



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Paul Mattern, Transit Manager
Art Vela, Director of Public Works

MEETING DATE: August 25, 2026

SUBJECT: Consideration of Resolution 2026-104 Approving a Contract with Clean Energy for the Compressed Natural Gas (CNG) Fueling Station Maintenance Program

STAFF RECOMMENDATION:

Approve Resolution No. 2026-104.

BACKGROUND:

The City of Banning is in the closeout phase of the recently completed construction of a new Compressed Natural Gas (CNG) fueling station located at the City's Corporation Yard. The project was programmed and funded through the Riverside County Transportation Commission (RCTC) as part of the City's Fiscal Year 2024 Short Range Transit Plan (S RTP). The project was developed to support the City's transit operations, provide fueling infrastructure for municipal vehicles, and create additional opportunities to serve other public and authorized users.

The station represents a significant investment in the City's transportation infrastructure and supports the use of alternative fuels to reduce emissions and improve operational sustainability. The facility includes compressors, storage vessels, dispensers, controls, and related equipment necessary to provide reliable CNG fueling services.

With the station now operational, the City requires ongoing monitoring and maintenance services to ensure the safe, reliable, and efficient operation of the facility. These services include remote station monitoring, preventative maintenance, corrective maintenance, emergency response, inspections, and technical support necessary to maintain system performance and protect the City's investment.

To secure these services, the City conducted a competitive procurement process for CNG Station Monitoring and Maintenance Services in accordance with the Request for Proposals (RFP) released on March 25, 2026 with a proposal submission deadline of May 4, 2026. The RFP sought a qualified firm capable of providing station monitoring, preventative maintenance, corrective maintenance, emergency response, and technical support services necessary to ensure the safe and reliable operation of the City's newly constructed CNG fueling station.

At the conclusion of the solicitation period, the City received one proposal from Clean Energy Fuels Corporation. Staff reviewed the proposal for responsiveness to the RFP requirements, qualifications, experience, service capabilities, and proposed pricing. Staff determined that Clean Energy's proposal meets the City's operational requirements and demonstrates the technical expertise necessary to provide specialized maintenance and monitoring services for the CNG fueling station.

JUSTIFICATION:

Clean Energy has extensive experience operating and maintaining CNG fueling infrastructure throughout California, including facilities serving public transit agencies and municipal fleets. The company maintains the personnel, monitoring systems, and technical resources necessary to perform routine preventative maintenance, respond to service interruptions, and maintain the safe operation of the facility.

Staff also evaluated the proposed pricing and compared it against industry benchmarks and comparable public agency contracts. The analysis found the proposed costs to be within the expected range for CNG station monitoring and maintenance services and to represent a fair and reasonable cost to the City. The contract structure provides for both fixed monitoring and maintenance services as well as volume-based maintenance activities associated with station usage.

The City's CNG fueling station represents a significant public investment funded through Riverside County Transportation Commission (RCTC) grant funding. Awarding the contract to Clean Energy will ensure the station is properly maintained, monitored, and supported by a qualified service provider, protecting the City's investment and ensuring reliable fueling operations for City vehicles, transit operations, and authorized users.

Based on the responsiveness of the proposal, the qualifications of the firm, and staff's determination that the proposed pricing is fair and reasonable, staff recommends awarding the CNG Station Monitoring and Maintenance Services Agreement to Clean Energy Fuels Corporation.

FISCAL IMPACT:

The proposed agreement will have a monthly rate of \$5,748 with a per gasoline gallon equivalent (GGE) rate of \$ 0.36. Rates are subject to a yearly CPI increase capped at 5% per year.

The year one cost is estimated at \$146,736 based on the monthly rate and the per GGE rate, dispensing nearly 20,000 GGE per month.

Assuming the estimated amount mentioned above of GGE is utilized and factoring in the 5% annual increase cap, the contract value would be \$978,000 for the five-year period of the contract.

The proposed agreement will be funded through annual Riverside County Transportation Commission (RCTC) grant funds allocated for transit operations. The City's required 10% local match will be funded by revenues generated from the sale of CNG to third-party users at the City's new CNG fueling station.

The expense will be included in the Proposed Fiscal Year 2026/2027 Operating Budget.

Approval of this agreement will have no impact on the City's General Fund.

ATTACHMENTS:

1. [Resolution_2026-104.docx](#)
2. [Clean Energy's Proposal.pdf](#)
3. [Clean Energy's Price Proposal.pdf](#)
4. [Contract No C01286 - Clean Energy - CNG Monitoring and Service.docx](#)