



# Open Bid Proposal Request

COMPRESSED NATURAL GAS PROGRAM

RELEASED: APRIL 8, 2015

**Summary:** The Chicago Infrastructure Trust (the “Trust”) Compressed Natural Gas (“CNG”) Program’s objective is to create a compelling network of CNG stations that enable vehicle operators to fuel in the City of Chicago. As part of the Trust’s Competitive Open Bidding Process, we are requesting additional proposals from fueling station providers to build new CNG infrastructure in Chicago. Fueling station providers should confirm their interest in submitting a proposal by [signing up for a slot](#) to speak with the Trust on **Thursday, April 23<sup>rd</sup> from 9am-5pm**. Slots are allocated on a first come, first serve basis, and you must sign-up by Friday, April 17<sup>th</sup> at 5pm CDT. **Proposals are due on or before Friday, May 29, 2015 at 5PM CDT.**

The Trust is also seeking interest from private fleets who have a desire to participate in the program. Private fleets should confirm their participation interest commitment by [signing up for a slot](#) to speak with the Trust on **Friday, April 24<sup>th</sup> from 9am-5pm**. Slots are allocated on a first come, first serve basis, and you must sign-up by Friday, April 17<sup>th</sup> at 5pm CDT.

The Trust is hosting an **Industry Forum on April 28, 2015** to discuss its CNG Program, and participants can [register here for the forum](#).

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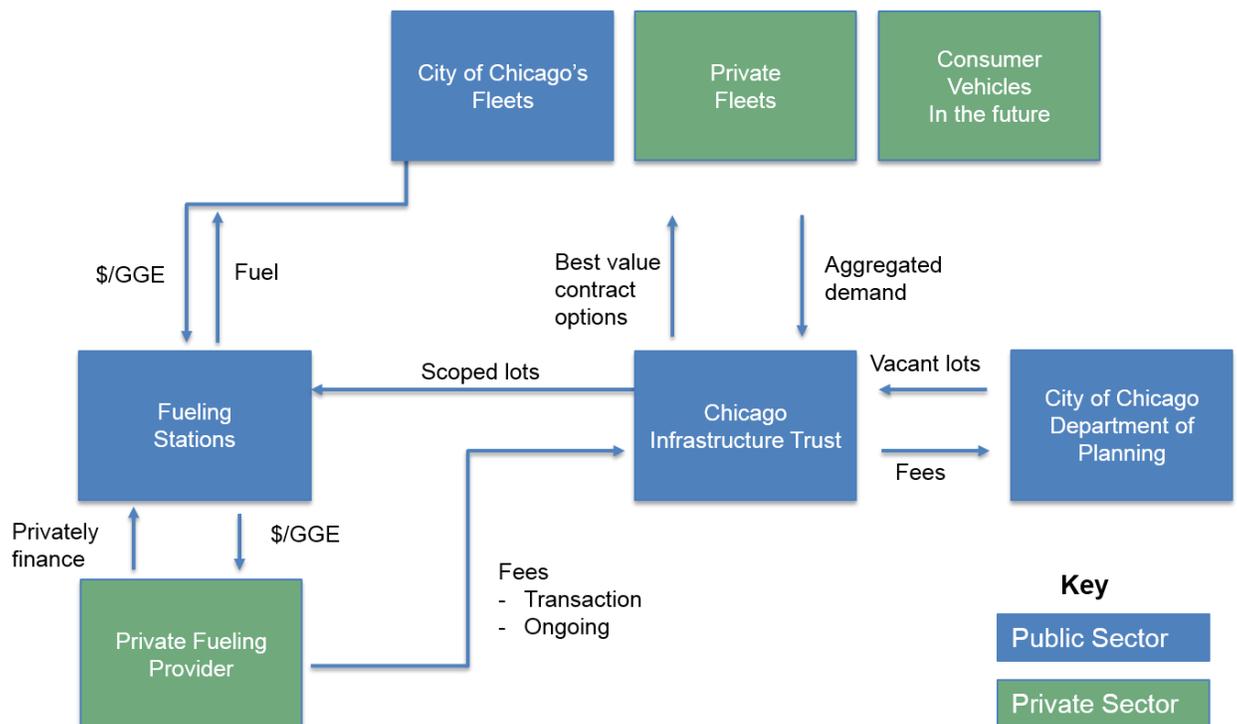
## Overview of the CNG Program

In August 2014, the Trust received an unsolicited proposal to build new CNG fueling stations in Chicago. Given that the proposal aligns well with the public interest and the City of Chicago’s 2015 Sustainability Plan, the Trust is proceeding with the Trust’s Open Bidding Process (“OBP”), as outlined in the [Trust’s Contracting Manual](#).

It is the Trust’s view that new CNG stations will have huge impact, including but not limited to the following:

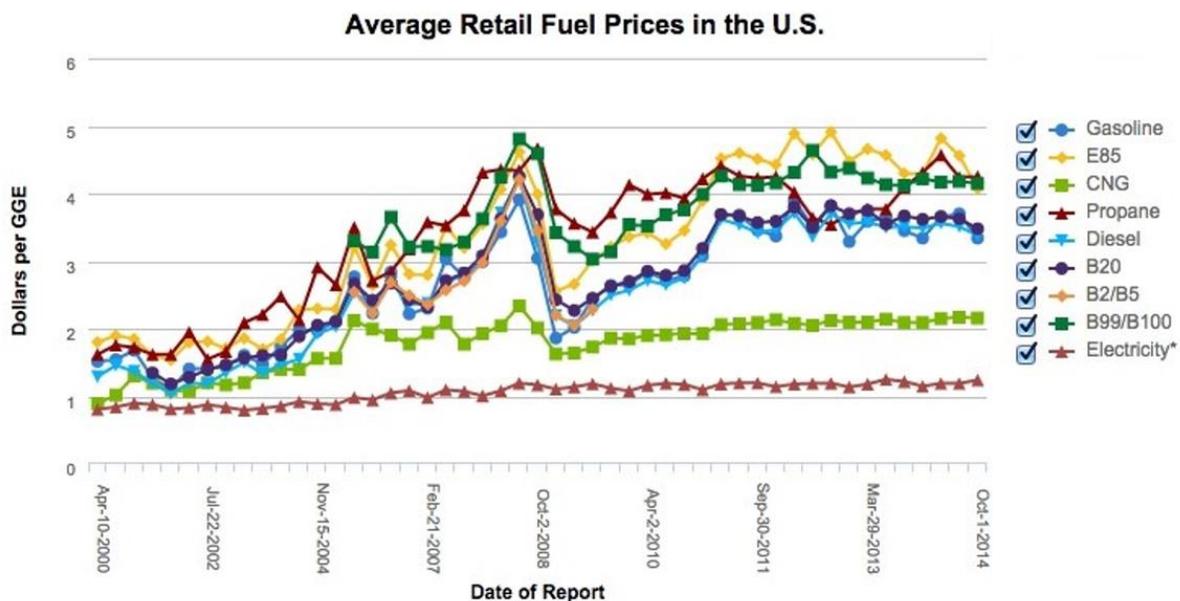
- Lower fuel costs, reduce at-the-pump price volatility and petroleum reliance so as to reduce the cost of vehicle ownership for local fleet companies and the City fleet;
- Reduce greenhouse gas emissions and tailpipe pollutants and enable the City to achieve its Clean Cities Chicago alternative fuel vehicle acquisition targets; and
- Support policy objectives detailed in the Chicago Climate Action Plan, RTA Regional Green Transit Plan, and Chicago Sustainability Action Plan.

