



## Board Report

File #: 2025-0998, File Type: Contract

Agenda Number: 40.

### OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 15, 2026

**SUBJECT: OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 1 to Contract No. OP125246000 with Clean Energy for Divisions 2, 8, 9, and 15 to add the Operations and Maintenance (O&M) of Compressed Natural Gas (CNG) Fueling Stations at Division 13 in an amount Not-To-Exceed (NTE) \$1,200,000, increasing the total contract value from \$6,150,097 to \$7,350,097; and
- B. EXECUTE Modification No. 2 to Contract OP749030003367 with Clean Energy for Divisions 1, 3, 5, 7, 10, and 18 to continue the O&M of CNG Fueling Stations at those Divisions, in the NTE amount of \$3,676,720, increasing the total contract value from \$5,785,439 to \$9,462,159.

#### **ISSUE**

The design, construction, and implementation of CNG infrastructure at Metro bus divisions occurred over different years, resulting in several contract awards for operations and maintenance. As a result, there are currently three separate CNG contracts in place with Clean Energy:

- Contract No. OP749030003367: Divisions 1, 3, 5, 7, 10, and 18
- Contract No. OP125246000: Divisions 2, 8, 9, and 15
- Contract No. OP83803019: Division 13

Contract OP83803019 for Division 13 expires on March 31, 2026. Rather than award a new stand-alone contract, staff recommends consolidating the Division 13 contract into the recently competitively awarded contract (OP125246000) approved by the Board in March 2025, which serves Divisions 2, 8, 9, and 15. This consolidation would streamline contract management, improve tracking and payment processes, and support consistent, safe, and timely operations.

The second recommendation addresses the continuation of CNG Operations and Maintenance services at Divisions 1, 3, 5, 7, 10, and 18. The original contract was based on projected Therm

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usage aligned with the Zero Emission Bus (ZEB) Program Rollout Plan as submitted to the California Air Resources Board in 2021. Metro has since prepared a ZEB Program Master Plan in 2022, a Master Plan Update in 2023, and in September 2024, staff prepared a more detailed plan to deliver a 100% ZEB fleet no later than 2035. The revised ZEB transition schedule has led to continued reliance on CNG at higher-than-planned Therm usage, resulting in the need for additional contract authority.

## **BACKGROUND**

Contract OP83803019 with Clean Energy, which covers the operation and maintenance of the CNG compound at Division 13 (920 N. Vignes, Los Angeles), was approved by the Board in April 2013 and is scheduled to expire on March 31, 2026. In lieu of initiating a new competitive solicitation, staff recommends amending Contract OP125246000- currently serving Divisions 2 (720 E. 15<sup>th</sup> St, Los Angeles), 8 (9201 Canoga Ave, Chatsworth), 9 (3449 Santa Anita Ave, El Monte), and 15 (11900 Branford St, Sun Valley) - to include Division 13.

Contract OP125246000 was approved by the Board in February 2025 with an NTE amount of \$6,150,097 for a three-year base term and \$2,036,432 for each of the two one-year options for a total NTE amount of \$10,222,962. The scope of services for Division 13 aligns with those already provided under this contract, and no changes to the scope of work are proposed. However, the addition of Division 13 requires an increase in contract authority for both the base term and the option terms, as the approved contract amount does not accommodate the expanded coverage. If Metro elects to exercise the Options, Staff will return to request the Board's approval.

This amendment supports a broader strategy to consolidate multiple CNG Operations and Maintenance service agreements into a single, unified contract-streamlining administration, enhancing oversight, and improving operational efficiency across divisions.

Separately, staff recommends increasing contract authority for Contract OP749030003367 with Clean Energy, which covers Divisions 1 (1130 E. 6<sup>th</sup> St, Los Angeles), 3 (630 W. Avenue 28, Los Angeles), 5 (5425 Van Ness Ave, Los Angeles), 7 (8800 Santa Monica Blvd, Los Angeles), 10 (742 N. Mission Rd, Los Angeles), and 18 (450 W. Griffith St, Gardena). Originally approved by the Board in November 2021, this contract authorized an NTE amount of \$5,285,439 for a five-year base term, and \$5,623,284 for five one-year option terms for a total NTE amount of \$10,908,723- effective March 1, 2022.

