



Legislation Details (With Text)

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On agenda: 8/22/2016 **Final action:**
Title: Consider a recommendation for the City of Denton to enter into a contract with Zeit Energy LLC, Dallas, Texas, to design and construct a public compressed natural gas (CNG) fueling facility for the City of Denton, at the intersection of Mayhill Road and Spencer Road, and the extension of the Atmos Energy Inc. natural gas transmission line to the fueling facility, and three years of maintenance service, for the budgeted amount of \$2,682,445 (RFQ 6016).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1-Proposal with Exhibits, 2. Exhibit 2- CNG Station, Line, Maintenance Agreement

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Solid Waste & Recycling Services

CM/ ACM: Jon Fortune

Date: August 22, 2016

SUBJECT

Consider a recommendation for the City of Denton to enter into a contract with Zeit Energy LLC, Dallas, Texas, to design and construct a public compressed natural gas (CNG) fueling facility for the City of Denton, at the intersection of Mayhill Road and Spencer Road, and the extension of the Atmos Energy Inc. natural gas transmission line to the fueling facility, and three years of maintenance service, for the budgeted amount of \$2,682,445 (RFQ 6016).

BACKGROUND

The City staff has researched and examined the potential benefits of converting a portion of the Solid Waste and Recycling Department's collection fleet to compressed natural gas (CNG) fueled engines, and has previously presented and discussed this fueling opportunity with the Public Utilities Board and the City Council. The Public Utilities Board and the City Council both recommended the Department pursue the CNG opportunity by ordering the delivery of CNG fueled collection trucks, and by working with a mobile fueling company to provide CNG fueling. The Purchasing Department distributed a Request For Qualifications (RFQ 6016, December 2015) to seek a company capable of providing the design and construction of a public compressed natural gas (CNG) fueling facility in Denton, near the intersection of Mayhill Road and Spencer Road.

The RFQ requested responses from firms with the capability to design and construct a CNG fueling station per

the specifications stated within the RFQ. Eleven firms responded to the RFQ. The evaluation committee evaluated each firm's submittal package, and scored them based upon the criteria listed below.

- a) Identification and understanding of the City's requirements
- b) Past performance and experience on projects of this magnitude and complexity
- c) Experience and qualifications of the respondent and key personnel
- d) Schedule presented for this service

The evaluation process scored each firm's RFQ submittal and ranked Zeit Energy, LLC as the highest ranking and most qualified firm based on the four selection criteria.

This will be a design-build contract for the construction of a CNG fueling station and an extension of the Atmos Energy natural gas transmission line from the vicinity of 1001 S. Mayhill Road south to the CNG fueling station. The fueling station will be located at the same site as the City's existing alternative fuels fueling station. Once the new fueling dispensers are placed in service, the alternative fuels available at the City's station will be biodiesel, E85 ethanol, and compressed natural gas.

The Solid Waste & Recycling Department is currently operating eighteen CNG fueled collection trucks on the City's daily collection routes. The Solid Waste Department expects to receive additional CNG fueled trucks during future fiscal years.

The Department has received a \$600,000 grant from the TCEQ for the purchase of CNG fueling equipment. The grant reduces the City's cost for the project, providing a net budgeted cost to the Department of \$2,082,445. The TCEQ Clean Texas Triangle and Alternative Fueling Facilities Program will provide for the public access to CNG fuel at this station by providing the necessary infrastructure in this area to increase the use of a vehicle fuel that will reduce emissions.

OPTIONS

The Public Utilities Board may,

1. Recommend the City of Denton enter into a contract with Zeit Energy LLC for the design and construction of a public compressed natural gas fueling facility and the extension of the natural gas transmission line.
2. Recommend the City of Denton enter into a contract with another firm to provide the design and construction of a public compressed natural gas fueling facility and the extension of the natural gas transmission line.
3. Recommend the City of Denton not enter into a contract with a firm to design and construct a public compressed natural gas fueling facility and the natural gas transmission line, and return the \$600,000 grant to the TCEQ.

RECOMMENDATION

City staff recommends moving forward to finalize a contract with Zeit Energy LLC to design and construct a public CNG fueling facility and extend the CNG transmission line to the City's proposed fueling facility site, at the intersection of Mayhill Road and Spencer Road.

ESTIMATED SCHEDULE OF PROJECT

The projected completion of project is July 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

October 22, 2012 - Discussion with the Public Utility Board (PUB) on CNG fueling and received a recommendation to move forward to City Council.

November 5, 2012 - CNG presentation and discussion with the City Council. A positive recommendation was received from the City Council.

Beginning in FY 2013 the SW&R Department began purchasing CNG collection trucks. Currently the Department has 18 collection trucks used on daily routes.

September 26, 2013 - RFQ # 5365 was issued for the design build of a public and private use CNG facility.

Spring 2014 - RFQ # 5365 evaluations were completed and staff initiated discussions with American Fueling Systems to design, construct, and operate the facility. Negotiations were discontinued during the summer of 2014.

April 15, 2014 - Completed the initial contract with 'Ultimate CNG' to provide mobile CNG fueling services.

December 23, 2015 - Issue RFQ # 6016 for the design build of a compressed natural gas (CNG) fueling station at the City of Denton. RFQ's were required to be received by February 2, 2016.

March - April 2016 - CNG evaluation committee meetings occurred. Zeit Energy LLC was evaluated as the best firm to work with to construct the City's public CNG fueling facility.

FISCAL INFORMATION

Bond funding is available for the construction of the public CNG fueling facility from Solid Waste & Recycling job cost account # 660115595.1360.40100, and for the CNG transmission line extension from account #660116595.1360.40100. Annual maintenance service will be funded from the operating budget.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Sustainable & Environmental Stewardship

Related Goal: 5.2 Improve air quality and greenhouse gas management

EXHIBITS

1. City of Denton Compressed Natural Gas (CNG) Fueling Station Technical Proposal
2. CNG Station, Line, & Maintenance Agreement Contract Price

Respectfully submitted:
Vance Kemler
General Manager
Solid Waste & Recycling Services

Prepared by:
S. Lebsack
Development & Administrative Manager
Solid Waste & Recycling Services