The Trust will play a special, intermediary role, as dictated in the diagram below, and enter into a Master Development Agreement with the selected partner(s), who will have individual agreements with participating fleets. The Trust’s responsibility will be to secure an aggregated CNG fuel demand commitment for the selected fueling partner(s). The Trust will acquire City-owned vacant lots where appropriate and available to establish the foundation for an entire network of CNG infrastructure.



## Impetus and Background

Natural gas has significant potential to transform the transportation sector, particularly for fleets and commercial trucking, due to its cheaper, less volatile price compared to diesel or gasoline. Natural gas is largely sourced in North America, in contrast to petroleum-based fuels, which are largely sourced from other regions of the world, especially the Middle East. Natural gas is also cleaner-burning than traditional transportation fuels, and can help provide a bridge to a greener, lower-carbon future. According to the July 2014 report from the U.S. Department of Energy's Clean Cities Program, compressed natural gas is \$1.50-\$2.00 per gallon of gasoline equivalent ("GGE") cheaper relative to diesel or gasoline.<sup>1</sup> Even with the price of gasoline coming down significantly over the last several months, it is important to keep in mind the long-term nature of the price spread in fuel alternatives when making infrastructure decisions. Below is the long-term price comparison of natural gas versus other alternative fuels.



Source: [Clean Cities Alternative Fuel Price Reports](#)

Notes: Fuel volumes are measured in gasoline-gallon equivalents (GGEs). \*Electric prices are reduced by a factor of 3.4 because electric motors are 3.4 times more efficient than internal combustion engines.

\*\*Propane prices reflect the weighted average of "primary" and "secondary" stations. For more information, see the Excel Spreadsheet notes

The number of public access CNG fueling stations is expanding rapidly across the country, with several companies rolling out new natural gas infrastructure. Natural gas consumption as a transportation fuel has steadily increased over the past two decades to 32,000 million cubic feet through the end of 2012.<sup>2</sup> The net effect of these expansion plans is that some fleets—particularly heavy-duty trucks servicing or

<sup>1</sup> Pg. 3 "Clean Cities Alternative Fuel Price Report."

[http://www.afdc.energy.gov/uploads/publication/alternative\\_fuel\\_price\\_report\\_july\\_2014.pdf](http://www.afdc.energy.gov/uploads/publication/alternative_fuel_price_report_july_2014.pdf)

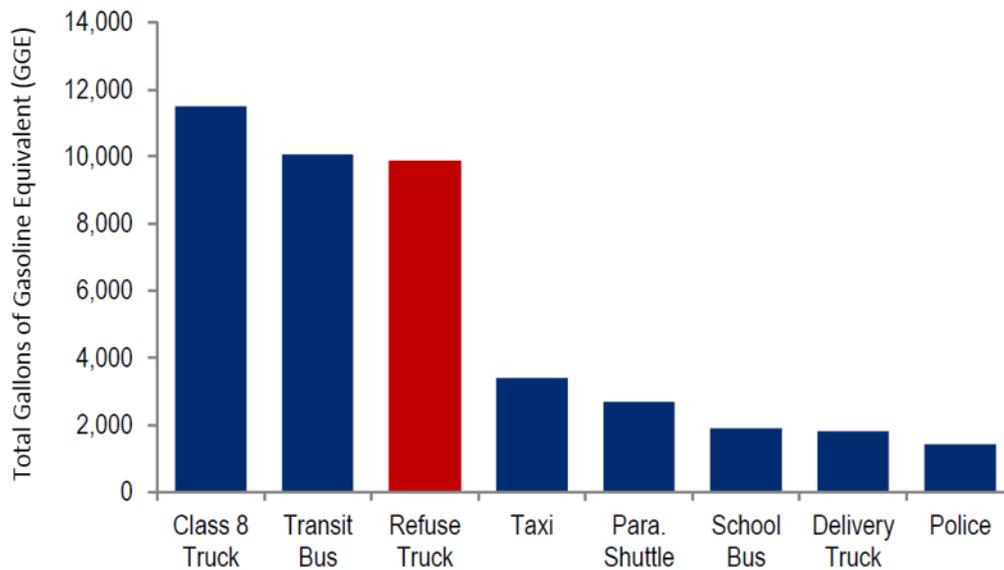
<sup>2</sup> Pg. 9 "Natural Gas Vehicle Market Whitepaper USA." [http://www.ngvevent.com/pdf/NGV-Industry-Overview-Report\\_v9X.pdf](http://www.ngvevent.com/pdf/NGV-Industry-Overview-Report_v9X.pdf)

operating within the City - may be able to convert to natural gas without having to develop private fueling infrastructure.

The American Clean Skies Foundation also suggests that natural gas provides a promising opportunity to diversify fuel sources for both the heavy and medium duty trucking sectors, which account for 22% of the U.S. transportation sector's fuel use. Fueling with natural gas is substantially cheaper than buying petroleum-based fuels, even after paying for the natural gas vehicles ("NGVs") and developing fueling infrastructure. Fleet operators can often expect a three-to-five year payback on their investment. Since fuel accounts for their second highest cost, converting to CNG represents a huge cost savings opportunity.<sup>3</sup> When a fleet operator does not have to finance the fueling infrastructure, as is the intent of the Trust's CNG Program, the savings opportunity is amplified.

As outlined in a Citigroup industry report, the transit bus industry was one of the earliest movers, and is currently the largest user of natural gas for vehicles. The American Public Transportation Association (APTA) indicates that about 30% of all transit buses today run on CNG.<sup>4</sup> The refuse market is another big adopter insofar as 60% of new garbage trucks are powered by natural gas. The following table spotlights the refuse industry's CNG fuel usage compared to other vehicle types.

**Annual CNG Fuel Use by Vehicle<sup>5</sup>**



CNG adoption could further penetrate the over-the-road truck market, where trucks utilize an abundance of fuel as well.