The contract's NTE amount was based on the ZEB Program Rollout Plan as submitted to CARB in 2021, which projected reduced Therm usage as CNG buses were phased out. However, the revised division electrification schedule, which aims to deliver a 100% ZEB fleet by no later than 2035, has resulted in continued Thermal consumption at higher-than-anticipated levels, depleting the base term contract authority.

Additional contract authority is necessary to maintain uninterrupted operations through the remainder of the base term.

## **DISCUSSION**

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Under these contract modifications, the contractor will continue to perform comprehensive O&M services of the CNG equipment at Metro Bus Divisions 1, 2, 3, 5, 7, 8, 9, 10, 13, 15, and 18. This includes all related electrical systems, fuel hoses and nozzles, and the gas monitoring system. The Contractor is also required to provide all repair parts, overhaul services, and consumables to include compressor oils, all other lubricants, dryer desiccants, as well as all scheduled and unscheduled replacements for compressors, motors, valves and all other equipment and appurtenances necessary to efficiently operate Metro's CNG fueling facilities.

Per contract requirements, the contractor shall provide Metro personnel with the necessary training to perform routine maintenance work. Metro will charge the contractor for the O&M work performed by Metro personnel, and the contractor shall pay for all associated labor costs.

The contract includes terms and liquidated damages designed to minimize equipment downtime and bus roll-out interruption. Liquidated damages may be imposed if bus roll-out schedule is not met, buses are directed to alternate locations for fueling to meet scheduled roll-out due to lack of fueling capacity or fueling performance, or if more than one CNG compressor is not available to operate between 5:00 PM and 5:00 AM daily.

### **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure O&M service continuity and provide prompt response time, ensuring the delivery of safe, quality, on-time, and reliable services to our customers and the public.

### **FINANCIAL IMPACT**

Adoption of these contract modifications for the Operation and Maintenance of CNG Gas Fueling Stations at Bus Divisions would have no additional budget impact to the agency. The FY26 budget includes \$5,000,000 for this action under cost center 3367-Facilities Maintenance, account 50308, Service Contract Maintenance, project 306002, Bus Maintenance.

Since this is a multi-year contract, the cost center manager and Deputy Chief of Infrastructure Maintenance & Engineering will be accountable for budgeting the cost in future years.

### **Impact to Budget**

This action's current source of funds includes operating eligible sales tax funding, including Proposition A/C, Measure R/M, the Transportation Development Act, and State Transit Assistance. Given approved funding provisions and guidelines, applying these funds to this project maximizes the intent of the eligible funding.

### **EQUITY PLATFORM**

Continued funding for the CNG contract will help ensure fleet reliability while decreasing missed trips and frequency gaps that disproportionately affect riders who rely on Metro as their primary transportation mode. This investment strengthens Metro's broader commitment to transportation

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equity and environmental stewardship by improving operational resilience, advancing clean-air goals, and supporting healthier outcomes for communities that have historically experienced disproportionate environmental impacts.

These service areas include multiple communities designated as Equity Focus Communities (EFCs) or characterized by long-standing socioeconomic and environmental disparities, such as elevated pollution burdens, limited access to private vehicles, and higher levels of transit dependency. Enhancing the capacity and reliability of CNG fueling infrastructure at these divisions supports Metro's ability to operate cleaner-burning buses, thereby reducing localized emissions and ensuring more dependable service for riders.

Metro Operations remains committed to supporting EFCs by providing safe, reliable, and accessible mobility options that connect riders to jobs, educational institutions, health care, and other essential services. The services supported through this contract will directly benefit riders traveling within the service areas of Division 1, Division 3 (, Division 5, Division 7, Division 10, Division 13 and Division 18 .

While no DBE goal was established for this contract, Clean Energy listed DBE participation during the award for Contract OP125246. However, effective October 3, 2025, the U.S. Department of Transportation (USDOT) issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including suspension of goals, counting of participation, and enforcement. While DBE participation is not a factor in the staff recommendation, there is one Metro certified small business firm participating in the contract.

While a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal was not established for OP749030003367, Clean Energy identified and added an SBE subcontractor to perform a portion of the work, and the current level of SBE participation is 1.31%.

