



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 3, 2024

DATE: September 3, 2024

TO: Peter Zanoni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
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**Purchase, Removal and Installation of Two Compressed Natural Gas (CNG)
Dispensers for Gas Operations**

CAPTION:

Motion authorizing execution of a three-month service agreement with Zeitenergy, LLC, of Irving, Texas, for the purchase, removal and installation of two compressed natural gas dispensers to replace the existing dispensers located at the Ayers CNG Station, for \$239,742.50, for Gas Operations, with FY 2024 funding from the Gas Operations Fund.

SUMMARY:

This motion authorizes approval of a three-month service agreement with Zeitenergy, LLC for the acquisition, removal, and installation of two new compressed natural gas (CNG) dispensers for the Gas Operations. The new dispensers will replace the outdated models that are no longer supported.

BACKGROUND AND FINDINGS:

Gas Operations is requesting the replacement of two Kraus CNG dispensers, which are crucial for the City's operations and customer service. The dispensers are malfunctioning, and their current software is no longer supported. The Ayers CNG station serves as a vital fueling hub for both the City's fleet and numerous private customers.

PROCUREMENT DETAIL:

Finance & Procurement conducted a competitive Request for Bid process to obtain bids for this purchase and service. The City sent 51 notifications to potential bidders, and two

responsive bids were received. Staff recommends the award to the lowest responsive, responsible bidder, Zeitenergy LLC.

The chart below shows cost comparison between the two bids.

Item	Zeitenergy LLC	OPAL Fuels Station Services LLC	Price Difference	Percentage Price Difference
CNG Dispensers	\$239,742.50	\$272,498.16	\$32,755.66	14%

ALTERNATIVES:

Alternative CNG dispensers are available; however, choosing a different model would lead to higher costs because of the additional civil work needed to modify the fueling island and pit frame for installation.

FISCAL IMPACT:

The fiscal impact for Gas Operations in FY 2024 is \$239,742.50 with Zeitenergy, LLC, of Irving, Texas, for the purchase, removal and installation of two CNG dispensers to replace the existing dispensers.

FUNDING DETAIL:

Fund: 4130 Gas
Organization/Activity: 34105 Compressed Natural Gas
Mission Element: 011 Gas Supplies
Project # (CIP Only): N/A
Account: 520130 Maintenance and Repairs

RECOMMENDATION:

Staff recommends approval of this motion authorizing the purchase, removal and installation of two CNG dispensers from Zeitenergy, LLC, of Irving, Texas, as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service