The City of Chicago has been using CNG NGVs since early in 2002, primarily in its light-duty trucking fleet. Four CNG stations were built at existing City fuelling sites over the period from 2001 to 2003. These stations utilized federal funding obtained in 1999 through the Federal Highway Administration's (FHWA) Congestion Mitigation and Air Quality (CMAQ) program. Additional CMAQ funding was obtained

<sup>3</sup> Pg. 9 Pg. 9 "Natural Gas Vehicle Market Whitepaper USA." [http://www.ngvevent.com/pdf/NGV-Industry-Overview-Report\\_v9X.pdf](http://www.ngvevent.com/pdf/NGV-Industry-Overview-Report_v9X.pdf)

<sup>4</sup> Citigroup Research Report. "Clean Energy Fuels Corp." January 1, 2014

<sup>5</sup> Citigroup Research Report. "Clean Energy Fuels Corp." January 1, 2014

in 2002 for a second round of station installations. Originally projected to add only one additional CNG station, the CMAQ funding eventually financed the installation of CNG infrastructure at two sites, expanding coverage to a total of six of the city’s eleven fuel sites by the end of 2008.

Each station cost approximately \$375,000 to \$500,000, depending on when it was built. Each station contains a four-stage compressor driven by a natural-gas-powered engine. At full pressure, the typical station’s storage can hold 15,000 standard cubic feet (“scf”) of CNG, and the compressor refills that storage at a rate of 32 standard cubic feet per minute (“scfm”) given an input pressure of 10 pounds per Square Inch Gauge (“psig”). Each station has been maintained with few modifications since the time of its installation, though all but the sixth station received a replacement dispenser (the equivalent of what would be called a “gas pump” if it were liquid fuel) in 2011 and the second station installed received a replacement compressor.

The City of Chicago owned seventh and, to date, final CNG station was installed in late 2011 along with the dispenser upgrades for the existing sites. These projects made use of Recovery Act (ARRA) funding through a U.S. DOE Clean Cities alternative-fuel-deployment grant. This station was much less expensive than the previous ones – \$155,000 – because the city purchased a lightly used station that had been removed from another local municipality that had abandoned its NGV program. Due to its location, this last station was key to making NGVs deployable throughout most segments of the fleet. However, each station is essential, and the lack of CNG at the remaining four fuel stations (6445 N. Ravenswood, 10420 S. Vincennes, Midway, 3245 N. Campbell) in the city’s internal network is a factor preventing wholehearted expansion of the City’s NGV fleet.

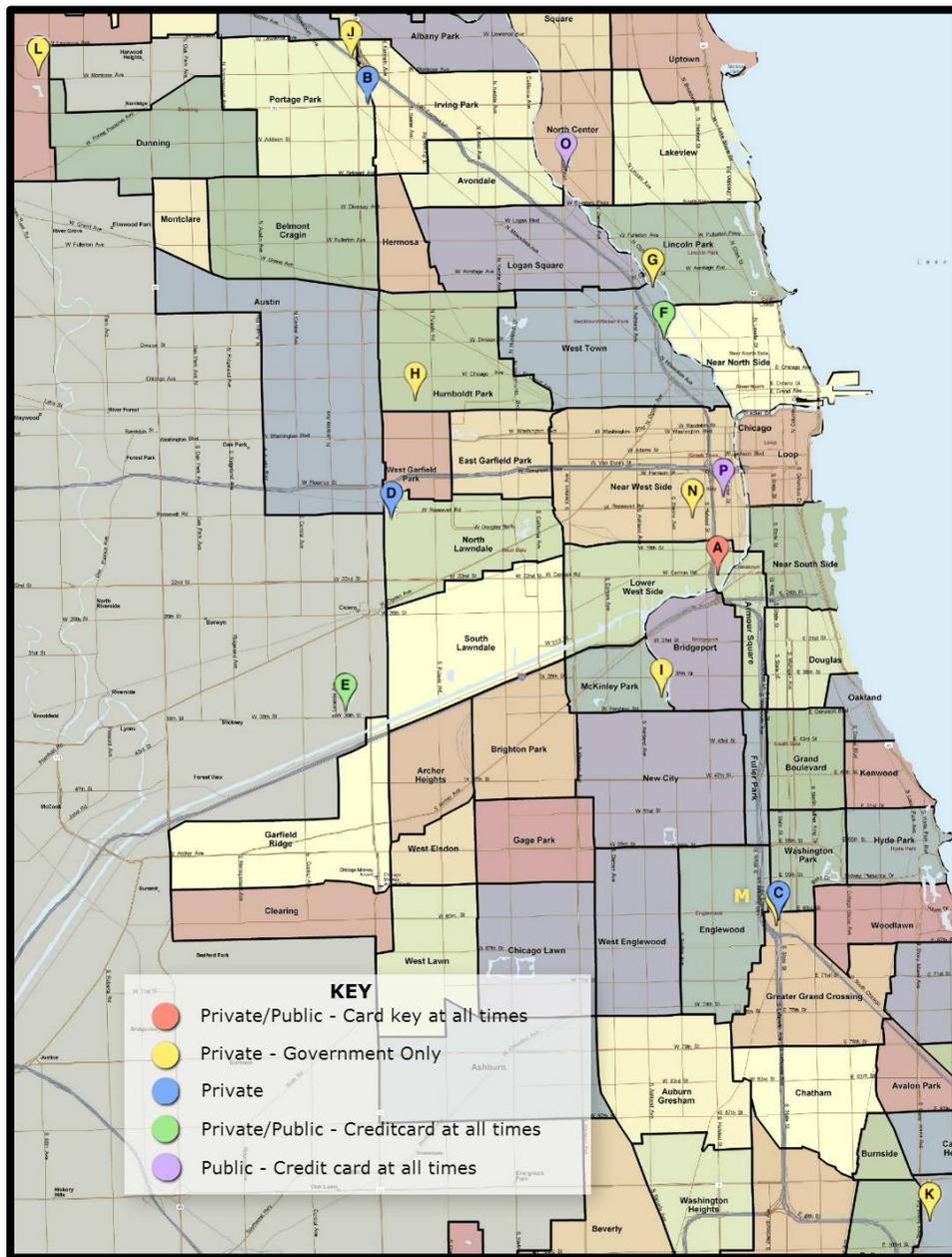
In 2010, the City of Chicago and the Gas Technology Institute (GTI), a leading research, development, and training organization serving global energy and environmental markets, received a U.S. Department of Energy (DOE) Clean Cities grant of \$15 million through the American Recovery and Reinvestment Act (ARRA). Through the efforts of the Chicago Area Clean Cities (CACC) Coalition, the funds launched a new initiative, Clean Fuels Across Chicago. The original \$15 million in federal funding provided leverage for \$24 million in investments by Clean Fuels Across Chicago project partners. The investment spurred a series of additional private investments and initiatives that resulted in the deployment of hundreds of new green vehicles and alternative fuel and electric charging stations throughout Chicago. The Recovery Act initiative was directly responsible for helping to bring additional CNG station infrastructure, which now totals 16 stations within the City limits.