### **VEHICLE MILES TRAVELED OUTCOME**

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.\* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through operation and maintenance activities that will support Metro's clean energy bus fleet - streamlining administration, enhancing oversight, and improving operational efficiency across divisions. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

\*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Board action supports Strategic Goal 2: Deliver outstanding trip experiences for all transportation system users, as we are committed to providing attractive, affordable, efficient, and safe service. This Board action also supports Strategic Goal 5, providing responsive, accountable, and trustworthy governance within the Metro organization. Performing preventive maintenance, inspections, and as-needed repairs will ensure timely bus rollouts and provide safe and reliable operation of CNG fueling stations at Metro bus Divisions.

### **ALTERNATIVES CONSIDERED**

An alternative strategy would be to decline both proposed modifications, allow the Clean Energy Contract for Division 13 to expire, and terminate the remaining contract for Divisions 1, 3, 5, 7, 10, and 18 due to lack of contract authority in its base term-bringing all associated work in-house. However, this option is currently impractical, as it would require substantial time and resources to recruit and train certified personnel, and to acquire the necessary tools, equipment, vehicles, and supplies. It would also place greater responsibility and liability on internal staff. Furthermore, internal assessments indicate that this approach is not financially sustainable for Metro, given the highly specialized and costly nature of the required expertise and operational capabilities. As such, engaging external professionals with nationwide experience and adherence to industry standards remains the most effective and prudent path forward.

Another option would be to issue a competitive solicitation; however, this is not recommended. The service is highly technical, with a very limited vendor pool. We are seeking to consolidate this service into fewer contracts, since the same vendor already provides it under other contracts. The recently awarded contract for Divisions 2, 8, 9, and 15 resulted in only one proposal, further demonstrating the limited competition.

### **NEXT STEPS**

Upon Board Approval, staff will execute contract modifications with Clean Energy for continued Operation and Maintenance (O&M) of Compressed Natural Gas (CNG) fueling stations at Metro bus divisions.

### **ATTACHMENTS**

Attachment A - Procurement Summary OP125246000  
Attachment B - Contract Modification/Change Order Log OP125246000  
Attachment C - Procurement Summary OP749030003367  
Attachment D - Contract Modification/Change Order Log OP749030003367  
Attachment E - DEOD Summary OP125246000  
Attachment F - DEOD Summary OP749030003367

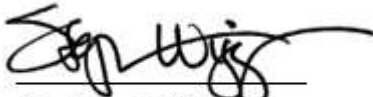
Prepared by:

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Debra Avila, Deputy Chief, Vendor/Contract Management Officer, (213) 418-3051

Reviewed by:

Conan Cheung, Chief Operations Officer, (213) 418-3034

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

**OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS Div 2, 8, 9 & 15 / OP125246000**

1.	<b>Contract Number:</b> OP125246000			
2.	<b>Contractor:</b> Clean Energy			
3.	<b>Mod. Work Description:</b> Add Division 13 location			
4.	<b>Contract Work Description:</b> Operations and Maintenance Services for CNG Fueling Stations			
5.	<b>The following data is current as of:</b> 11/26/25			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	2/27/2025	<b>Contract Award Amount:</b>	\$6,150,097
	<b>Notice to Proceed (NTP):</b>	5/1/2025	<b>Total of Modifications Approved:</b>	\$0
	<b>Original Complete Date:</b>	4/20/2028	<b>Pending Modifications (including this action):</b>	\$1,200,000
	<b>Current Est. Complete Date:</b>	4/20/2028	<b>Current Contract Value (with this action):</b>	\$7,350,097
7.	<b>Contract Administrator:</b> Ana Rodriguez		<b>Telephone Number:</b> (213) 922-1076	
8.	<b>Project Manager:</b> Anthony Carballo		<b>Telephone Number:</b> (213) 418-3335	

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 1 issued to add the Operations and Maintenance (O&M) of Compressed Natural Gas (CNG) Fueling Stations for Division 13.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate.

On February 27, 2025, the Metro Board of Directors authorized the award of a firm fixed unit rate Contract No. OP125246000 to Clean Energy to provide O&M services of CNG fueling stations at Divisions 2, 8, 9, and 15, inclusive of a three-year base and two, one-year options.

