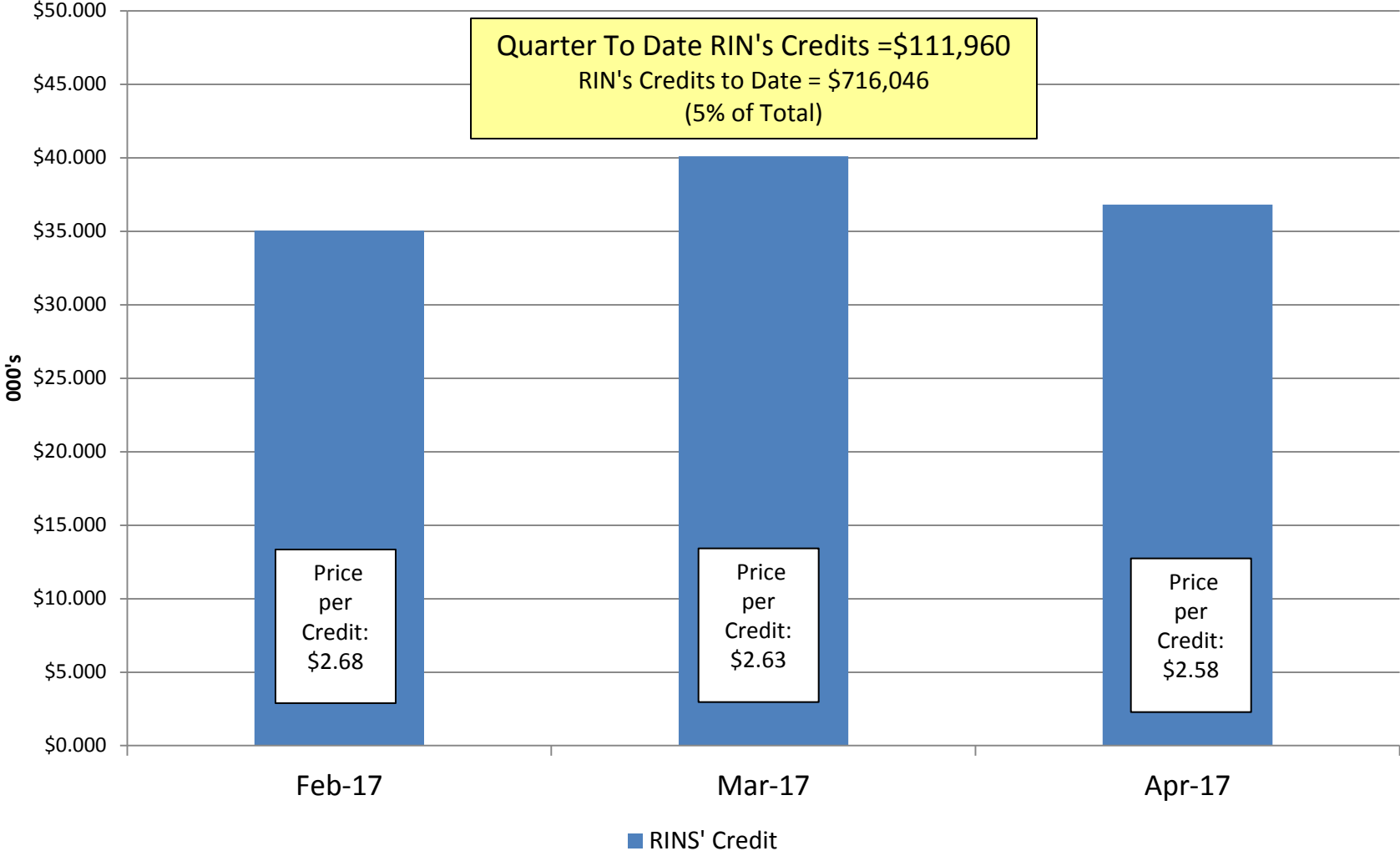
Attachment A CNG Cost Savings - So Cal Gas vs. GHI