**The following grid outlines the current station locations and their public and private owners in Chicago.**

#	Group	Label	Owner	Address
1	Private/Public - Card key at all times	A	Ozinga Energy	2242 S Lumber St
2	Private	B	Peoples Gas	3955 N Kilpatrick Ave
3	Private	C	Peoples Gas	38 W 64th St
4	Private	D	Peoples Gas	1250 S Kilborne
5	Private/Public - Credit card at all times	E	Waste Management	5050 W Pershing Rd
6	Private/Public - Credit card at all times	F	Peoples Gas	1241 W Division St
7	Private - Government only	G	City of Chicago FS#1	1701 N Throop
8	Private - Government only	H	City of Chicago FS#3	4233 W Ferdinand
9	Private - Government only	I	City of Chicago FS#4	3746 S Iron

10	Private - Government only	J	City of Chicago FS#5	4833 W Sunnyside
11	Private - Government only	K	City of Chicago FS#6	10101 S Stoney Island
12	Private - Government only	L	City of Chicago FS#7	10000 W Montrose
13	Private - Government only	M	City of Chicago FS#9	25 W 65th St
14	Private - Government only	N	Univ. of IL at Chicago	1351 S Morgan St
15	Public - Credit card at all times	O	Clean Energy	3164 N Clybourn Ave
16	Public - Credit card at all times	P	Clean Energy	1121 S Jefferson
<b>Source: Alternative Fuel Database Center</b>				

The following map shows a visual representation of the stations.



## Fleet Participation

The Trust has secured participation from multiple fleets in its CNG Program. Participation in the program is defined by a commitment of fleets to provide the Trust with confidential and proprietary information related to their fleet given their strong interest in seeing new CNG infrastructure in Chicago.

Participating fleets have expressed a desire for the Trust to obtain a best value contract on their behalf as part of an aggregated fleet network. The Trust’s role has been to create aggregated network demand for the fueling provider proposers. Fleets have no obligation to sign any fuel commitment contract unless they agree to the terms set forth by the potential proposer and the Trust in the final round of bidding. Until then, their participation is strictly voluntary and non-binding.

The fleet mix is a combination of City-owned vehicles and non-City owned vehicles operated by companies doing business in (or around) the Chicago area.

### City-owned vehicles:

The City of Chicago has a current fleet of 169 CNG vehicles, and the mix of vehicles is displayed below.

Classification	Number
Heavy Duty	19
Light Duty	150
<b>Grand Total</b>	<b>169</b>

In 2014, the City of Chicago fleet consumed approximately 83,800 Diesel Gallons Equivalent (“DGE”) of CNG fuel. The City of Chicago also ordered 7 new refuse trucks, which are heavy duty, with expected delivery in 2015. Furthermore, the City of Chicago currently has a large base of heavy duty vehicles that might be prime candidates for CNG conversion or replacement during its future procurement cycle. The City closely evaluates available fuel technologies when specifying new equipment and favors clean fuel technologies that meet or exceed performance requirements and make economic sense.

The City of Chicago purchases a number of each class of vehicle each year. The City currently buys traditionally fueled equipment in these classes and will continue to do so until available clean fuel technologies meet the criteria specified above.

Total Heavy Duty Fleet	Quantity	Approximate Annual Purchase
Refuse Trucks	490	30
Dump Trucks	313	20
Sweeper	101	8
Tractor	72	5
<b>Grand Total</b>	<b>976</b>	<b>63</b>

The City currently has 7 CNG stations. Each current city station when performing and utilized optimally can provide up to five hundred gas-gallon equivalents (GGE) of fuel each day. Realistic capacity is far lower, because of the way fast-fill CNG stations operate, slowly filling buffer tanks with CNG that can be

transferred quickly to a vehicle needing a refill. Station use is clustered in weekday mornings and afternoons, resulting in station storage deficiencies during those times and unused capacity at all other times. Depleted station storage results in incomplete vehicle fills, and sometimes extremely low quantities of fuel are transferred per fill. Stations under repair can also severely reduce access to CNG and therefore the usefulness of NGVs to the city’s fleet users. This happens fairly often and usually without advance notice.

**Non-City Fleets:**

There are a number of fleets that operate in (or through) the Chicago area. Below are some key aggregate statistics for these fleets:

Classification	Percentage
Light-Duty	53.8%
Heavy-Duty	46.2%
Total	100.0%

Statistic	Total Number of Trucks in/through Chicago per fleet	Total Number of CNG Trucks in/through Chicago per fleet	% of Fleet that is CNG
<b>Median</b>	372	110	33.1%

The Median Diesel Gallon Equivalent (“DGE”) per vehicle per year is approximately 7,300.

The figures reflect data received from participating fleets as of April 8, 2015. The Trust may increase or decrease the number of vehicles in the aggregated demand network at its discretion.

All of the participating fleets have expressed interest in one or more of the following locations as potential sites for CNG fueling infrastructure:

Number	Desired Locations/Areas for CNG Infrastructure in Chicago
1	401 N. Rockwell St.
2	4233 W Ferdinand St.
3	4647 N Lamon Ave.
4	47th St. & I-90/94 intersection
5	52nd St. & S. Oakley St.
6	6445 N Ravenswood Ave.
7	79th St. & I-94
8	87th between Stony Island Ave. & Cottage Grove St.
9	900 E 103rd Street <sup>6</sup>
10	Between Addison Ave. & Montrose Ave. & I-90/I-94
11	I-290 & I-90/94 intersection
12	I-55 & S. Ashland Ave.
13	I-55 & S. Central Ave.
14	I-57 & Halstead Ave.

<sup>6</sup> Site represents a leased site, and the City plans to vacate the site in the next 12 – 18 months.

15	W. 34th & S. Lawndale
16	W. 39th and S. Iron St.
17	W. North Ave. and N. Throop St.
18	West Loop / West side corridor along 290
19	Archer Heights

The locations represent both broad areas and specific sites that participating fleets and the Trust believe that fueling infrastructure can potentially exist. Some specific sites reflect areas where there is already an establishment or city-owned property, and thus these locations should be considered “areas” for which CNG fueling infrastructure will potentially be close in proximity to. The list is neither complete nor binding, but reflects a first pass at potential sites. The Trust is currently working in partnership with the City of Chicago’s Department of Planning Development to determine the availability of City-owned vacant land in these areas, including the current zoning specifications, liens, and processes for acquiring and permitting land in these areas.

**Program interest commitments and Q&A for additional fleets:**

The Trust is seeking interest from additional fleets who have a desire to participate in the Trust’s CNG Program. Participation in the program is a commitment to provide the Trust with information related to your fleet so that the Trust can attempt to obtain the best value contract on your behalf along with the other private fleets doing business in Chicago. The Trust’s role is to aggregate network demand for the fueling provider partner(s). Fleets have no obligation to sign any fuel commitment contract unless they agree to the terms set forth by the fueling partner(s) and the Trust in the final round of bidding.

