ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

STAFF REPORT

MEETING DATE: 1/8/2025 **Staff Report No.** 22-461b

TO: **AC Transit Board of Directors**

FROM: **Michael A. Hursh, General Manager/Chief Executive Officer**

SUBJECT: **Construction Contract Award for Civil Portion of D4 Hydrogen Station Upgrade**

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider approving contract award to Saboo, Inc., a certified small business in Brentwood, California, in the amount of $2,690,000 for the civil and balance of plant portion of the construction of the Oakland Division 4 Hydrogen Station Upgrade Project.

Staff Contact:
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Environmental Improvement
Initiative - Zero Emission Programs

Authorizing this contract will support the continued implementation of AC Transit's Board-approved Zero Emission Bus (ZEB) Transition Plan by increasing the capacities and throughputs of the hydrogen fueling infrastructure at the Oakland (D4) Division.

BUDGETARY/FISCAL IMPACT:

This contract award to Saboo, Inc., in the amount of $2,690,000 for the civil infrastructure and balance of plant construction will be entirely funded by the California Energy Commission (CEC) Zero Emission Transit Fleet Infrastructure Deployment Grant and a Bay Area Air Quality Management District (BAAQMD) Carl Moyer Program Grant.

CONTRACT AWARD SUMMARY:

Vendor Outreach Summary:	
No. DBE/SBEs:	113
No. Registered Vendors:	349
Contract Summary:	

# Proposals/Bids Received:	Six total / Four were Responsive and Responsible.
Award Type:	Lowest Responsible and Responsive Bid
Independent Cost Estimate Range:	$1,000,0000 to $5,000,000
Recommended for Award:	Saboo, Inc. $2,690,000
Small Business Type:	SBE
DBE/SBE Utilization %:**	83%

* Neither SBE, nor DBE
** The District sets Small Business Enterprise (SBE) goals on contracting opportunities. The Federal Transit Administration (FTA) may authorize a Disadvantaged Business Enterprise (DBE) goal; however, SBE goals may result in DBE awards and utilization.

Levine Act Disclosure
California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than $250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Disclosure is not required for contracts that are competitively bid.

BACKGROUND/RATIONALE:

On November 12, 2020, the Board authorized the application and funding agreement with the California Energy Commission (CEC) for the very competitive Zero Emission Transit Fleet Infrastructure Deployment Grant. In order to make AC Transit's application as robust as possible, the District included Messer North America, Inc. as a technology partner to both maximize our technical/experience scoring and to provide firm cost values for the portion of the project that is most price volatile. As a result, the District received a competitive grant award based on the strength of that presentation.

On June 22, 2022, the Board approved the current version of the AC Transit Zero-Emission Bus Transition Plan. The Transition Plan provided for a near term increase in Fuel Cell Electric Bus (FCEB) capacity at the Oakland (D4) Division to a minimum of 75 buses, but ultimately up to 150 buses. To achieve that level of capacity, upgrades to the existing hydrogen station infrastructure must be made and capacities expanded with the following upgrades:

1. Increased storage quantity of liquid hydrogen (LH2) storage to 25,000 gallons. This will provide for the increased throughput and minimize the number of hydrogen deliveries AC Transit needs to take in normal operation.
2. Upgraded to a liquid cryogenic pumping model utilizing pressure build vaporizers and two (2) dual cylinder cryogenic liquid pumps. This upgrade will mirror the current implementation at AC Transit's Emeryville (D2) facility.
3. Expansion of the fuel island to accommodate a total of four (4) dispensers.
4. Modernization of the programable logic controller (PLC) to better interface with the AC Transit's IT infrastructure for data collection and to provide capabilities for simultaneous fueling at all four (4) dispensers.

These upgrades along with the expansion of the onsite liquid storage will result in enhanced supply reliability and pump operation optimization allowing continuous back-to-back bus fueling.