Quarter To Date Savings = \$14,369
 Savings to Date = \$161,137



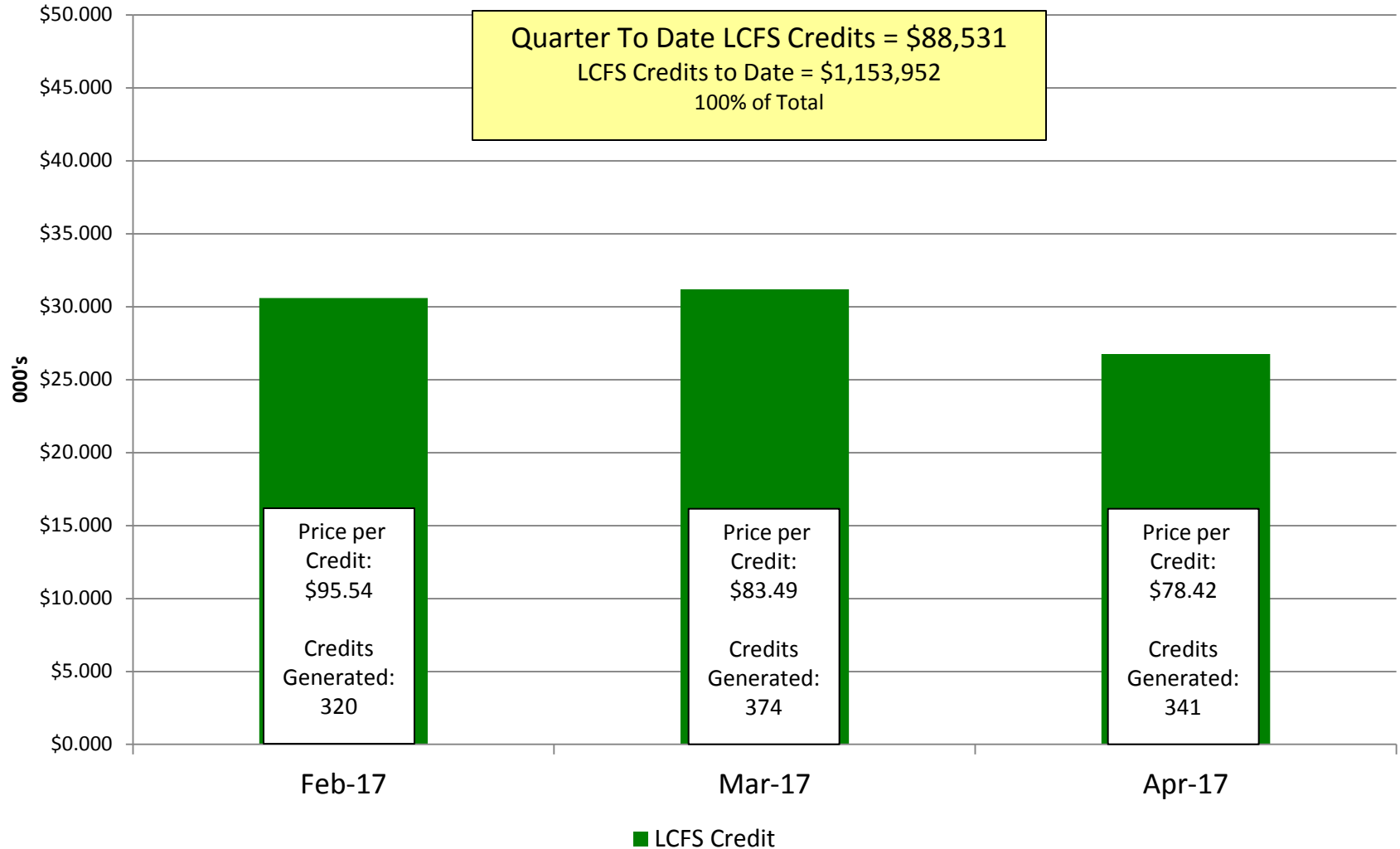
Attachment B

Renewable Identification Number (RIN's) Credit