**Please confirm your participation interest commitment by signing up for a slot to speak with the CIT on Friday, April 24<sup>th</sup> from 9am-5pm. Slots are allocated on a first come, first serve basis, and you must sign-up by Friday, April 17<sup>th</sup> at 5pm CDT.**

[Private fleet interest commitments and Q&A](#)

## Incentives for the Program

Federal, State, and City government policies have been crucial to fostering the development of natural gas as a transportation fuel across the country. As an added value to program participants, the Trust will provide guidance to help participants capture all available grant and incentive dollars to reduce the costs to build CNG infrastructure and convert to (or buy) CNG vehicles.

In Illinois, there are various current initiatives to encourage natural gas production:

- Drive Clean Chicago
  - Drive Clean Taxi voucher program: \$1.2 Million soon available for CNG & EV public vehicles
  - Drive Clean Station grant program: \$1.4 Million available later this year for public CNG & fast charging EV stations.

- Applicable to fleets domiciled and stations developed in Cook, DuPage, Kane, Lake, McHenry, or Will counties
- Vehicle vouchers available through an Approved Vendor
- Station funding will be in the form of competitively awarded grants
- [www.drivecleanchicago.com](http://www.drivecleanchicago.com)
- Chicago Area Green Fleet Grant Program
  - Competitive grant program: \$2 million currently available for government and private fleets in Chicago area, selections made quarterly
  - The Illinois Environmental Protection Agency submitted [a 2016 CMAQ funding application](#) seeking \$7 million more for the Chicago Area Green Fleet grant program, which will provide a 50% match to subgrantees
  - Natural gas and propane vehicles eligible (off-road electric equipment eligible)
  - [www.illinoisgreenfleets.org](http://www.illinoisgreenfleets.org)
- Illinois Alternative Fuels Rebate Program
  - Program is suspended as of March 2015
  - All businesses, local governments, organizations, and individuals are eligible
  - Rebate amounts up to \$4,000
  - For the purchase of a new eligible AFV or for converting a conventional vehicle to an eligible AFV
  - Deadline is 12 months after date of vehicle purchase
  - [www.illinoisgreenfleets.org](http://www.illinoisgreenfleets.org)
  - Projects that reduce emissions from diesel power vehicles
- Illinois Clean Diesel Grant
  - Local government vehicles, school districts and bus companies, colleges and universities, mass transit districts, businesses, truck owners/operators, and nonprofit organizations are eligible
  - Must be on EPA verified Technologies List or CARB Verified and EPA Idle Reduction Technologies
  - [www.illinoisgreenfleets.org](http://www.illinoisgreenfleets.org)

On January 16, 2015, the Illinois Energy and Recycling Office at the Illinois Department of Commerce and Economic Opportunity (DCEO), which administers the Illinois Alternate Fuel Infrastructure Grant Program, closed submissions for its program to fund infrastructure projects to promote the use of alternate fuel in vehicles as a means to improve air quality in the State and to meet the requirements of the federal Clean Air Act Amendments of 1990 and the federal Energy Policy Act of 1992. Proposed projects are eligible for grants covering up to 50 percent of eligible project costs. **This program was the first of its kind for CNG infrastructure.** The minimum grant award was \$20,000, and the maximum grant award was \$200,000. Eligible projects under the alternate fuel infrastructure grant program involve building of fueling facilities for E85 blend, propane, at least 20% biodiesel blending fuel, and compressed natural gas (CNG) for use in motor vehicles. While the deadline for requests has passed, this is the first time CNG has been included in this infrastructure grant. We are encouraged in seeing this program, and hopefully look forward to future opportunities down the line to support its continuation in years to come.

For an in depth list of local and federal incentives and programs, visit the Chicago Area Clean Cities website, [www.ChicagoCleanCities.org/resources/funding](http://www.ChicagoCleanCities.org/resources/funding).

The U.S. Department of Energy's Alternative Fuels & Advanced Vehicles Data Center is your source to finding the federal and state incentives and laws surrounding air quality, fuel efficiency, and alternative fuels and advanced transportation technologies.

## Streamlined Permitting

The Trust is also in discussions with the City of Chicago to address many of the permitting concerns expressed by industry players that have prohibited new CNG infrastructure in the past. Our intention is to develop an efficient permitting process, with few bottlenecks. We view the City of Chicago as a great partner in helping us to establish a smooth and transparent permitting process.

A few of the previous CNG stations have required multiple permits and reviews. As an example, the list below totals 6, but we are in discussions with the City of Chicago to understand the full scope of permitting requirements.

- 1 Electrical permit
- 1 Building permit with separate mechanical, structural, and steel inspections.
- 4 Driveway permits. Each of the station's two driveways required a barricade and occupation permit and a construction permit.

The Trust is looking to address the following issues over the next several months:

- Provide a streamlined set of rules to expedite the permit processing.
- Identify and communicate code overlap.
- Eliminate code conflict and provide response path for resolution.
- Eliminate bathroom and attendant requirement for these gas stations
- Obtain lots that have open or spot zoning
- Include lots in TIF or Enterprise zones
- Provide training for Authorities Having Jurisdiction (AHJs) with respect to CNG fueling stations

While the Trust cannot guarantee that any or all of these issues will be addressed, we are putting forth our best efforts to address these issues to promote an environment that encourages infrastructure development of CNG fueling stations. We are also evaluating the permitting process at the County and State level.

As an additional incentive, proposers should consider applying for Class 6b classification, which is designed to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of Class 6b is to attract new industry, stimulate expansion and retention of existing industry and increase employment opportunities.

Under the incentive provided by Class 6b, qualifying industrial real estate would be eligible for the Class 6b level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy.

Properties receiving Class 6b will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.<sup>7</sup>

## Open Bidding Process

As part of the OBP, the Trust is seeking additional proposals from fueling providers to:

1. Design, build, finance, operate, and maintain CNG fueling stations;
2. Build publicly accessible new stations on greenfield City-owned vacant lots or near existing City-owned facilities where there is City-owned vacant land or land that the Trust can acquire;
3. Upgrade the existing city-owned facilities to accommodate new CNG fueling infrastructure, which are currently for the City's private use. The City is evaluating whether to allow private vehicle usage at these sites; and
4. Generate revenue through rental fees for City land used for stations and transaction fees to compensate the Trust for its role in aggregating demand and serving as master project developer.

