



City of Hallandale Beach City Commission Agenda Cover Memo

Hallandale Beach
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Meeting Date:	August 1, 2018		Item Type: <i>(Enter X in box)</i>	Resolution X	Ordinance	Other	
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1st Reading NA		2nd Reading NA	
	X			Public Hearing: <i>(Enter X in box)</i>	Yes	No	Yes
Funding Source:	410-3420-552130 (Sanitation, Solid Waste, Compressed Natural Gas)		Advertising Requirement: <i>(Enter X in box)</i>		Yes		No
						X	
Account Balance:	\$30,000		Quasi Judicial: <i>(Enter X in box)</i>	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	NA			
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Strategic Plan Priority Area: <i>(Enter X in box)</i>				
	X						
Sponsor Name:	Roger M. Carlton, City Manager		Department: Public Works		Steven F. Parkinson, P.E., PWLF, Director		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, DECLARING UNIQUE CIRCUMSTANCES PURSUANT TO SECTION 23-8(5) OF THE HALLANDALE BEACH CODE OF ORDINANCES; AUTHORIZING THE CITY MANAGER TO EXPEND AN AMOUNT NOT TO EXCEED SEVENTY FIVE THOUSAND DOLLARS (\$75,000) FOR THE PURCHASE OF COMPRESSED NATURAL GAS (CNG) IN FISCAL YEAR 2017-18 FROM WISE GAS, INC.; AUTHORIZING THE CITY MANAGER TO WAIVE THE CONTRACT REQUIREMENT AND EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE PURCHASE AS NEEDED; AND PROVIDING FOR AN EFFECTIVE DATE

Staff Summary:

Background:

The Sanitation Division uses 8 CNG (Compressed Natural Gas) trucks to collect Solid Waste on a daily basis. These trucks only use Compressed Natural Gas, which prevents them from being fueled with regular gas. Initially, "CNGas," which was located on US 441 in Miami Gardens, was used to fuel the trucks, but that operation closed. Following that, The City of Hollywood Fuel Station, 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.

The City of Hollywood completely closed its CNG 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. PO 20180907 was opened for Petro Card, totaling \$40,000. 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 was used as a backup to Wise Gas.

Current Situation

Having exhausted all other options, the closest location to fuel with CNG is Wise Gas, (located at 1126 Hammond Ville Rd, Pompano Beach), as it is the most cost effective when compared to Petro Card. Staff anticipates the expenditure on CNG fuel for FY 17/18 to be \$75,000, with Wise Gas. This increase in expenditure is due to the increase in distance that the CNG trucks must travel to refuel. Thus far, a total of \$49,774 has been spent on fueling with Wise Gas, which is reflected on PO (20180591). Staff is requesting to increase this PO by \$25,000, to an amount not-to-exceed \$75,000. The funds are available in account (3420-552130, CNG fuel).

In the FY 16/17, the City spent a total of \$101,950 purchasing CGN (Compressed natural Gas). To date, the City has spent \$60,372 on CNG (with both vendors) and anticipates to spend a total of \$115,000 for FY 17/18. The cost per gallon of CNG (Compressed Natural Gas) is approximately \$2.49 per gallon equivalent, and each truck has a capacity of 58 gallon 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 \$75,000 to purchase compressed natural gas (CNG) from Wise Gas, in FY 17/18, 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

Prepared by:

Niesha Jones Sewell

Niesha Jones Sewell
Administrative Analyst

Department Head Review



Steven F. Parkinson, Assistant City
Manager/Director of Public Works

Review by:

Andrea Lues

Andrea Lues, Procurement Director