TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: JUNE 19, 2006

DEPARTMENT: PUBLIC WORKS

SUBJECT: APPROVAL OF A PURCHASE ORDER WITH ANGI INTERNATIONAL, LLC IN THE AMOUNT OF $415,590 FOR THE PURCHASE OF COMPRESSED NATURAL GAS (CNG) FUELING EQUIPMENT AND APPROVAL OF A CHANGE IN SCOPE TO CAPITAL IMPROVEMENT PROGRAM PROJECTS (CNG STATION GS-00011 AND CNG SEQUENTIAL SLOW-FILL FUELING SYSTEM GS-03010) TO ALLOW THE FUNDS FROM THOSE PROJECTS TO BE USED FOR THE CONSTRUCTION OF A REPLACEMENT FAST-FILL CNG FUELING FACILITY AT THE MUNICIPAL SERVICE CENTER

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute a purchase order with ANGI International, LLC in the amount of $415,590 for the purchase of compressed natural gas (CNG) fueling equipment; and

2. Approve a change in scope to Capital Improvement Program (CIP) Projects GS-00011 (Compressed Natural Gas Station) and GS-03010 (CNG Sequential Slow-Fill Fueling System at the Municipal Service Center), to allow the funds from those projects to be used for the construction of a replacement fast-fill CNG fueling facility at the Municipal Service Center.

DISCUSSION

The Vehicle Replacement Fund and Gas Fund Capital Improvement Programs include projects (VR-01001; GS-00011) which will replace the existing conventional and CNG automotive fueling facilities located at the Municipal Services Center (MSC). The original intent of the project funded by GS-00011 was to construct a public CNG fueling facility that could be used as a backup to the City’s existing CNG facility. However, since the inception of this project, that intent has been affected by two factors:

- The City’s existing fast-fill CNG facility is undersized for the current demand.
- The cost of constructing a separate public CNG facility is unacceptably high and those costs could never be recovered through retail charges.

Because of this, staff recommends that the funds available in GS-00011 be used to replace the City’s existing fast-fill CNG facility. Once the existing facility has been replaced, it can be re-utilized for public CNG fueling. This would fulfill the original intent of the project, and will
satisfy the public-access requirement of a grant funding agreement that exists between the City and the Valley Transit Authority.

The project funded by GS-03010 was for the construction of a slow-fill CNG station at the MSC. “Slow-fill” allows overnight fueling of vehicles while they are parked, which greatly reduces the time drivers spend at the pump. Since a CNG vehicle can take up to three times longer to fill than an equivalent gasoline vehicle (depending on the size of the compressor), staff felt that the slow-fill facility would improve driver productivity. However, recent improvements in CNG fueling station design have lead to greatly reduced tank fill times, eliminating the need for a slow-fill facility.

This request is for the purchase of equipment required for the construction of the new CNG fueling facility. The equipment includes a high-pressure compressor, storage cascade, gas dryer, system controls, and two fuel dispensers. The equipment will be installed by a contractor who will be selected through a separate Invitation for Bid (IFB) process.

Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Compressed Natural Gas Fueling Equipment/RFQ 117029</th>
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<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Bids Mailed to Equipment Suppliers</td>
<td>5</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>21</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>No</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $415,590 to a high of $458,980</td>
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</tbody>
</table>

*Bid summary provided in Attachment B.

Staff has reviewed all bids submitted and recommends that the bid of $415,590 submitted by ANGI International be accepted and that ANGI International be declared the lowest responsible bidder.

**RESOURCE IMPACT**
Funds for this purchase are available in the Vehicle Replacement Fund and Gas Fund Capital Improvement Program Budgets. The Gas Fund will recover its expenses through a revision to Utility Rate Schedule G-10 - Compressed Natural Gas Service. Staff will be returning with a rate schedule revision before the new station goes into service.

**POLICY IMPLICATIONS**
Authorization of this purchase order does not represent any change to the existing policy.

**ENVIRONMENTAL REVIEW**
Appropriate environmental review has been conducted as part of the design review process for the MSC Integrated Fueling Facility project.
ATTACHMENTS
Attachment A: Bid Summary
Attachment B: Certification of Nondiscrimination

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