Specifically, the Trust values the following attributes of the current proposal:

1. At least 6 new CNG fueling stations that are publicly accessible. Proposals that plan for a higher number of fueling stations should indicate as such, and detail how the stations will be phased in over a specified amount of time;
2. An upgrade to one or more existing City-owned stations, where appropriate. Proposals should also put forth a plan to have an "outside the fence," publicly accessible station and proposals should address liability issues, and prioritization of City vehicles over private vehicles;
3. CNG fueling stations that are open 24 hours per day, seven days per week;
4. CNG fueling station maintenance that will address malfunctions within a 4-hour period of notification, unless such modification results in a loss or degradation of fueling capacity or poses a safety hazard, in which case the response is immediate;
5. CNG fueling stations that will perform well in cold weather, and have built-in performance trackers to monitor the effects of the cold; and
6. CNG fueling stations that meet national safety requirement standards and practices.

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<sup>7</sup> <http://www.cookcountyassessor.com/forms/cls6bb.pdf>

Below is a timetable for the OBP:

Deliverable	Due Date	Details
<b>Fueling provider proposers Q&amp;A</b>	Thursday, April 23, 2015 9AM-5PM CDT	See below
<b>Private fleet Interest commitments and Q&amp;A</b>	Friday, April 24, 2015 9AM-5PM CDT	Sign up for your slot here: <a href="#">Private fleet interest commitments &amp; Q&amp;A</a>
<b>Trust CNG Program Industry Forum</b>	Thursday, April 28, 2015 8AM-2PM CDT	See below
<b>Open Bid Proposal Submissions Due</b>	Friday, May 29, 2015 5PM CDT	See below
<b>In-person meetings with CIT for follow-up Q&amp;A to selected proposers</b>	Tuesday, June 16, 2015 9AM-5PM CDT	Participants to be notified no later than June 9, 2015 at 5PM CDT
<b>Final Round Participants Notified, if any</b>	Tuesday, June 30, 2015 5PM CDT	Trust to email proposers
<b>Final Proposer(s) Selected, if any</b>	Thursday, August 27, 2015 5PM CDT	Trust to email proposers

**Fueling provider proposers Q&A:**

Please confirm your interest in submitting a proposal for the Trust OBP by signing up for a slot to speak with the Trust on Thursday, April 23<sup>rd</sup> from 9am-5pm. Slots are allocated on a first come, first serve basis, and you must sign-up by Friday, April 17<sup>th</sup> at 5pm CDT. Sign-up below.

[Fueling Provider Proposers Q&A](#)

**Trust CNG Program Industry Forum:**

On Tuesday, April 28, 2015, the Trust will host an Industry Forum to publicly discuss the Trust’s CNG Program, provide an opportunity for attendees to hear from various City representatives and industry experts, and provide an opportunity for fleets and fueling providers to ask additional questions. Details for the CNG Program Industry Forum are as follows:

Location:

Chicago Innovation Exchange (CIE)  
1452 E 53rd Street, 2nd Floor  
Chicago, IL 60615  
Directions can be found at <https://cie.uchicago.edu/>

Food: Breakfast and lunch will be served

Time: 8am-2pm CDT

All interested parties are required to register here:

[CNG Conference](#)

Full agenda to be announced one week prior to the event on Trust website at [www.shapechicago.org](http://www.shapechicago.org).

## Open Bid Proposal Submissions Due

Applicants wishing to submit proposals need to do so before the deadline of **Friday, May 29<sup>th</sup> at 5:00 PM (CDT)**. Proposals received after the due date and time shall be deemed NON-RESPONSIVE and, therefore, subject to rejection. Applications, excluding any cover page, table of contents, pictures, maps, other required forms, and attachments, should not exceed twenty (20) consecutively numbered (bottom center), 8.5x11-inch pages of single-spaced, standard 11-point type with 1-inch margins. Applicants **MUST** address all questions and requested information detailed in the “Evaluation” section. Digital applications in both Microsoft Word and PDF format must be sent to **proposals@shapechicago.org** and include “COMPANY NAME – TRUST CNG PROGRAM PROPOSAL.” All digital attachments should be included in ONE (1) zip folder containing an index file which denotes the appropriate file name of each item. Likewise, any confidential/proprietary information should be readily identified, marked and included in ONE (1) additional attached document, separate from the rest of the application (See Proprietary/Confidential Information section of the Trust’s Contracting Manual).

Proposers are also required to send 1 hard copy to the following address, with a **postmark no later than May 29, 2015**:

Chicago Infrastructure Trust  
CNG Program Proposal  
35 E Wacker Drive  
Suite 1450  
Chicago, IL 60601

All proposers will automatically become part of the distribution list. If there are questions regarding the Trust CNG Program, you should direct inquiries to [proposals@shapechicago.org](mailto:proposals@shapechicago.org). The Trust will not respond to any proposal related via email except with a “confirmed receipt” return email ahead of the Industry Forum. However, proposers should also sign up for the “Interested proposers Q&A” day (see above) and the **Trust encourages proposers to submit questions on or before April 17, 2015**.

## Evaluation of Proposers

The Trust is dedicated to delivering best value to its participating fleets, and desires to select a proposer(s) based on the following criteria. As indicated in the [Trust Contracting Manual](#), the initial unsolicited proposal submitter automatically moves to the final round of bidding during the open bidding process. The initial unsolicited proposer also has an opportunity to resubmit a further refined proposal as part of this open bidding process. The Trust views the unsolicited proposal process as an important methodology for engaging the private sector and for encouraging private entities to bring forward innovative approaches or ideas, and spur best value competition.

Each section contains questions that all proposers must answer in order for the Trust to effectively score each proposer. All proposers must answer each numbered question, even with a “Not Applicable” if appropriate, and label their responses with the appropriate number in each section. **In the submissions,**

proposers must submit proposals that mirror this outline, and they should label the sections accordingly.

Evaluation Segment		Maximum Points
A	Balance Sheet Strength and Budget	20
B	Staff Experience, Qualifications and Facilities Requirements	20
C	Station Design	20
D	Strategy on Pricing	20
E	Location Analysis & Marketing Strategy	10
F	Project Communication	5
G	Project Schedule	5
Total Maximum Points Allowed		<b>100</b>

**A. Balance Sheet Strength and Budget Narrative:**

1. Provide information with respect to the financial capability of the Proposer sufficient to demonstrate the capability to meet the Trust’s CNG Program Objectives. Documentation may include the financial statements for the Proposer for the last three years, valid and binding contractual commitments for financing, and valid and binding guarantees from third parties with accompanying supporting documentation attesting to the financial strength of the third parties. This balance sheet requirement may not be satisfied by contingent statements of intent or other non-binding arrangements.
2. A clearly articulated business case must also be presented as a pro forma including all station costs; anticipated retail pricing of fuel costs (including marketing); projected fuel sales volumes in years 1 through 5 with adequate justification, including fleet commitment expectations, given for all estimates; and the potential to expand the station based upon consumer adoption that exceeds the station’s initially expected capacity. Applicants must provide an itemized spreadsheet of all project costs including any details on sources of funding through state and federal grant programs, as outlined in “Incentives for the CNG Program,” and how the potential funding will be used for this project. Include any other funding sources that will be used for this project and indicate any plans to attract additional funding.
3. Provide a budget narrative that describes how the budget costs are determined and how they relate to the project. Indicate any other funding sources that will be used for this project and describe any plans to attract additional funding. Likewise, list all project-specific grant funds received to date, whether from public or private sources, including all applications for funding pending with other entities. If funding is not yet secured or awarded from any source, please indicate that clearly.
4. Please provide additional details on how the proposer can assist interested private sector fleet participants with financing, including examples of previous assistance.
  - a. Please specifically list any OEM, leasing, or capital partners that are relevant and available.
  - b. Please provide any letter of support from strategic vehicle financing partners.

