

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING – NOTICE AND AGENDA
FRIDAY, FEBRUARY 16, 2024 AT 11:00 A.M. OR IMMEDIATELY FOLLOWING THE
REGULAR BOARD MEETING, WHICHEVER IS LATER

PLEASE TAKE NOTICE that the Chairman of the Board of Directors of the San Joaquin Regional Transit District (RTD) has called a Special Meeting of the Board of Directors for Friday, February 16, 2024 at 11:00 a.m. or immediately following the regular Board meeting, whichever is later.

The special meeting will be held in the Boardroom of RTD's Downtown Transit Center, 421 East Weber Avenue, Stockton, California. Please visit <https://sanjoaquinrtd.com/board-of-directors/board-meeting-agendas-and-minutes/> for an electronic copy of this document. Materials related to an item on this agenda packet are available for public inspection at the above address.

ACCESSIBLE PUBLIC MEETINGS: RTD is committed to ensuring that all meetings are accessible regardless of an individual's ability or access method. RTD will make all reasonable accommodations for persons with disabilities to participate in this meeting. Upon request to the Chief Executive Office, RTD will provide agenda materials in appropriate alternative formats or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number, and a brief description of the requested materials, preferred alternative format, auxiliary aid, or service, at least three workdays before the meeting. Requests should be sent to RTD by mail at 421 East Weber Avenue, Stockton, CA 95202, by phone at (209) 467-6613, by fax at (209) 948-8516, or by email to BoardSupport@sjRTD.com.

The RTD Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action, or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

For language assistance, interpreter services, please contact (209) 943-1111. Para información en Español, por favor llame al (209) 943-1111.

1. CALL MEETING TO ORDER
2. MOMENT OF SILENCE/REFLECTION
3. SAFETY ANNOUNCEMENT
4. PLEDGE OF ALLEGIANCE TO THE FLAG

5. ROLL CALL

6. ACTION ITEMS

A. RESOLUTION: WAIVING THE COMPETITIVE PROCESS AND AUTHORIZING THE CEO TO NEGOTIATE ON THE OPEN MARKET AND AWARD A CONTRACT FOR THE DELIVERY OF GASEOUS HYDROGEN FUEL VIA A PORTABLE REFUELING TRAILER FOR AN AMOUNT NOT TO EXCEED \$1,500,000

7. ADJOURNMENT

NOTE: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE ON FRIDAY, MARCH 15, 2024, AT 10:00 A.M.

DATE POSTED: FEBRUARY 15, 2024



LEAD STAFF: JOHN COOSE, FACILITIES SUPERINTENDENT

I. RECOMMENDED ACTION

That the Board of Directors waives the competitive process and authorizes the CEO to negotiate on the open market and award a contract for the delivery of gaseous hydrogen fuel via a portable refueling trailer for an amount not to exceed \$1,500,000.

II. SUMMARY:

- On August 19, 2022, RTD Board approved resolution No. 6063 authorizing the CEO to issue a purchase order to New Flyer, Inc. (NFI) to purchase four (4) Fuel Cell Electric Buses (FCEBs) through the State of Washington cooperative contract.
- On April 21, 2023, the RTD Board authorized the CEO to execute the first amendment to the Purchase Order (PO) with NFI to increase the order to add one (1) additional FCEB for a total of five (5) buses.
- On June 16, 2023, RTD Board authorized the CEO to execute a contract for the purchase of a portable liquid hydrogen trailer to fuel its five (5) FCEBs.
- Subsequently, due to concerns about the vendor's possible financial instability, RTD did not move forward with the execution of the contract.
- At this time, staff finds it necessary to pursue a short-term solution to obtain gaseous hydrogen fuel via a portable refueling trailer to meet FCEB refueling needs.
- RTD issued an Invitation for Bids (IFB) to obtain gaseous hydrogen fuel via a portable refueling trailer, but it did not receive any bids.
- Upon surveying bidders, staff has determined that further competition would be unavailing and not in the public interest as it appears only one vendor is able to perform the contract at this time.
- The primary source of funding for this project will be Local.

