



Item Number: 11

**City Council / Board of Directors**

**Written Communications**

**Meeting of: October 15, 2024**

**Submitted By:**

Doug Mathews, Director of Public Works and Water

**Subject:**

Purchase of a Compressed Natural Gas Station Skid Replacement for the McArt Road CNG Station, Project JM24-098

**Recommendation:**

That the Honorable City Council award the purchase of a Compressed Natural Gas (CNG) Station Skid replacement for the McArt Road CNG Station, Project JM24-098, to Atlas Copco Compressors, LLC, for an amount not to exceed \$259,895.10.

**Fiscal Impact:**

Approval of this purchase will have a fiscal impact of \$259,895.10 for the acquisition of the Compressed Natural Gas (CNG) Skid replacement. Funds for this expenditure have been appropriated in the Alternative Fuels Fund 120, as budgeted in the FY 2024/25 Capital Improvement Project (CIP) budget under account code 1205302-55040-70736. The budgeted amount for this project is \$425,000.

If the City Council approves staff's recommendation, there will be additional costs for installation since this procurement only covers the acquisition of the CNG Skid replacement. Atlas Copco Compressors, LLC (Atlas Copco) does not provide installation services, therefore a separate contractor will be required, with installation estimated to cost approximately \$100,000. After acquiring the CNG Skid, we will work with Atlas Copco to develop a scope of work to assist with the installation process. Furthermore, there will be an additional fee of \$12,000 for startup and training once the CNG Skid is installed.

**Strategic Plan Goal:**

This item aligns with Strategic Goal E, Invest in Infrastructure, which focuses on creating a healthy and livable community by maintaining the City's assets through infrastructure investment and innovations. Replacing the CNG Skid will ensure the continued reliable operation of the McArt Road CNG station.

**Background:**

The City of Victorville owns and operates two CNG fueling stations located at 16690 D Street and 14201 McArt Road. These stations have reliably served the community for over two decades, providing continuous fuel availability to the general public, commercial natural gas customers, and City vehicles. The CNG stations consist of a compressor skid (skid), power source, storage tanks, dispensers, and natural gas supply from Southwest Gas. The skid is a packaged unit consisting of a compressor, cooler, and electric motor, which is necessary for providing CNG, allowing for an inlet pressure of approximately 20 pounds per square inch (psi), and a dispensed pressure of approximately 4,000 psi.

At our CNG stations, the skid plays a pivotal role in ensuring our facilities' smooth and safe operation. However, the skid at our McArt Road CNG station, while servicing us well over the years, is now displaying signs of wear and limitations (such as replacement part availability) that could potentially impact operations. A lack of a reliable skid could lead to a delay in operations, increased maintenance costs, and safety concerns. Failing to replace the McArt Road CNG station skid would directly affect our ability to reliably provide CNG fuel for our customers and City vehicles.

**Discussion:**

The McArt Road CNG station dispenses twice the amount of fuel compared to the D Street CNG station. In the event of a skid failure, the station may have to close, resulting in the City's inability to meet existing customer demand.

On May 10th, 2024, in compliance with Victorville Municipal Code (VMC) §2.28.100, staff solicited bids for the McArt Road CNG Station Skid replacement. A Request for Quote (RFQ) from qualified contractors to furnish and deliver a CNG Skid for the McArt Road CNG station was distributed to ten (10) contractors via email, advertised in the Daily Press and San Bernardino Sun, and posted on the City of Victorville website. Proposal submittals were due on June 18th, 2024. The City received proposals from the following contractors in response to the solicitation:

<b>Contractor</b>	<b>Bid Amount</b>
Atlas Copco Compressors, LLC (Rock Hill, SC)	\$259,895.10
JW Power Company (Addison, TX)	\$396,811.20
RLD Performance CNG (Temecula, CA)	\$431,083.28
EFS West (Valencia, CA)	\$437,565.00

Per VMC §2.28.100, the City Council has the authority to award a purchase to the best value bidder if the cost exceeds \$125,000. In accordance with VMC §2.28.040, Atlas Copco Compressors, LLC was selected as the best value bidder based on their competitive price, compliance with project requirements, and the inclusion of a priority panel. Additionally, Atlas Copco provided a letter dated July 26, 2024 (Attachment B), confirming their bid amount and addressing critical aspects of the project, including compliance with delivery requirements and the inclusion of necessary equipment components. This letter further supports the proposal's alignment with the City's needs and demonstrates Atlas Copco's commitment to the project.

Accordingly, staff recommends awarding the purchase of a CNG Skid replacement for the McArt Road CNG Station to Atlas Copco Compressors, LLC, in an amount not to exceed \$259,895.10.

Staff remains available for any questions the Council may have.

**Attachments:**     A. Cost Proposals  
                              B. Letter from Atlas Copco