On November 9, 2022, the Board authorized an award to contract for the design and engineering for the hydrogen portion of the project, preparation and approval of the Hydrogen Safety Plan and HazOps Analysis, as well as the provision - installation - commissioning of the hydrogen equipment.

To complete the implementation package, this contract will construct the additional infrastructure and balance of plant items necessary to support the new hydrogen equipment as well as the balance of the system upgrade.

This contract will include (but not limited to) the following construction / implementation components:

1. Fuel island expansion to accommodate two (2) additional dispensers (a total of four dispensers).
2. All necessary grading and paving.
3. All structural and non-structural concrete.
4. Upgrade of the resiliency / emergency power supply by installing a new larger and more environmentally friendly emergency generator.
5. Relocation of all H2 system circuits to the emergency circuit enabling H2 fueling in an islanded mode during power down / grid down situations.
6. All electrical supply and distribution equipment and wiring.
7. All below grade ductways for both hydrogen and electrical distribution.
8. All safety and alarm components.
9. All fences and gates.
10. All other “balance of plant” items required to complete the upgrade.

Staff highly recommends expediting these hydrogen infrastructure projects while funding programs are available for ZEB infrastructure. This will not only maintain the timeline with AC Transit’s Board approved ZEB Transition Plan, but will also result in reduce the overall cost of implementing of that ZEB Transition Plan.

This contract award recommendation complies with all AC Transit Board Policies and established best practices for a public works IFB construction contract award. The District received six (6) timely submissions of which four (4) were determined to be responsive and responsible. Three (3) of the responsive and responsible bids were within the pre-established Independent Cost Estimate range.

On November 26, 2024, one of the bids that had been determined non-responsive filed a timely protest pursuant to Board Policy 468. That protest was resolved on December 5, 2024 and became final on December 12, 2024.

ADVANTAGES/DISADVANTAGES:

There are several advantages to upgrading the hydrogen facilities at the Oakland (D4) facility:

1. District will be enhancing the hydrogen fueling operation by upgrading the two (2) existing dispensers and installing two (2) additional dispensers in the fuel island so that all Fuel Cell Electric Buses will have the same service routine as the existing diesel buses.

2. Installation of dual two-cylinder high pressure hydrogen pumps provides the throughput for continuous fueling and will provide back-up and redundancy during periods of scheduled maintenance or other equipment down time.

3. Districts refueling capacity for hydrogen buses at Oakland will increase from 12 to 75-150 buses within the current 10-hour fueling window.

4. This project will provide enhanced resiliency with the upgrade of the emergency power supply that will allow AC Transit to fuel hydrogen buses at the Oakland facility during any power down / grid down situation.

Staff has not identified any disadvantages to this contract to upgrade the Oakland D4 division infrastructure to support the ZEB Transition Plan.

ALTERNATIVES ANALYSIS:

The only alternative to approving this contract would be to delay this hydrogen infrastructure project until a later date. Staff does not recommend a delay for several reasons. First, because the hydrogen equipment to be installed concurrent with this work is currently on order by separate contract. Second, any delay in the project will result in increased cost, elevated risk of losing the existing funding, and would significantly delay the operational impact of these improvements. The existing hydrogen fueling capacity is insufficient to support the larger fuel cell bus fleet planned for the future. Any delay would prevent the District from attaining the milestones in the ZEB Transition Plan.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 20-437 Application for CEC Zero-Emission Transit Fleet Infrastructure Grant
SR 21-215 Application for funding agreements with the Bay Area Air Quality Management District
SR 22-319 AC Transit ZEB Transition Plan
SR 22-461 - The release of Invitations to Bid and/or Request for Proposal to upgrade the hydrogen fueling infrastructure at the Oakland (D4) Division
SR 22-461a - Contract Award for Hydrogen Fueling Equipment
BP 465 - Procurement Policy
BP 468 - Procurement Protest Procedures

ATTACHMENTS:

None

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