CITY OF CARSON

Legislation Details (With Text)

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Title:	CONSIDER APPROVING PURCHASES OF COMPRESSED NATURAL GAS (CNG) FUEL FROM CLEAN ENERGY FUELS CORP (CITY COUNCIL)				
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Attachments:	1. Exhibit No. 1 - Clean Energy fuel discount (pages 3-4)., 2. Exhibit No. 2 - CMC Section 2611 (pages 5-10)., 3. Exhibit No. 3 - CMC Section 2605 waiver (page 11).				

Date	Ver.	Action By	Action	Result
6/23/2020	1	City Council		

Report to Mayor and City Council

Tuesday, June 23, 2020

Discussion

SUBJECT:

CONSIDER APPROVING PURCHASES OF COMPRESSED NATURAL GAS (CNG) FUEL FROM CLEAN ENERGY FUELS CORP (CITY COUNCIL)

I. SUMMARY

The City of Carson's Public Works and Community Services departments operate several vehicles that run on Compressed Natural Gas (CNG) fuel. Since 2009, the City has obtained CNG fuel from Clean Energy Fuel Corp (Clean Energy) for their competitive pricing and proximity to the City. There are no other CNG stations in Carson. Outside of Clean Energy, the closest offerings are in Downey, Huntington Beach, and Buena Park. From a cost perspective, Clean Energy is priced 10-20 cents lower per unit than its competitors. Torrance, Long Beach, and Santa Monica also utilize Clean Energy for their vehicles and buses. Bidding is not required for purchases of CNG as fuel purchases fall under the category of Other Purchases as defined by Section 2611 (i)(11) of the Carson Municipal Code. Tonight, the City Council is asked to approve purchases of CNG fuel from Clean Energy for two years through the end of Fiscal Year 2021-2022.

II. RECOMMENDATION

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APPROVE purchases of CNG fuel from Clean Energy through the end of Fiscal Year 2021-2022 in the total amount of $281,000 per year.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City of Carson operates several vehicles that run on CNG fuel. The Department of Public Works utilizes CNG fuel for vehicles used for dumping debris and patching road surfaces. The Department of Community services utilizes CNG for the City's buses.

Based in Newport, California, Clean Energy is a nationwide provider of CNG fuel. The City has utilized Clean Energy since 2009 for their close proximity to the Corporate Yard. Outside of Clean Energy, the closest offerings are in Downey, Huntington Beach, and Buena Park. As the City typically consumes upwards of 8,000 Gasoline Gallon Equivalent (GGE) units per month, Clean Energy is able to provide an annual $.15 discount per GGE from the posted retail price (Exhibit No. 1).

Bidding is not required for purchases of CNG fuel as fuel purchases fall under the category of Other Purchases as defined by Section 2611 (i)(11) of the Carson Municipal Code (Exhibit No. 2). A written contract is not required for purchases of supplies and commodities, including fuel, with a waiver from the City's Purchasing Manager (Exhibit No. 3).

V. FISCAL IMPACT

Should the City Council approve the recommendation, funds will be included for the upcoming year in our FY 2020-2021 budget and for the future fiscal year in accounts 218-90-940-180-7007, 219-90-940-180-7007, and 101-80-840-275-7007.

VI. EXHIBITS

1. Clean Energy fuel discount (pages 3-4).
2. CMC Section 2611 (pages 5-10).
3. CMC Section 2605 waiver (page 11).

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