

File ID: 2025-00777

4/22/2025

Contract Supplement No. 2: Compressed Natural Gas (CNG) Fueling at Sacramento Regional Transit Facilities [Published for 10-Day Review 04/10/2025]

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Location: Citywide

Recommendation: Pass a **Motion** authorizing the Interim City Manager or designee to execute Supplement No. 2 to Contract No. 2022-0897 with Sacramento Regional Transit (RT) for the use of RT's fuel site to purchase compressed natural gas (CNG) in an amount not to exceed \$1,000,000 for a revised total contract not-to-exceed amount of \$2,400,000.

Contact: Stacey Chatman, Program Specialist, (916) 808-6711, schatman@cityofsacramento.org; Alison Kerstetter, Fleet Manager, (916) 808-1163; akerstetter@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Supplemental Agreement No. 02

Description/Analysis

Issue Detail: The Fleet Management Division within the Department of Public Works consistently needs to procure compressed natural gas (CNG) for vehicles used by many City departments. This supplementary agreement enables the City to persist in utilizing the Sacramento Regional Transit (RT) fuel site for CNG purchases.

Policy Considerations: The recommendation in this report is in accordance with City Code Chapter 3.56 and the Sacramento City Council Rules of Procedure, Chapter 7, Section E.2.d, which requires additional posting time for labor agreements and agreements greater than \$1 million. This item shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on April 10, 2025, in compliance with the City Code.

Economic Impacts: None.

Environmental Considerations: California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of CNG for City vehicles and is not considered to be a project in accordance with Section 15378(b)(2) of the guidelines.

Sustainability: The recommended purchases are consistent with the Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478). The use of CNG provides a cleaner burning fuel and decreases the City's dependency on fossil fuels.

Commission/Committee Action: None.

Rationale for Recommendation: The Meadowview Service Center hosts the City of Sacramento's CNG fueling station to provide services in the south area of the City. This agreement authorizes the City to utilize RT's fuel site to procure CNG fuel in the northern region, enhancing operational efficiencies for vehicles in that area. Recognizing a greater-than-anticipated utilization rate, the Fleet Management Division proposes Contract Supplement No. 2 approval to ensure uninterrupted service, as the existing contract authority is expected to be depleted before the contract term concludes. RT used a purchase agreement through the state of California Department of General Services that competitively bid the fuel being purchased.

Financial Considerations: Sufficient funds are available in the Department of Public Works, Fleet Management Fiscal Year 2024/25 operating budget for CNG purchases made through June 30, 2025, while the supplemental contract will expire in August 2027. Purchases made after June 30, 2025, are subject to funding availability in the adopted budget of the applicable fiscal year.

Local Business Enterprise (LBE): Not applicable. Sacramento Regional Transit is a public agency.

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: 02
Assessor's Parcel Number(s): _____
Contract Effective Date: 08/17/2022 Contract Expiration Date (if applicable): 08/16/2027
\$ Amount (Not to Exceed): \$ 2,400,000.00 Adjusted \$ Amount (+/-): \$ 1,000,000.00
Other Party: Sacramento Regional Transit (RT)
Project Title: CNG Fueling at Sacramento Regional Transit Facilities
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-00777

Contract Processing Contacts

Department: Public Works Project Manager: Stacey Chatman
Contract Coordinator: Stacey Chatman Email: schatman@cityofsacramento.org

Department Review and Routing

Accounting: _____
(Signature) (Date)
Supervisor: _____
(Signature) (Date)
Division Manager: _____
(Signature) (Date)
Other: _____
(Signature) (Date)

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

Recording Requested **Other Party Signature Required**

-----**FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE**-----

**SUPPLEMENTAL CONTRACT
INCREASE IN NOT-TO-EXCEED AMOUNT**

Project Title and Job Number: CNG Fueling at Sacramento Regional Transit Facilities

Date: 04/15/2025

Purchase Order #:

Supplemental Contract No.: 2

The City of Sacramento ("City") and Sacramento Regional Transit (RT) ("Contractor"), as parties to that certain License Agreement designated as Contract Number 2022-0897, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The maximum not-to-exceed amount that is specified in Supplement 1 of the Contract for payment of Contractor's fees and expenses, is **Increased by \$1,000,000**, and the Contract's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$ 700,000.00</u>
Net change by previous supplemental contracts:	<u>\$ 700,000.00</u>
Not-to-exceed amount prior to this supplemental contract:	<u>\$ 1,400,000.00</u>
Increased by this supplemental contract:	<u>\$ 1,000,000.00</u>
New not-to exceed amount including all supplemental contracts:	<u>\$ 2,400,000.00</u>

2. Contractor agrees that the amount specified in section 1 above, shall fully compensate Contractor under the Contract.
3. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor is duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.
4. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform as required under the Contract, as supplemented and modified by this supplemental contract.

SUPPLEMENTAL CONTRACT

Approval Recommended By:

Project Manager

Approved By:

Contractor

Approved By:

Ryan Moore, Assistant City Manager
City of Sacramento

Approved As To Form By:

City Attorney

Attest:

City Clerk