Refer to Attachment B – Contract Modification/Change Order Log

## **B. Cost/Price Analysis**

The recommended contract authority increase has been determined to be fair and reasonable based upon firm fixed unit rates that were evaluated and established as part of the current contract awarded in February 2025 and the estimated monthly usage of therms for the location being added. The contract was awarded as a result of a competitive RFP that included evaluation of the base period and options.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
NTE \$1,200,000	NTE \$1,200,000	<b>NTE \$1,200,000</b>



## CONTRACT MODIFICATION/CHANGE ORDER LOG

OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING  
STATIONS Div 2, 8, 9 & 15 / OP125246000

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Add Division 13 O&M Services for CNG Fueling Stations	Pending		\$1,200,000
	<b>Modification Total:</b>			\$1,200,000
	<b>Original Contract:</b>			\$6,150,097
	<b>Total:</b>			\$7,350,097

## PROCUREMENT SUMMARY

## OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS AT DIVISIONS 1, 3, 5, 7, 10 &amp; 18/OP749030003367

1.	<b>Contract Number:</b> OP749030003367			
2.	<b>Contractor:</b> Clean Energy			
3.	<b>Mod. Work Description:</b> Add Contract Authority for the continuation of services			
4.	<b>Contract Work Description:</b> Operations and Maintenance Services for CNG Fueling Stations			
5.	<b>The following data is current as of:</b> 11/26/25			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	12/2/2021	<b>Contract Award Amount:</b>	\$5,285,439
	<b>Notice to Proceed (NTP):</b>	3/1/2022	<b>Total of Modifications Approved:</b>	\$500,000
	<b>Original Complete Date:</b>	2/28/2027	<b>Pending Modifications (including this action):</b>	\$3,676,720
	<b>Current Est. Complete Date:</b>	2/28/2027	<b>Current Contract Value (with this action):</b>	\$9,462,159
7.	<b>Contract Administrator:</b> Ana Rodriguez		<b>Telephone Number:</b> (213) 922-1076	
8.	<b>Project Manager:</b> Anthony Carballo		<b>Telephone Number:</b> (213) 418-3335	

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 2 issued to continue to provide Operations and Maintenance (O&M) of Compressed Natural Gas (CNG) Fueling Stations for Divisions 1, 3, 5, 7, 10 and 18.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate.

On December 2, 2021, the Metro Board of Directors authorized the award of a firm fixed unit rate Contract No. OP749030003367 to Clean Energy to provide O&M services of CNG fueling stations at Divisions 1, 3, 5, 7, 10 and 18, inclusive of a five-year base contract and five, one-year options.

Refer to Attachment B – Contract Modification/Change Order Log

## **B. Cost/Price Analysis**

The recommended contract authority increase has been determined to be fair and reasonable based upon firm fixed unit rates that were evaluated and established as part of the current contract awarded in December 2021. The contract was awarded as a result of a competitive RFP that included evaluation of the base period and options. The Independent Cost Estimate (ICE) is based on the original negotiated contract rates.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
NTE \$3,676,720	NTE \$3,676,720	NTE \$3,676,720

## CONTRACT MODIFICATION/CHANGE ORDER LOG

OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING  
STATIONS AT DIVISIONS 1, 3, 5, 7, 10 & 18/OP749030003367

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Increase the Not-to-Exceed amount of the Contract	Approved	10/23/25	\$500,000
2	Increase the Not-to-Exceed amount of the Contract	<b>Pending</b>		<b>\$3,676,720</b>
	<b>Modification Total:</b>			<b>\$4,176,720</b>
	<b>Original Contract:</b>			<b>\$5,285,439</b>
	<b>Total:</b>			<b>\$9,462,159</b>

**DEOD SUMMARY****OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS Div 2, 8, 9 & 15 / OP125246000****A. Small Business Participation**

While DEOD did not establish a DBE goal for this contract based on the lack of subcontracting opportunities, Clean Energy listed DBE participation during the award of this contract. However, effective October 3, 2025, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including suspension of goals, counting of participation, and enforcement. As such, DBE participation is not a factor in the staff recommendation. There is one Metro certified small business participating in this contract.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**E. Manufacturing Careers Policy**

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least \$50 million.

## DEOD SUMMARY

**OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING  
STATIONS AT DIVISIONS 1, 3, 5, 7, 10 & 18/OP749030003367**

**A. Small Business Participation**

DEOD did not establish a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal for this contract due to the lack of subcontracting opportunities. However, Clean Energy identified and added an SBE subcontractor to perform a portion of the work. Based on payments to date, the contract is 96% complete, and the current level of SBE participation is 1.31%.

