



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 15, 2020

DATE: September 15, 2020

TO: Peter Zanoni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
BillM@cctexas.com
(361) 826-1801

Kim Baker, Director of Contracts and Procurement
KimB2@cctexas.com
(361) 826-3169

CNG Preventative Maintenance and Service for City's CNG Pumping Station

CAPTION:

Motion authorizing a five-year service agreement with ZeitEnergy, LLC in an amount not to exceed \$90,125.00 for Compressed Natural Gas (CNG) Pumping Station Preventative Maintenance & Service for Gas Department, with FY 2020 funding in the amount of \$1,502.08 available through the Gas Fund.

SUMMARY:

This motion authorizes a five-year service agreement for CNG Fuel Pumping Station Preventative Maintenance and Service with ZeitEnergy LLC from Irving, Texas. The City of Corpus Christi operates a public CNG station with two fast-fill island fueling stations that serve the demands of City fleet, commercial fleet, and private fleet customers. This service has not previously been under contract. The department would like to establish a long-term service agreement to reduce the inefficiency of obtaining quotes and to realize economy of scale pricing.

BACKGROUND AND FINDINGS:

The Gas Department operates the Ayers CNG Fuel Station, which has two fueling dispensers with the capacity to fuel four vehicles at a time, two Angi 300 compressors and a standalone generator. The Station also feeds the Solid Waste Time Fill, which contains nine 4-hose fueling posts and four dual-hose fueling posts capable of fueling 44 vehicles after hours. The City operates over 200 compressed natural gas vehicles, which includes 60 dedicated CNG utility dump trucks and solid waste refuse/brush trucks. The station also services private customers and commercial fleet customers, such as Republic Waste Management, AT&T, Central Freight Lines, Building Product Transport.

The Contracts and Procurement Department conducted a competitive Request for Bid process. The City received three bids and is recommending award to the lowest, responsive, responsible bidder, ZeitEnergy LLC.

ALTERNATIVES:

An alternative is to not enter into a service agreement allowing the possibility of longer down time during equipment break down, resulting in reduced revenue and service to City customers.

FISCAL IMPACT:

The fiscal impact in FY 2020 is \$1,502.08 for CNG Fuel Station preventative maintenance and service funded through the Gas Fund. The remaining cost of \$88,622.92 will be funded through the annual budget process.

FUNDING DETAIL:

Fund:	4130	Gas
Organization/Activity:	34105	Compressed Natural Gas
Mission Element:	021	Gas Supplies
Project # (CIP Only):	N/A	
Account:	520130	Maintenance and Repairs

RECOMMENDATION:

Staff recommends the approval of this agreement with ZeitEnergy LLC for CNG Pumping Station Preventative Maintenance and Service as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement