

CIP EXPENSE DETAIL

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

8/8/13
Fleet

SUBJECT: Authorize negotiation, award and execution of a contract with Integrys Transportation Fuels, LLC dba Trillium CNG, for the purchase and installation of 28 additional time-fill fuel dispensers for the Compressed Natural Gas (CNG) station in an estimated amount not to exceed \$250,000.

Department:	Austin Resource Recovery
Project Name:	CNG Facility Improvements
Fund/Department/Unit:	4800-1507-NEW
Funding Source:	Transfer from ARR Services Fund
Current Appropriation:	60,000.00
Unencumbered Balance:	0.00
Amount of This Action:	<u>(60,000.00)</u>
Remaining Balance:	<u>60,000.00</u>

Department:	Fleet Services
Project Name:	Compressed Natural Gas Facility
Fund/Department/Unit:	8870 7807 0261
Funding Source:	Contractual Obligations
Current Appropriation:	1,320,000.00
Unencumbered Balance:	51,236.00
Amount of This Action:	<u>(51,236.00)</u>
Remaining Balance:	<u>0.00</u>

Project Name:	CNG Facility Improvements
Fund/Department/Unit:	8870-7807-NEW
Funding Source:	Transfer from Fleet Services Fund
Current Appropriation:	138,764.00
Unencumbered Balance:	138,764.00
Amount of This Action:	<u>(138,764.00)</u>
Remaining Balance:	<u>0.00</u>

Total Amount of this Action	<u><u>250,000.00</u></u>
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ANALYSIS / ADDITIONAL INFORMATION: This contract is to provide and install an additional 28 time-fill dispensing hoses to the Compressed Natural Gas (CNG) Fueling Facility located at 4108 Todd Lane, Austin, TX. This fueling system is used by the Austin Resource Recovery Department to fuel its refuse and recycle collection trucks. Currently, the fueling site consists of one dual fast-fill dispenser for public users and 28 slow-fill dispensers for City vehicles. The expansion will increase the fuel filling capacity that is needed to accommodate the fueling for the 13 new CNG-powered trucks that are scheduled to be purchased this fiscal year and are expected to be delivered near January 1, 2014.

Trillium CNG (previously named Pinnacle CNG Systems LLC) is the contractor that received the original contract on October 13, 2006 through a competitive Request for Proposals process to design, construct, and install the existing CNG Fueling System equipped with 28 CNG time-fill dispensers. At the same time, this Contractor was awarded a 10-year contract to operate, manage, and maintain this fueling facility. This contract is scheduled to expire February 10, 2018 and includes one 5-year extension option that, if exercised, will extend this contract to 2023.

The existing maintenance and management contract provides for additional throughput volume discounts. By dispensing twice the volume of CNG as is currently available, the Operations and Maintenance service fee is reduced by \$0.14 per Gasoline Gallon Equivalent. This discount represents an additional \$31,900 per year savings. This contract will also bring the City closer to its objective of obtaining carbon neutrality by 2020. The projected reduction in Nitrogen Oxide (NOx) in using the cleaner, CNG vehicles is 6.78 tons annually.

Trillium is the sole provider for this facility expansion due to the existing and on-going contract with the City that requires them to operate, manage, and maintain the fueling equipment at this site. In addition, Trillium holds a patent on the technology for the process that meters the volume of gas dispensed to each individual time-fill hose while only requiring a single weight and measures approved flow meter.