



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 6, 2023

FROM: CONSTRUCTION AND MAINTENANCE DIVISION

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 40005 TO PROCESS GROUP AMERICA, INC. DBA PROCESS GROUP AMERICA FOR PURCHASE OF A COMPRESSED NATURAL GAS COMPRESSOR SYSTEM AT BERTH 161

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract No. 40005 with Process Group America, Inc. dba Process Group America (PGA), headquartered in Cambridge, Ontario, Canada, with an office presence in San Ysidro, California, for the purchase of a replacement compressed natural gas (CNG) compressor system in the amount of \$799,693. The Harbor Department will be financially responsible for the payment of expenses incurred under the proposed Contract.

RECOMMENDATION:

It is recommended, that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 2(2) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject contract can be performed more feasibly by independent contractors than by City employees;
3. Approve Contract No. 40005 with PGA for the purchase and installation of a CNG Compressor system in the amount of \$799,693;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Contract No. 40005 for and on behalf of the Board; and
5. Adopt Resolution No. _____ .

DISCUSSION:

Background/Context – The existing Harbor Department CNG fueling system at Berth 161 was designed and installed in 2012 to meet the operational needs of the Harbor Department. This was done in conformance with the Mayoral Directive, City of Los Angeles guidelines, and Port of Los Angeles policy, requiring the shift from fossil-fuel

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vehicles to zero-emission vehicles. The CNG fueling system services the maintenance trucks and utility-type vehicles, such as the ladder pick-up trucks, which run on CNG. The key component to the CNG system is the compressor unit. The compressor unit's purpose is to take low pressure utility service natural gas and compress, store, and make it available for dispensing into vehicles. The current compressor unit has provided reliable service for 11 years, with minimal repairs. Regular maintenance has been provided by a reputable contracted vendor, Clean Energy. At the end of the last maintenance agreement with Clean Energy, the vendor did not express an interest in renewing our maintenance agreement due the fact that our current CNG compressor system has exceeded its lifecycle and thus, the vendor could not provide a warranty for any repairs performed by the vendor. The current CNG fueling system at Berth 161 no longer functions at a reliable level due to the age and obsolescence of replacement parts. The Port of Los Angeles remains committed to the continued transition of fleet equipment to the most environmentally beneficial technology available. The replacement of this CNG compressor will continue to support the existing fueling infrastructure while older CNG equipment is phased out over the next 10 – 15 years. Based on Gasoline Gas Equivalent (GGE) retail cost versus in-house CNG dispensing, cost per gallon is 48% less when dispensed in-house. In addition, continued in-house dispensing eliminates approximately 5,700 round trip visits annually to the local CNG fueling facility. This reduces traffic, lowers emissions, and saves valuable staff time. The purchase of this CNG compressor will not result in the loss of any Harbor Department jobs.

Selection Process – The Contracts & Purchasing Division (C&P) issued a purchase requisition for the CNG Compressor replacement on May 9, 2022. C&P released Request for Bids (RFB) No. F-1163 on January 10, 2023. The RFB was advertised in the City of Los Angeles Regional Alliance Marketplace for Procurement (RAMPLA) and the Port of Los Angeles website.

Per statistics on RAMPLA, the bid was viewed by 23 unique companies (Transmittal 1). The bid document was downloaded by 17 unique companies (Transmittal 2). Four (4) vendors submitted bids for this contract opportunity. C&P prepared a recap of the bid (Transmittal 3). PGA was the lowest responsive bidder in the amount of \$748,493 excluding taxes. Staff has estimated taxes to be \$51,200 for a total contract amount of \$799,693, including applicable taxes. Staff is recommending approval of the award of Contract No. 40005 (Transmittal 4) to PGA.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Contract No. 40005 with PGA for the purchase of a replacement CNG compressor system, which is the replacement of a commercial or

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industrial structure with a new structure of substantially the same size, purpose, and capacity. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 2(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed one-time purchase order authorizes the purchase of a replacement CNG Compressor system in the amount of \$799,693 in Fiscal Year (FY) 2023/2024.

Funding for FY 2023/2024 in the amount of \$799,693 has been budgeted within Account 54030 (Maintenance Services – Equipment), Center 1207, Program 000.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the subject contract as to form and legality.

TRANSMITTALS:

1. C&M_Bid No. F-1163 Views_Trans 1
2. C&M_Bid No. F-1163 Downloaded_Trans 2
3. C&M_Recap of Bid No. F-1163_Trans 3
4. C&M_Contract No. 40005, Formal Bid No. F-1163_Trans 4

FIS Approval: MB
CA Approval: JC



TIM CLARK
Director of Port Construction & Maintenance



DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director
Development

APPROVED:

Marla Bleavins For

EUGENE SEROKA
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