



Legislation Text

File #: ID#18-5043, **Version:** 1

SUBJECT/RECOMMENDATION:

Ratify and confirm an Agreement with Ultimate CNG, LLC (Agreement No. 1) in the amount of \$99,715 to provide mobile compressed natural gas services at the Clearwater natural gas filling station; ratify and confirm a second agreement with Ultimate CNG, LLC (Agreement No. 2), in the amount of \$197,600 for mobile compressed natural gas services; approve a purchase order with Ultimate CNG in the amount of \$297,315 and authorize the appropriate officials to execute same.

SUMMARY:

Ultimate CNG, LLC is currently providing temporary Compressed Natural Gas (CNG) refueling services, via a mobile CNG storage truck, at the CNG Filling Station located at 1020 North Hercules Avenue. This purchase order was originally approved by the City Manager in August 2018, in the amount of \$99,715. The mobile unit assists in the refueling of city garbage and light-duty trucks that currently use CNG fuel, along with WastePro, Waste Management, Frontier and other outside CNG customers.

Staff is asking Council to ratify and confirm a 2nd agreement with Ultimate CNG in the amount of \$197,600, for a new total of \$297,315. Agreement #2 will extend their services for an additional eight weeks for the period August 18 through October 12, 2018. The reason for the increase is a result of the primary CNG compressor experiencing a mechanical failure after a repair was made in August. Subsequently, additional parts failed after the repair was completed and now those parts need to be replaced. The parts are currently on order and waiting on them to be manufactured and shipped. The compressor was originally manufactured in England, UK and several of the parts needed are not available in the USA.

Ultimate CNG, LLC was selected as staff was unable to find another vendor that could supply the same portable CNG services and meet daily pumping requirements.

The backup CNG compressor has run successfully over this time period, however, it does not have enough capacity to refuel the increased quantity of CNG vehicles that use the station on a daily basis. As of August 2018, there are approximately 135 vehicles that use the CNG station and pump over 50,000 gasoline equivalent gallons per month.

The long-term plan is to purchase a 3rd CNG compressor, so when a compressor goes down for repairs/maintenance, there will still be two functioning compressors.

Universal Air Products, located in Virginia, is the distributor of the compressor unit. Once the parts are received, they will install them in the compressor. Staff hopes to have the compressor operational by the end of September 2018.

APPROPRIATION CODE AND AMOUNT:

Funds are budgeted and available in project code 315-96387, CNG Filling Station.