III. DISCUSSION/BACKGROUND

With the challenges of Battery Electric Buses, including range limitations and battery lifecycle, staff began to research and analyze FCEBs in 2020. Staff toured four (4) facilities in Southern California that have implemented the use of FCEB's and each reported satisfaction with their performance overall. Staff found that FCEBs offer the same range and can be refueled in the same amount of servicing times as a Hybrid bus. The current range of a 40 ft FCEB is approximately 300 miles on a full tank of hydrogen (38 Kgs). Once the hydrogen is depleted, the servicing time is approximately 30 minutes, and another 300

miles is available. This would allow a one-for-one replacement of a Hybrid or diesel bus with an FCEB.

On August 30, 2022, RTD Board approved resolution No. 6063 authorizing the CEO to issue a purchase order to New Flyer, Inc. (NFI) for the purchase of four (4) FCEBs, which was later amended to increase the order to add one (1) FCEB for a total number of five (5) buses and to increase the total contract amount by \$1,444,131, for a total PO amount of \$7,220,655.

On June 16, 2023, the Board authorized the CEO to execute a contract for the purchase, delivery, and installation of a portable liquid hydrogen refueling trailer needed to fuel its five hydrogen FCEBs for an amount not to exceed \$3,500,000. Unfortunately, due to emerging concerns regarding the vendor's possible financial instability and associated risk, the contract was not awarded.

At this time, staff has developed a short-term solution for the delivery of gaseous hydrogen via a portable refueling trailer. RTD intends to use the portable gaseous trailer for its pilot program to fill the buses for the first 6 to 12 months. This approach will also allow RTD staff to continue seeking and evaluating other vendors that can provide a portable liquid hydrogen trailer and hydrogen supply to meet FCEB fueling needs. RTD staff will also continue to monitor and assess the hydrogen growth in the area to provide the best value and option for its hydrogen pilot project.

The portable gaseous hydrogen fuel trailer is a self-contained unit estimated to fuel FCEBs in approximately 30-minute intervals at 350 bar (metric unit of pressure). The trailer does not require an electrical hookup and will be a cascade-type fueling option. Once the gaseous levels reach 20%-30% capacity, the portable hydrogen trailer will be replaced or re-filled by the contractor. The trailers advertised on the current market have up to 500-kilogram fueling capacity for gaseous hydrogen. The average size of a tandem trailer is approximately 30' in length by 9' in width by 13' in height. The hydrogen trailer will be located at the RTC, where the FCEBs are stored and maintained.

Depending on usage, the trailer would receive hydrogen deliveries weekly or on an "as needed" basis. For five FCEBs, the maximum weekly usage is 1,260 kilograms of hydrogen. RTD intends to claim 100% of the value for any Low Carbon Fuel Standard (LCFS) credits generated during this pilot. This is a "turnkey" solution, meaning the successful contractor that is awarded the contract shall be responsible for delivering the trailer, permitting, commissioning, training, detection devices, barricades, emergency stop buttons, and meeting all code requirements to operate the hydrogen trailer in San Joaquin County.

In an effort to obtain this short-term solution, RTD issued an IFB for gaseous hydrogen fuel via a portable refueling trailer, but it did not receive any bids. Staff surveyed potential bidders and learned that 3 of the respondents were not able or prepared to perform the contract and one respondent had concerns regarding the business terms.

RTD may forgo the competitive process: 1) when permitted by law, 2) when a determination is made that full and open competition would be unavailing, and 3) when it is in RTD's best interest and upon adequate documentation of the need for the procurement. Given the urgent need to obtain hydrogen fuel for RTD's FCEBs and the documented lack of vendors capable of performing the contract, staff has determined that further competition would be unavailing and it is in RTD's best interest to negotiate on the open market for gaseous hydrogen fuel via a portable refueling trailer. Staff recommends that the Board waive the competitive process and authorize the CEO to negotiate on the open market and award a contract for the delivery of gaseous hydrogen fuel via a portable refueling trailer. Upon completion of this process, the CEO will report back to the Board.