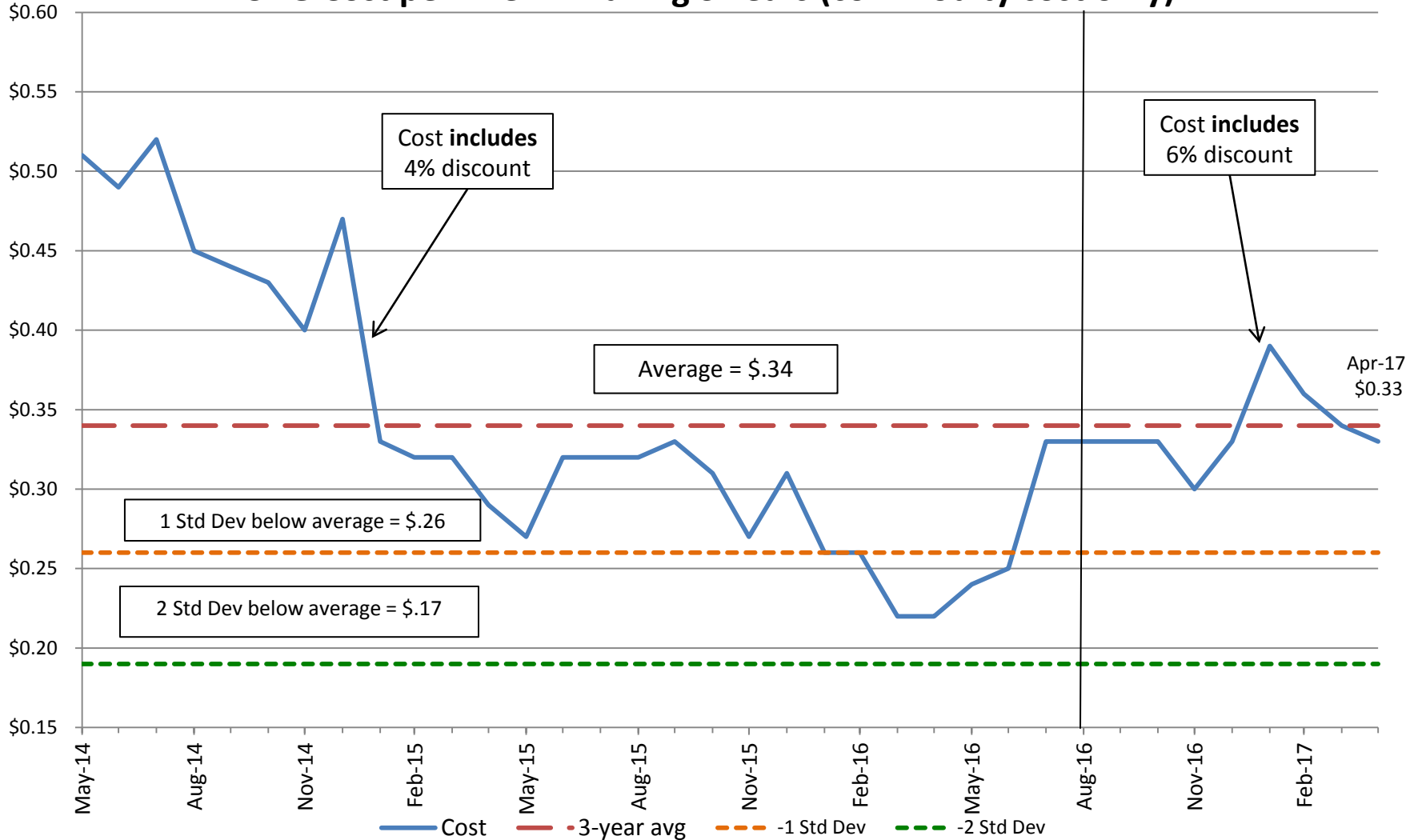
Attachment C

Low Carbon Fuel Standards (LCFS) Credit



Attachment D

CNG Cost per Therm Trailing 3 Years (commodity cost only)



RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 7, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Amend Agreement No. 13-005 and Award a Purchase Order to Clever Devices (CD) for the Purchase and Installation of Global Positioning System (GPS) Components on 22 Non-Revenue Vehicles

Summary: In FY14, the Agency purchased and equipped its revenue vehicle fleet with an array of advanced technologies to improve and support transit operations. Collectively, these technologies are known as an 'Intelligent Transportation System' (ITS). The \$4.96 million ITS project included a variety of equipment, tools and software applications integrated into a single computer aided dispatch (CAD) system to improve the ability of staff to manage fleet operations, collect critical data for planning, and provide the public with real-time vehicle arrival and departure information. The ITS project is in the final stages of implementation with the last of the revenue vehicles going live on May1.

In addition to equipping a total of 229 revenue vehicles with ITS equipment, the project also included the installation of Global Positioning System (GPS) equipment and software in 36 driver-relief vehicles. Since GPS capability has proven to be very valuable for staff in maintaining contact and visibility of these vehicles, staff recommends installing this equipment in the remaining 22 non-revenue vehicles which are administrative cars and maintenance road-call and stops-and-zones trucks.

By adding GPS functionality to these vehicles the Agency will be able to effectively monitor and track all of its rolling-stock and other vehicle assets via a single system. Since this equipment is the same as that currently installed on the revenue and driver-relief vehicle fleet, there will be no need for additional training of staff on the use or maintenance of the system.

Both the equipment and software will be procured directly from the original equipment manufacturer under the same pricing arrangement as the original Agreement No. 13-005, plus the

appropriate Consumer Price Index adjustment.

In accordance with FTA requirements for change orders/contract amendments, staff performed a price analysis to ensure the updated quote from CD was more advantageous than pricing for similar products available in the marketplace. Based on staff's analysis, staff has determined the pricing provided by CD to be fair and reasonable.

Additionally, if the Agency were to procure these components separately, the technical support and warranties offered by CD would not apply. Further, the new equipment can be integrated into the Agency's current ITS system for a uniform method of tracking vehicle assets.

Fiscal Impact:

This item is included in the Board approved capital budget. Funding to cover this request is in the form of Federal Congestion Mitigation and Air Quality (CMAQ) and State Transit Assistance (STA) funds. A complete funding profile is shown below:

| Funding Source | | |
|----------------|-------------|-------------|
| CMAQ | STA | Total |
| \$49,788.27 | \$17,512.73 | \$67,301.00 |

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to Amend Agreement No. 13-005 and award a Purchase Order to Clever Devices for the installation of GPS components on 22 non-revenue vehicles in the amount of \$61,886; plus 8.75% tax for a total amount of \$67,301.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 7, 2017

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Award Agreement No. 16-064 to Trillium CNG for Maintenance of the Agency's Compressed Natural Gas (CNG) Fueling Stations in Riverside and Hemet

Background: The Agency owns and operates three CNG fueling stations that provide fuel for its fleet of 40-foot and CommuterLink buses. Two stations are located at the Agency's Riverside facility (primary and back-up station) and the third is located at the Hemet facility. Natural gas is purchased under contract with GHI Inc. and transmitted to the Agency's fueling stations through Southern California Gas Company pipelines. The final step is the compressing of the natural gas by the station equipment creating CNG fuel.

Combined, these stations produce approximately 2.8 million therms of CNG fuel annually, or roughly the equivalent of 2,232,000 gasoline-gallon equivalents. The bulk of which is used in the Agency's fleet with a small amount sold to the general public at the Hemet public access station. Preventative maintenance and emergency repair services for these stations are crucial to ensure the equipment is properly maintained for reliable fueling of buses.

CNG fueling stations are different from those that dispense liquid fuels (i.e. gasoline, diesel). Because CNG is dispensed as a highly pressurized gas, maintaining a CNG fueling station requires specialized skills and training. Historically, the Agency has contracted its CNG preventative maintenance and repair services to a third-party contractor that specializes in the maintenance of complex fueling systems. Maintenance technicians must be familiar with the equipment and aware of the specific measures required to ensure safe, reliable and optimum performance of the station.