## **B. Staff Experience, Qualifications and Facilities Requirements**

1. Provide a detailed description of comparable contracts which demonstrates Proposer's satisfactory experience in the implementation of large scale CNG conversion plans. The description should identify for each project:
  - a) client,
  - b) description of work, including whether Proposer was the prime contractor or subcontractor
  - c) total dollar value of the contract,
  - d) description of fleet undergoing conversion including number and type of vehicles,
  - e) total miles of operation of vehicles undergoing conversion and fuel consumption,
  - f) number and type of facilities in the project,
  - g) description of any long term fueling commitments, public/private partnerships and generation of third-party CNG fuel sale revenues,
  - h) dates covering the term of the contract,
  - i) client contact person and phone number, and
  - j) the results of the project.
2. Where possible, list and describe those projects performed for government clients or similar size private entities.
3. Provide an organizational chart showing all key personnel, including their titles, to be assigned to this project. This chart must clearly identify the Proposer's employees and shall include the functions to be performed by the key personnel. All key personnel includes all partners, managers, seniors and other professional staff that will perform work and/or services in this project.
4. Describe the experience, qualifications and other vital information, including relevant experience on previous similar projects, of all key personnel who will be assigned to this project.
5. Provide resumes, if available with job descriptions and other detailed qualification information on all key personnel who will be assigned to this project.
6. Given the Design-Build-Finance-Operate-Maintain nature of the OBP, please provide a narrative on your experience of managing these projects. Please include specific qualifications and past performance results.
7. Please provide information on the proposer's qualification as a MBE/WBE/DBE firm or how the proposer will partner with MBE, WBE and/or DBE firms.
8. Please provide a narrative on partnerships with OEM manufacturers of CNG vehicles, and how you intend to help participating fleets finance their vehicles, albeit through lease program or capital purchase outright.
9. Please include any narrative on relationships with vehicle maintenance and repair operators and how you will help fleet operators with access to maintenance and repair stations.
10. Provide a list of references, and contact information for the Illinois stations as well as the non-Illinois stations.

11. Indicate whether the Proposer intends to accomplish the Trust's CNG Program Objectives through third-party contracting and/or subcontracting. If yes, confirm that the Proposer has addressed such contracting in its CNG Implementation Plan. If yes, describe for each such contracting arrangement:
  - a) the arrangement in detail, including which portion is to be accomplished through such arrangement,
  - b) the relationship of such portion to the balance of the project,
  - c) the financial strength of the third-party, and
  - d) any past history of the success of similar arrangements,
12. Provide a detailed breakdown **for expected job creation** per station:
  - a) Please use the following [TRUST JOB CREATION WORKSHEET](#). Please make adjustments to the sheet as appropriate for your estimates.
  - b) If you have an estimate of jobs created from upstream activities (e.g. securing and transporting natural gas), please provide the estimate and justification.
13. Provide information concerning any prior or pending litigation, civil, criminal or administrative, involving a governmental agency or which may affect the performance of the services to be rendered herein, in which the Proposer, or any of its employees or subcontractors is or has been involved within the last three years.

### **C. Station Design:**

1. Provide a detailed description of the proposed station including, but not limited to, the following elements. Additional information detailing exemplary station performance and operation is welcome. All materials indicated as "Required Documentation" should be included as an attachment and will not be counted toward the maximum page limit.
  - a) Technical Merits - Explanation of why the applied technology is appropriate for the location's alternative fuels market. Describe the project including the type and capacity of the fueling equipment. Provide information on how this fits into the station's anticipated energy budget or larger related efforts. Explain the technical merits of the project including the suitability of the proposed technology and equipment for the application and certified compliance with all state and federal guidelines, NFPA 52 (the principle guiding document for CNG station development), and other industry standards and best management practices. Measures taken to reduce the electrical demand and operation cost should also be clearly stated. To this end, installation of redundant compressor units is strongly encouraged.

Access to Sufficient Inlet Pressure - Although no certification of minimum is required, additional justification will be required if expected inlet pressure is less than 20 psi. Desired projects will demonstrate sufficient inlet pressure that is practical to the consumer market and that makes economic sense.

*Required Documentation: Utility confirmation (preferred) and/or self certification*

- b) Station Maintenance Plan: The applicant should provide the Trust with a written plan for fueling station maintenance. This plan shall include a description of available technical resources, qualifications of personnel who will assist during maintenance events,

expected response times, and any specific, foreseen challenges/barriers to maintenance. **Please also address how you will handle cold weather issues.**

- c) General Consumer Friendliness - The proposed station must be adequately designed to maximize service to the public. A description of the station's ease of use must be included in the application. The potential selected bidders(s) must provide 24/7, uninterrupted access to public vehicles as evidenced by an attached site plan. Furthermore, proper ingress and egress for fleet vehicles to access station, relative to the property as well as the surrounding road network, must be determined and adequately demonstrated within the station application. Access for all vehicle classes, including class 8, is strongly preferred. Proposals that do not include class 8 access should provide clear business justification for doing so.
- d) Anticipated consumer experience including ease and speed of fueling should also be discussed within this category. Likewise, payment received from at least two major credit cards is required with additional points awarded for fleet cards (including City of Chicago) and other fuel cards.

Applications should clearly list all intended payment types within this section.

*Required Documentation: Facility specs / self certification*

- e) Refueling Capability – The proposed station's flow rate must be appropriate for the target market with a quantifiable output of gasoline gallon equivalents (GGEs) and cubic feet dispersed per minute and hour. This goal must match the capacity of proposed equipment.

*Required Documentation: Equipment specs (preferred) and/or self certification*

- f) Air Quality – Competitive applications must ensure that the proposed station employs exemplary emission controls. This includes measurable merits related to criteria pollutants and greenhouse gas reduction from the project as interpreted from gasoline gallon equivalents (GGEs) of fuel sold and assurance that the station and its interconnections deploy technologies to minimize system leakages to the utmost potential, maximizing the quantifiable displacement of criteria pollutants and adhering to current best management practices.

