



Office of the City Manager

CONSENT CALENDAR  
July 29, 2025

To: Honorable Mayor and Members of the City Council  
From: Paul Buddenhagen, City Manager  
Submitted by: Terrance Davis, Director, Public Works  
Subject: Trillium Compressed Natural Gas (CNG) 5-year Sole Source License and Operating Agreement

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a 5-year sole source license and operating agreement for compressed natural gas with Trillium CNG for the five-year period between FY2026 and FY2031, for a not-to-exceed amount of \$250,000.

FISCAL IMPACTS OF RECOMMENDATION

Funding for the purchase of compressed natural gas (CNG) fuel is available in the adopted FY2026 Equipment Maintenance Fund (Fund 672).

CURRENT SITUATION AND ITS EFFECTS

California has approximately 304 public-access CNG stations, according to the U.S. Department of Transportation. These stations primarily serve cars, light trucks, and vans, with a smaller number also dispensing liquefied natural gas (LNG) for heavy-duty vehicles. The stations are concentrated in metropolitan areas and along major transportation corridors.

The City has been using CNG to power most of its waste collection fleet since 2012. While fuel usage and associated costs have declined as the number of CNG vehicles in service has declined, there remains a broad community need for this resource. The City, Berkeley Unified School District, City residents, and residents from surrounding areas continue to rely upon CNG fuel. Since 1997, Trillium CNG has been managing and operating the only CNG fueling station system within City limits under a licensing agreement with the City. This licensing agreement expired June 30, 2024, and was not renewed. Therefore, Council approval for this request is needed to prevent disruption to the City's supply of CNG for its fleet, public, and community partner vehicles.

BACKGROUND

On August 29, 1997, the Department of Public Works issued a Request for Proposals (Specification No. F-8209-98) for the Fabrication, Installation, and

Operation/Management Service for Natural Gas Vehicle Fueling Equipment to be located at the City Transfer Station's Clementina Site. Two agencies responded: Pinnacle CNG Company and Trillium. Both applications were reviewed and evaluated by City staff, and Trillium was found to be the most responsive and responsible bidder.

On June 9, 1998, the City of Berkeley entered into a ten-year license agreement with Trillium to provide CNG fuel, and to build, operate and maintain a Compressed Natural Gas Facility located adjacent to the City's Transfer Station.

In 2008, the City extended the agreement an additional five years with a new expiration date of December 2013.

In FY2010, the projected expenditures for CNG were anticipated to exceed the City Manger's authorized threshold of \$100,000. Therefore, the City Council approved Resolution 64,669-N.S. authorizing payment of \$625,000 for the period FY 2010 through FY2014.

On September 13, 2016, by Council Resolution No. 67,662-N.S., the agreement was increased by \$1,000,000 from \$888,274 to \$1,888,724 and extended through June 30, 2019. By mutual agreement, the term of the Contract was extended through June 30, 2024. The agreement expired on June 30, 2024 and Trillium interpreted the contract to be automatically extended. As a best practice, the City is executing a new sole source contract to retain services, rather than continuing to remain on the expired contract.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Natural gas is the cleanest burning alternative transportation fuel available today that can economically power light, medium, and heavy-duty vehicles. In comparison with diesel fuel, CNG significantly improves local air quality, reduces greenhouse gases (GHG), and minimizes the City's carbon footprint. CNG is a cleaner burning alternative fuel low in pollutants, which is more environmentally friendly than diesel and has a reliable domestic resource base. The City has committed to use of appropriate alternative fuels that reduce GHG as part its Climate Action Plan.

#### RATIONALE FOR RECOMMENDATION

Trillium will continue managing and operating the City's high volume CNG station. The Department of Public Works currently has a limited number of vehicles that use CNG fuel. However, while there are other CNG stations available in surrounding Bay Area cities, this high-volume station is open to the public and several private local entities (including Berkeley Unified School District) to fuel their vehicles.

#### ALTERNATIVE ACTIONS CONSIDERED

Closing the fueling station and ceasing to provide CNG on site at the Transfer Station is an alternative action. This would leave City fleet vehicles, particularly those involved in rubbish and recycling collection, Berkeley Unified School District, City residents and the surrounding areas without a local CNG fueling station. Decommissioning the fueling

station and issuing an RFP would require removal of the fueling station and would be cost prohibitive.

CONTACT PERSON

Leticia Jaurequi, Solid Waste & Recycling Manager, Public Works (510) 981-6362

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

TRILLIUM COMPRESSED NATURAL GAS (CNG) 5-YEAR SOLE SOURCE LICENSE  
& OPERATING AGREEMENT

WHEREAS, on August 29, 1997, an invitation for bid was duly advertised, the City's Public Works staff evaluated all bids submitted; the bid was awarded to Trillium USA (now Trillium CNG), determined to be the most qualified bidder; and

WHEREAS, on June 14, 2005, the Berkeley City Council adopted Resolution No. 62,943-N.S., authorizing the City Manager to increase the purchase order for compressed natural gas (CNG) with Trillium CNG and authorizing expenditures not to exceed \$200,000 annually for Fiscal Years 2006 through 2008; and

WHEREAS, on October 27, 2009, the Berkeley City Council adopted Resolution No. 64,669-N.S., authorizing the City Manager to increase the purchase order for compressed natural gas (CNG) with Trillium CNG and authorizing expenditures not to exceed \$625,000 for Fiscal Years 2010 through 2014; and

WHEREAS, on September 13, 2016, by Council Resolution No. 67,662-N.S., the agreement was increased \$1,000,000 from \$888,274 to \$1,888,724 and extended through June 30, 2019; and

WHEREAS, by mutual agreement, the term of the Contract was extended through June 30, 2024, and expired at the end of the term and Trillium interpreted the contract to be automatically extended; and

WHEREAS, the City will enter into a new contract with funds available in the Fiscal Year 2026 adopted budget in Equipment Maintenance Fund 672.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into a five-year sole source license and operating agreement for compressed natural gas with Trillium CNG for the five-year period Fiscal Year 2026 through Fiscal Year 2031 for a not-to-exceed amount of \$250,000.