



Legislation Text

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AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

ACM: Bryan Langley

AGENDA DATE: September 13, 2016

SUBJECT

Consider adoption of an ordinance accepting competitive proposals and awarding a contract for professional services including engineering, design, and customary construction services for the design-build of the proposed Denton Compressed Natural Gas Fueling Station Project; providing for the expenditure of funds therefore; providing an effective date (RFQ 6016-awarded to Zeit Energy LLC in the not-to-exceed amount of \$2,682,445). The Public Utilities Board recommends approval (5-0).

RFP INFORMATION

The City staff has researched 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 presented the findings for this fueling option to the Public Utilities Board and the City Council in October, 2012 and November, 2012, respectively. The City Council approved the transition to CNG fuel for the refuse collection fleet based on its reduced emissions and cost savings. Compared to diesel engines, the CNG engines have shown a pollutant reduction in Nitrous Oxides (NO_x), Sulfur Oxides (SO_x), Volatile Organic Compounds (VOC) and other Greenhouse Gases (GHG). The fuel cost savings reflected in our FY2017 budget will be approximately \$155,000. The Public Utilities Board and the City Council both have approved the purchase of CNG fueled refuse trucks in FY2013, FY2014, FY2015 and FY2016. The Department has been using a mobile fueling company to provide CNG fueling until a permanent CNG fueling system can be constructed. The Department is exploring options to provide a portion of the natural gas fuel for our CNG trucks from the methane gas generated from the City's municipal solid waste landfill-provided the option is legally viable..

The City of Denton issued Request for Qualifications #6016 to obtain proposals from qualified firms to design and build a public Compressed Natural Gas (CNG) facility to be located at the intersection of Mayhill Road and Spencer Road. 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 (18) CNG fueled collection trucks on the City's daily collection routes. The Solid Waste Department expects to procure additional CNG fueled trucks during future fiscal years.

The Department has received a \$600,000 grant from the Texas Commission on Environmental Quality (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. The Public Utilities Board Agenda Information Sheet provides additional background information regarding this item (Exhibit 1).

Requests for Qualifications for design-build of the proposed Denton Compressed Natural Gas Fueling Station Project were sent to 699 prospective suppliers. In addition, specifications were placed on the Materials Management website for prospective suppliers to download and advertised in the local newspaper. Eleven (11) proposals were received. The proposals were evaluated based upon project schedule, past performance and experience on projects of similar magnitude, identification and understanding of City requirements, and experience and qualifications of the respondent and key personnel. Zeit Energy LLC was ranked with the highest score and determined to be the best value for the City (Exhibit 2-Evaluation).

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 CNG collection trucks for use 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 due to the City being unable to reach a mutually satisfactory contract.

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

August 22, 2016 - The Public Utilities Board (PUB) recommended approval to forward this item to the City Council for consideration.

RECOMMENDATION

Approve a design-build contract with Zeit Energy LLC in the not-to-exceed amount of \$2,682,445.

PRINCIPAL PLACE OF BUSINESS

Zeit Energy LLC
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

The permitting and amendment process is expected to take approximately 18 to 24 months. This agreement will remain in place until all required services are rendered.

FISCAL INFORMATION

The design and construction of the CNG Fueling facility will be funded from Solid Waste Capital Fund account 660115595.1360.40100. The Compressed Natural Gas transmission line extension will be funded from Solid Waste Capital Fund account 660116595.1360.40100. TCEQ grant dollars will fund \$600,000 of the cost. The grant stipulates that the CNG fueling station will be available for public use. The purchases of CNG fuel that are made by the public will be deposited in the Solid Waste Department operating account.

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: 2.3 Promote superior utility services and facilities

EXHIBITS

Exhibit 1: Public Utilities Board Agenda Information Sheet
Exhibit 2: Evaluation and Ranking Sheet
Exhibit 3: Public Utilities Board Draft Minutes
Exhibit 4: Ordinance
Exhibit 5: Contract

Respectfully submitted:
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Director of Finance

For information concerning this acquisition, contact: Vance Kemler at 349-8044.