



## City of Hallandale Beach City Commission Agenda Cover Memo

**Hallandale Beach**  
PROGRESS. INNOVATION. OPPORTUNITY.

<b>Meeting Date:</b>	September 18, 2019		<b>Item Type:</b> <i>(Enter X in box)</i>	<b>Resolution</b>  X	<b>Ordinance</b>	<b>Other</b>	
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>	<b>1<sup>st</sup> Reading</b> NA		<b>2<sup>nd</sup> Reading</b> NA	
	X			<b>Public Hearing:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
<b>Funding Source:</b>	410-3420-552130 (Sanitation, Solid Waste, Compressed Natural Gas)		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>		<b>Yes</b>		<b>No</b>
						X	
<b>Account Balance:</b>	\$45,000		<b>Quasi Judicial:</b> <i>(Enter X in box)</i>	<b>Yes</b>		<b>No</b>	
						X	
<b>Project Number :</b>	N/A		<b>RFP/RFQ/Bid Number:</b>	NA			
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <i>(Enter X in box)</i>				
	X						
			<b>Quality</b> <input checked="" type="checkbox"/>				
			<b>Vibrant Appeal</b> <input type="checkbox"/>				
<b>Sponsor Name:</b>	Greg Chavarria, City Manager		<b>Department:</b> Public Works	James F. Sylvian, P.E., Director			

**Short Title:**

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, DECLARING A UNIQUE CIRCUMSTANCE PURSUANT TO CHAPTER 23, SECTION 8 (5), EXCEPTION TO BID REQUIREMENTS, OF THE CITY OF HALLANDALE BEACH CODE OF ORDINANCES; AUTHORIZING THE PURCHASE OF COMPRESSED NATURAL GAS IN THE NOT-TO-EXCEED AMOUNT OF EIGHTY-FIVE THOUSAND DOLLARS (\$85,000) FROM OPIS ENERGY TO BE UTILIZED IN THE SANITATION DIVISION; AND PROVIDING FOR AN EFFECTIVE DATE.

## **Staff Summary:**

### **Summary:**

The purpose of this item is to request authorization to expend an amount in excess of fifty thousand dollars (\$50,000) to purchase compressed natural gas (CNG) with Opis Energy, in FY 18/19, pursuant to Chapter 23, Section 23-8 Exception to Bid Requirements, (5) Unique circumstances.

### **Background:**

The Sanitation Division utilizes eight (8) CNG (Compressed Natural Gas) trucks to collect Solid Waste on a daily basis. Initially, "CNGas," which was located on US 441 in Miami Gardens, was used to fuel the trucks, but such fueling station closed. The City of Hollywood CNG Fueling Station was also available, which is conveniently located at 1600 South Park Road, Hollywood, was the alternative for fueling. This location is less than one mile outside of the City of Hallandale Beach city limits. This close proximity minimized staff time spent fueling and also reduced the amount of fuel utilized to travel to and from the fueling location.

Unfortunately, the City of Hollywood completely closed its CNG fueling station in July 2016, due to high repair costs. The station isn't expected to be operational in the future. Staff has been utilizing the Wise Gas station in Pompano Beach (19.4 miles away) as a fueling source since the closure of the Hollywood station. Petro Card, located at 3831 North Powerline Road, Pompano Beach (23.7 miles away) is used as a backup. However, Petro Card is further away from Wise Gas, but due to the lack of CNG fueling stations between Miami and South Broward, Petro Card is used as a backup to Wise Gas.

### **Current Situation**

The operation of Wise Gas station has been taken over by Opis Energy. Opis Energy, (located at 1126 Hammond Ville Rd, Pompano Beach), is the most cost-effective location to fuel when compared to PetroCard. Staff had anticipated that the expenditure on CNG fuel for FY 18/19 to be \$50,000, with Opis Energy. However, the expenditure will be more than anticipated. This increase in expenditure is due to the unanticipated breakdown of vehicles. Thus far, a total of \$48,242.03 has been spent on fueling with Opis Energy, which is reflected on PO (20190343). Staff is requesting to increase this PO by \$35,000, to an amount not-to-exceed \$85,000. The funds are available in account (3420-552130, CNG fuel).

Currently there are two (2) purchase orders (POs) opened for purchasing CNG. PO 20190287 for PetroCard in the amount of \$25,000 and PO 20190343 for Opis Energy in the amount of \$50,000. Upon approval of recommended action, staff will process a purchase order change order to move the funds to the Opis Energy purchase order.

In FY 17/18, the City spent a total of \$87,712 purchasing CNG (Compressed natural Gas). To date, the City has spent \$53,389 on CNG (with both vendors) and anticipates spending approximately \$95,000 in FY 18/19. The cost per gallon of CNG (Compressed Natural Gas) is approximately \$2.49 per gallon equivalent, and each truck has a capacity of 58 gallons equivalent.

**Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-8 Exception to Bid Requirements, (5) Unique circumstances, where the City Commission finds unique circumstances to establish that competitive bidding is not in the best interest of the City.

**Proposed Action:**

Staff recommends approval of the attached Resolution authorizing the City Manager to expend an amount not-to-exceed eighty-five thousand dollars (\$85,000) to purchase compressed natural gas (CNG) from Opis Energy, in FY 18/19, and authorize the City Manager to execute all related documents to effectuate the purchase as needed and providing an effective date.

**Attachment(s):**

Exhibit 1 – Resolution