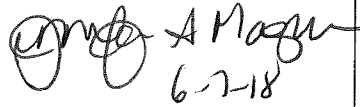


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003,	Coordination: Department of Aviation, City Attorney's Office and City Manager's Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide	Agreements/Contracts (New or Amended) resulting in no physical changes to the environment		CMO Approval:  6-7-18

SUBJECT: EXECUTE THE SECOND AMENDMENT TO THE AGREEMENT WITH TRILLIUM USA COMPANY LLC FOR COMPRESSED NATURAL GAS FUELING OPERATION AND MAINTENANCE SERVICES AT THE SAN JOSE MINETA INTERNATIONAL AIRPORT

RECOMMENDATION:

Authorize the City Manager to execute an amendment to the Agreement with Trillium USA Company LLC (Oklahoma City, OK) for Compressed Natural Gas ("CNG") Fueling Operations and Maintenance Services at the Airport to add up to two one-year options, for a total of seven (7) one-year options under the Agreement, to extend the term through June 30, 2020 under the same terms and conditions, at a maximum compensation of \$489,439 for July 1, 2018 to June 30, 2019, subject to the annual appropriation of funds.

Desired Outcome: Continue operations and maintenance of the Airport's CNG fueling station for continuity of service to Airport shuttle bus fleet and public customers until the Airport fully implements its electric shuttle bus strategy.

BASIS FOR RECOMMENDATION:

The Airport's CNG fueling station has been in service since December 2003. It is open to the public 24 hours per day, 365 days per year and provides essential fueling services to the City's current fleet of ten CNG shuttle buses. While the Airport shuttle buses are the main users of the facility, several privately owned fleet of CNG powered vehicles utilize the station.

In 2002, Council approved agreements with Trillium USA Company LLC (formerly Pinnacle CNG and Integrys Transportation Fuels LLC, respectively) to design, build, operate, and maintain a CNG fueling station at the Airport. In 2010, a new operations and maintenance agreement ("O&M Agreement") was issued to Trillium after a competitive Request for Proposal ("RFP") process. In 2016, Council approved a recommendation to extend the O&M Agreement to allow staff time to upgrade the outdated control and credit card systems under a separate agreement and to prepare for a new RFP. The O&M Agreement will expire on June 30, 2018.

A new RFP for the operations and maintenance of the CNG station is no longer practical due to changes in the Airport's transportation strategy. Electric vehicles have succeeded CNG as the preferred environmentally-friendly alternative to fossil fueled vehicles, and staff has been actively working on a transition from CNG to electric. In August and September 2017, Airport staff applied and secured federal grants to procure electric buses and related infrastructure. A contract for electric buses was subsequently awarded in November 2017 following a competitive process. Electric buses are expected to be delivered and replace the CNG bus fleet at the Airport within the next two years, at which time, the CNG fueling station will be decommissioned and taken out of service.

Trillium USA has performed well and approval of this recommendation will allow for the continued operation of the CNG fueling station for Airport and public use until a full transition to an electric shuttle bus strategy is complete.

Office of Equality Assurance: Living Wage or Prevailing Wage, whichever is higher, is applicable to this Agreement.

Commission Requirements: This item does not have input from board or commission.

This Council item is consistent with FY18-19 Proposed Operating Budget strategy to have safe and functional public infrastructure and facilities.

COST AND FUNDING SOURCE:

Fund #	Appn#	Appn Name	Total Appn.	Amt for Recommendation	2018-2019 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
523	0802	Airport Non-Personal/Equip	\$41,215,297	\$489,439	X-3	

*The FY 2018-2019 Proposed Operating Budget is scheduled to be approved by Council on June 12, 2018 and adopted on June 19, 2018

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance at 408-535-7059