



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
January 27, 2009

Honorable Mayor and  
Members of the City Council

**Title: Contract: Purchase of Mobile Liquefied Natural Gas Storage Trailer  
(G13000010)**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution:** 1) awarding Chart, Inc., the lowest responsive and responsible bidder, a contract for the purchase of one mobile liquefied natural gas (LNG) storage trailer in an amount not to exceed \$546,556; 2) authorizing the City Manager or the City Manager's designee to execute the contract specified above; and 3) authorizing the Office of the City Treasurer to arrange and secure funding for the acquisition of one mobile LNG storage trailer in the amount of \$246,556 at a rate not to exceed 5.5% for a 10 year term.

**Contacts:** Keith Leech, Fleet Manager, 808-5869

**Presenters:** Not applicable

**Department:** General Services

**Division:** Fleet Management

**Organization No:** 13001311

**Description/Analysis:**

**Issue:** The Department of General Services, Fleet Management Division, is required to provide adequate LNG fuel storage and supply to ensure LNG vehicles in the Department of Utilities, Solid Waste Division are available to perform essential services for the residents of the City. This purchase will augment the existing LNG fueling infrastructure.

**Policy Considerations:** The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

**Committee/Commission Action:** Not applicable

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The Environmental Services Manager has determined that the action of purchasing vehicles and/or equipment does not have the potential for causing a significant effect on the environment and is therefore exempt under CEQA Guidelines, Categorical Exemption Section 15061(b)(3).

**Sustainability Considerations:** The recommendations in this report are consistent with the City's Fleet Sustainability Policies adopted October 23, 2007 as per Resolution No. 2007-771.

**Rationale for Recommendation:** In support of City departments, the Department of General Services, Fleet Management Division is responsible for supplying LNG infrastructure and fuel for LNG fueled vehicles.

In September 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246009 for a mobile LNG fuel storage trailer. One response was received. The lowest responsive and responsible bidder was determined to be Chart, Inc.

Fleet Management currently has 12,000 gallons of LNG fuel storage capacity and 63 LNG vehicles. The current infrastructure is not connected to a back up power source. Purchasing this mobile LNG fuel storage trailer will increase fuel storage by approximately 4,000 gallons and will allow fueling of vehicles during power failures, emergencies and when maintenance is being performed on the existing LNG fueling infrastructure. This trailer also allows flexibility to obtain fuel from the County of Sacramento or Pacific Gas and Electric (PG&E) in the event that fuel deliveries are delayed due to road closures and poor weather during the winter months. Fleet management also needs to increase LNG storage capacity to accommodate the delivery of 21 LNG fueled vehicles approved by City Council on June 21, 2007 (Resolution No. 2007-418).

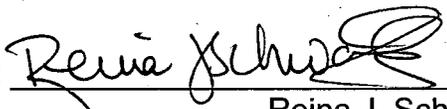
**Financial Considerations:** Funding for the purchase of one mobile LNG storage trailer from Chart, Inc. in an amount not to exceed \$546,556 will be provided by grant funds and financing secured by the Office of the City Treasurer.

On September 16, 2008, City Council adopted Resolution No. 2008-627, authorizing Fleet Management to accept a Sacramento Emergency Clean Air and Transportation (SECAT) Program and Sacramento Metropolitan Air Quality Management District Program grant for \$300,000 and establishing the SECAT Grant Project G13000010 which will be used to offset the cost of the mobile LNG storage trailer. The Office of the City Treasurer will arrange and secure financing for the remaining balance of \$246,556 at a rate not to exceed 5.5% for a 10 year term. The annual cost of financing the LNG unit will not exceed \$32,400.

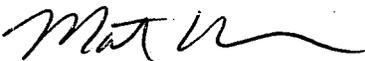
Funding for the lease payments will be provided by the Fleet Fund and will be offset by the existing fleet rate structure and fuel budget in the Solid Waste Division. No increase in the fleet rate is necessary to cover the lease payments and there is no financial impact to the General Fund.

**Emerging Small Business Development (ESBD):** Chart, Inc. is not certified as an emerging/small business firm. As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully submitted by:   
Keith Leech  
Fleet Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

  
for Ray Kerridge  
City Manager

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**RESOLUTION NO. 2009-XXXX**

Adopted by the Sacramento City Council

**January 27, 2009**

**APPROVING THE PURCHASE OF A MOBILE LIQUEFIED NATURAL GAS  
STORAGE TRAILER  
(G13000010)**

**BACKGROUND**

- A. The Department of General Services, Fleet Management Division is responsible for supplying liquefied natural gas (LNG) infrastructure and fuel for LNG fueled vehicles.
- B. In September 2008, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246009 for a mobile LNG fuel storage trailer. One response was received. The lowest responsive and responsible bidder was Chart, Inc.
- C. On September 16, 2008, City Council adopted Resolution No. 2008-627, authorizing Fleet Management to accept a grant for \$300,000 which will be used to offset the cost of the mobile LNG storage trailer.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. Chart, Inc. is awarded a contract for the purchase of one mobile LNG storage trailer in an amount not to exceed \$546,556.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the contract specified above.
- Section 3. The Office of the City Treasurer is hereby authorized to arrange and secure funding for the remaining balance of \$246,556, at a rate not to exceed 5.5% for a 10 year term to acquire one mobile LNG storage trailer.