<b>Small Business Commitment</b>	<b>0.00% SBE</b>	<b>Small Business Participation</b>	<b>1.31% SBE</b>
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	<b>SBE Contractor(s)</b>	<b>% Commitment</b>	<b>% Participation</b>
1.	Dr. Detail Services, Inc.	ADDED	1.31%
	<b>Total</b>	<b>ADDED</b>	<b>1.31%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to SBE firms ÷ Total Actual Amount Paid-to-date to Prime.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

**D. Project Labor Agreement/Construction Careers Policy**

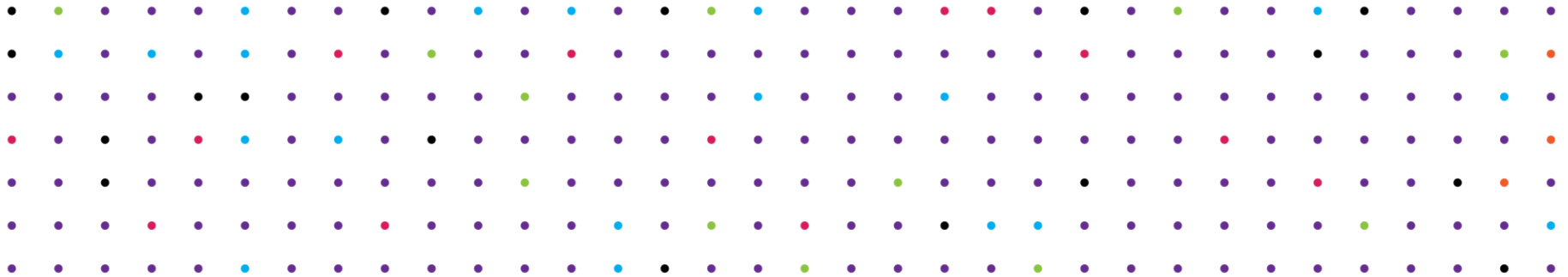
Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**E. Manufacturing Careers Policy**

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least \$50 million.

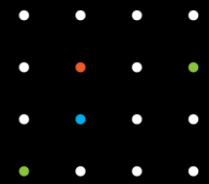
# OPERATION AND MAINTENANCE OF COMPRESSED NATURAL GAS FUELING STATIONS AT DIVISIONS

Date: JANUARY 15, 2026





# RECOMMENDATION



AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 1 to Contract No. OP125246000 with Clean Energy for Divisions 2, 8, 9 and 15 to add the Operations and Maintenance (O&M) of Compressed Natural Gas (CNG) Fueling Stations at Division 13 in an amount Not-to-Exceed (NTE) \$1,200,000 increasing the total contract value from \$6,150,097 to \$7,350,097; and

B. EXECUTE Modification No. 2 to Contract OP749030003367 with Clean Energy for Divisions 1, 3, 5, 7, 10 and 18 to continue the O&M of CNG Fueling Stations at those Divisions, in the NTE amount of \$3,676,720 increasing the total contract value from \$5,785,439 to \$9,462,159.



**Metro**

# RECOMMENDATION



## AWARDEE

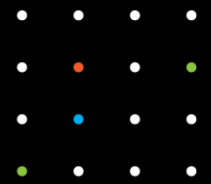
Clean Energy

## NUMBER OF BIDS/PROPOSALS

N/A

## DEOD COMMITMENT

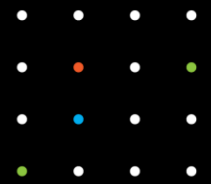
DEOD did not establish a DBE participation goal for this procurement due to lack of subcontracting opportunities. However, Clean Energy made a 0.65% DBE commitment.



## ISSUE

Staff recommends consolidating the Division 13 contract (OP83803019) into the more recently awarded contract (OP125246000) for Divisions 2, 8, 9, and 15 to streamline management and enhance operational consistency. They also recommend increasing contract authority for contract OP749030003367 for Divisions 3, 5, 7, 10, and 18, as updated Zero Emission Bus transition timelines have required greater-than-anticipated CNG usage, causing the contract authority to be exhausted before the base term expires.

# ISSUE/DISCUSSION



## DISCUSSION

The contract modifications ensure the contractor continues providing full operations and maintenance services for CNG equipment across all specified Metro divisions, including all necessary repairs, parts, and replacements.