Because the hydrogen industry is rapidly growing, RTD staff will continue to pursue future options for the best value that meets its operational needs.

Through an Independent Cost Estimate, RTD staff has determined that the fuel and trailer cost is estimated to be under \$1,500,000 for an approximately six-month period. Recent prices for hydrogen molecules have been as low as \$22 per kilogram to as high as \$52 per kilogram. Because \$52 per kilogram is not financially sustainable, staff recommends a contract duration of up to one-year to allow the Port of Stockton hub to develop and the State to finalize its Department of General Services (DGS) hydrogen molecule contract that is expected to be completed by September 2024.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priorities 1, 3, 4, and 6. Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

V. FINANCIAL CONSIDERATIONS/IMPACT

If approved, the contract term will be up to one year with a not-to-exceed amount of \$1,500,000. This will be budgeted in the Maintenance Operating

budget in cost center 212000. Expenditures in the current fiscal year (FY 24) will be covered by the favorable budget variance. The remaining balance will be included in the FY 25 Maintenance Operating budget. The respective department manager will be accountable for budgeting the cost in future years, including any options exercised.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

- Do nothing. This alternative is not recommended because the Board has approved the purchase of FCEBs, and buses are currently on order. Without a fueling source, the FCEB pilot program will sit idle, and buses will not be put into service. A hydrogen fueling trailer is needed for the success of this pilot program.
- Staff are confident that it is in RTD's best interest to move forward with this project to meet the California Air Resources Board (CARB) 2040 Innovative Clean Transit (ICT) Regulation.

VIII. ATTACHMENTS

Attachment A: Resolution

Prepared by: John Coose, Facilities Superintendent



Attachment A
Cover Page

RESOLUTION NO. _____
DATED: FEBRUARY 16, 2024

RESOLUTION WAIVING THE COMPETITIVE PROCESS AND AUTHORIZING THE CEO TO NEGOTIATE ON THE OPEN MARKET AND AWARD A CONTRACT FOR DELIVERY OF GASEOUS HYDROGEN FUEL VIA A PORTABLE REFUELING TRAILER FOR AN AMOUNT NOT TO EXCEED 1,500,000

WHEREAS, San Joaquin Regional Transit District (RTD) intends to purchase gaseous hydrogen fuel via portable refueling trailer to provide hydrogen fuel during the first six months of the five (5) year Fuel Cell Electric Bus (FCEB) pilot program; and

WHEREAS, RTD solicited bids for the delivery of gaseous hydrogen fuel via a portable refueling trailer, but it did not receive any bids in response to its solicitation; and

WHEREAS, staff surveyed potential bidders and learned that 3 of the respondents were not able or prepared to perform the contract and one respondent had concerns regarding the business terms; and

WHEREAS, RTD may forgo the competitive process: 1) when permitted by law, 2) when a determination is made that full and open competition would be unavailing, and 3) when it is in RTD's best interest and upon adequate documentation of the need for the procurement; and

WHEREAS, given the urgent need to obtain hydrogen fuel and the documented lack of vendors capable of performing the contract, staff has determined that further competition would be unavailing and it is in RTD's best interest to negotiate on the open market for gaseous hydrogen fuel via a portable refueling trailer.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of San Joaquin Regional Transit District (RTD) as follows:

- 1) That the Board of Directors waives the competitive process and authorizes the CEO to negotiate on the open market and award a contract for the delivery of gaseous hydrogen fuel via a portable refueling trailer in an amount not to exceed \$1,500,000, and that the CEO is authorized to execute said contract, with the understanding that the CEO will report back to the Board the specifics of said contract award.
- 2) That the Chair of the Board and the CEO, acting separately, are hereby authorized and directed to execute such other agreements and amendments to this agreement and to take such other actions as may be necessary or appropriate to carry out the intent and purpose of this resolution.