*Required Documentation: Equipment specs, industry certification, and/or self certification*

- g) Signage – Clearly visible signage from roadway, including CNG availability and prices, must be posted at all awarded station locations. Extra consideration will be given to proposals including visible signage along nearby major transportation corridors.
- h) Other Benefits – Other benefits may include benefits to the local community or Chicago and Illinois citizens.
- i) Please provide a brief narrative on how you will help train fleet operators on general procedures of the station and local first responders (e.g. police and fire department) in the event of an emergency or safety issue at the station.

#### **D. Strategy on Pricing:**

The Trust understands the desire of fueling providers to have individual contractual arrangements with participating fleets who could serve as anchor fleets for the aggregated network. Given the aggregated demand network that the Trust aspires to create, the Trust believes that there is an opportunity to create commitment contracts for the network in lieu of contracts on a per station basis with one anchor tenant. If a fueling provider is amenable to also entering a commitment contract on a network basis, the fueling provider should indicate as such.

1. What would your required volume commitment be, if any, on a station basis or aggregated network basis?
2. What is your definition of a contractual commitment? What is the duration of these contracts?
3. If a company does not purchase their committed volume in a given year, how is the monetary commitment typically enforced?
4. Please provide a template fueling contract.
5. What are the typical financing terms for a fleet?
6. Please describe alternative fuel aggregation arrangements.
7. Please provide detail on your commodity products and services: Fixed pricing, cost collars and forward hedge instruments. Please explain the methodology and economics of the various commodity products and services. How does the proposer plan to manage pump price and commodity price volatility? – (e.g. hedging)?
8. The [Trust Pricing Strategy spreadsheet link](#) details our request for your proposed pricing. Please fill this spreadsheet in to give us an understanding of your pricing structure, and submit back the Excel working model via a Dropbox link or separate attachment. The spreadsheet will address the following questions.
  - a) What is the fixed price pump price for contracted fleets? Please indicate what will be required by a fleet owner to get a guaranteed pump price – (i.e., guarantee pump price for X number of years)
  - b) What will be the delta between the guaranteed pump price for fleets and the retail price for vehicles utilizing the same station?
  - c) Do you expect any additional fuel surcharge to be added? Identify the methodology utilized to justify the payments?
  - d) What is the payment to the Trust and to the City?
9. Can the proposer build in extra performance/cost incentives for anchor fleets/aggregated network to build up to any required GGE within one, three, or five years?
10. What is the average time an anchor fleet takes to build up to the required GGE, and please include examples of anchor fleets who did not already have CNG retro-fitted vehicles at the closing of the contract?
11. Identify any potential revenues from operation of CNG facilities to include sale of fuel to third parties and describe the net effect of any such revenues to the County payments.

#### **E. Location Analysis & Marketing Schedule:**

1. If proposer has already done an analysis of the site areas listed in Section 1, please indicate as such. Furthermore, please identify any new sites and analysis not already mentioned that could potentially serve as feasible sites for new CNG infrastructure. Describe the location of the installation including the address, a labeled site plan, and an aerial photo of the station location. The Trust is working with the City of Chicago to perform its due diligence on feasible sites located on city-owned vacant land in the areas of interest, and to the extent that the proposer has already done an analysis or is already informed on specific sites, the Trust values this input.
2. What is the typical foot print/required lot size of the proposed station and what annual volume will it support?
3. What is an acceptable lead-time once the station opens to build up to requisite monthly volume?
4. Can we build in extra performance/cost incentives for anchor fleets who build up to the required GGE within one-year?
5. What is the average time an anchor fleet takes to build up to the required fleet, and please include anchor fleets who do not already have CNG retro-fitted vehicles at the closing of the contract?
6. Would you be willing to “right size” a station for the anticipated volume – i.e., 150,000 GGE annually? If yes, what is the financial structure of the relationship and expected pump price?
7. Do you propose partnering with a convenience store operation, if the option is available? If so, why?
8. The Trust is considering co-locating electric vehicle charging stations at the CNG stations. Please describe your ability to execute on this plan, and what firm(s) would you be able to partner with to accomplish this goal?
9. Please provide details (including any marketing collateral) on the marketing plan that you will use to drive public demand? What is the typical spend per station, and expected aggregated market, to drive demand?
10. In the event that the Trust cannot secure the full aggregated demand, how would work with the Trust to use your fleet relationships to help acquire committed private sector fuel demand? Please provide a narrative on existing relationships with fleet owners in the Chicago-area.

#### **F. Project Communication:**

1. Utility line pressure (in PSI) and any required modifications or extensions to utility line during station construction should be clearly stated along with any other significant stakeholder engagement working to ensure successful station development and operation.
2. Consultation with Utility – Applicants are required to consult with local natural gas and electric utility providers regarding technical aspects of services to the proposed station location.

*Required Documentation:* The Trust will take into account applications providing letters of project approval from the utility company serving the proposed station location, followed by documented evidence of communication with the utility company and/or certified local utility specifications including inlet pressure and demand capacity.

3. Communication with Local Government - Applications must provide, at minimum, one reference of local government support. Additional consideration will be given to accompanying letters from officials describing the relationship of the proposed station to local economic, environmental, and/or social benefits. In the case of applications made by local governments acting as station operators, documented evidence of interagency support is encouraged.
4. Other Engagement – Applicants are encouraged to provide documented engagement with station developers and owners, petroleum marketers, technical consultants, and other entities involved in ensuring successful station development and operation.

#### **G. Project Schedule:**

1. A project schedule and list of project tasks that must be finished prior to project completion must be submitted. These tasks will directly feed into the milestone progress and will be included in the contract. Tasks should identify a reasonable and timely plan for contracting, permitting, construction, and opening; core areas of work; lead individual and/or agency; and the amount of time to complete. A chart (Gantt or similar) should be used to describe timeframes for the project's tasks including length of time required prior to operation, feasibility of the stated timeline, demonstrated experience building stations quickly, and a detailed task plan.
2. Scheduled milestones shall include the project's start and end dates. Furthermore, issues or conditions that still need to be resolved before the project can begin and what barriers might be foreseeable shall be clearly stated. The milestones should reflect major events in the life of the project and should help determine progress to success. These milestones should be included on the timeframe chart, marked accordingly with the tasks.

**Closing:** The Trust will keep all proposals confidential and proprietary in accordance with the terms of the [Trust Contracting Manual](#). Proposals are due to [PROPOSALS@SHAPECHICAGO.ORG](mailto:PROPOSALS@SHAPECHICAGO.ORG) on or before **Friday, May 29, 2015 at 5PM CDT**. Interested fueling provider proposers should [sign up here for a time slot for Q&A on April 23, 2015](#). Private fleets who have a desire to participate in the program should [sign up here for a time-slot for Q&A on April 24, 2015](#). The Trust is hosting an Industry Forum on April 28, 2015 to discuss its CNG Program, and you can [sign up here](#).

**THANK YOU FOR YOUR INTEREST**