There are two elements to the proposed contract: Routine preventative maintenance as recommended by the Original Equipment Manufacturer (OEM) and emergency repairs. The Agency's current contract with Natural Gas Systems, Inc. is scheduled to expire on June 30, 2017.

Summary: On January 10, 2017 the Agency issued Request for Proposals (RFP) No. 16-064. The RFP was publicly advertised in a newspaper of general circulation and a notice was posted on the Agency’s website along with a copy of the RFP document. In addition, the Agency sent notices to the local Chambers of Commerce of those cities that are members of the Joint Powers Agreement. On February 28, 2017 the Agency received proposals from the following three vendors:

- Clean Energy, Newport Beach, CA
- Natural Gas Systems, Inc. (NGS), Corona Del Mar, CA
- Trillium CNG (Trillium), Houston, TX

The proposals were reviewed by an evaluation committee representing staff from the maintenance and purchasing departments. All three proposals were determined to be technically responsive. In addition, all three vendors have a long history of providing similar services to this industry with reference checks confirming customer satisfaction. After the technical evaluation, the three vendors were invited for in-person interviews. The interview process gives staff the opportunity to ask more specific questions that help clarify and supplement the written proposals.

After the vendor interviews, staff requested Best and Final Offer’s (BAFO’s). The request for BAFO’s included historical information on the number of unplanned service calls, estimated labor hours and annual expenditures for replacement parts so that each vendor could estimate as accurately as possible their costs for the full five-year period. BAFO pricing for each vendor is shown in Table 1 below.

**Table 1
Routine Maintenance and Emergency Repairs**

| | Trillium CNG | Clean Energy | Natural Gas Systems |
|--|------------------|--------------------|---------------------|
| Routine Maintenance Costs: | | | |
| Year 1 | \$103,800 | \$116,388 | \$131,348 |
| Year 2 | \$150,720 | \$116,388 | \$131,348 |
| Year 3 | \$110,160 | \$116,388 | \$131,348 |
| Opt. Year 1 | \$136,680 | \$116,388 | \$131,348 |
| Opt. Year 2 | \$116,880 | \$116,388 | \$131,348 |
| Subtotal: | \$618,240 | \$581,940 | \$656,740 |
| Emergency/Unplanned Maintenance (Labor) Costs: | | | |
| Year 1 | \$40,171 | \$52,040 | \$33,235 |
| Year 2 | \$41,635 | \$52,040 | \$35,190 |
| Year 3 | \$43,099 | \$52,040 | \$37,145 |
| Opt. Year 1 | \$44,563 | \$52,040 | \$39,100 |
| Opt. Year 2 | \$46,027 | \$52,040 | \$41,055 |
| Subtotal: | \$215,495 | \$260,200 | \$185,725 |
| Projected Parts for Emergency Calls (\$33,000.00 per year): | | | |
| | \$165,000 | \$165,000 | \$165,000 |
| Five-Year Total: | \$998,735 | \$1,007,140 | \$1,007,465 |

The proposal submitted by Trillium received the highest technical ranking by the committee and was also determined to be the lowest cost provider. Their cost proposal reflected the various service intervals for the fueling stations based on the OEM's recommended maintenance schedules.

Trillium provides similar maintenance services for other transit properties such as New York City Transit, San Diego Metropolitan Transit System (MTS) and the Fort Worth Transit Authority. Reference checks of these agencies were favorable.

Based on the above analysis, staff is recommending approval of a three-year contract with two one-year options to Trillium as the best value for the Agency.

Fiscal Impact:

Funding for CNG preventative maintenance and emergency repairs is included in the Agency's FY18 operating budget. Funding for these services beyond the current fiscal year will be included in future fiscal year budget requests.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 16-064 to Trillium CNG for maintenance of the Agency's CNG fueling stations in Riverside and Hemet for a three-year base period, with two one-year options, for a not to exceed amount of \$998,735.