



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 12/12/2023

REQUESTER: Mike White, Fleet Program Manager

PRESENTER: Shawn O'Leary, Director of Public Works

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2324-103: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND PREFERRED SERVICE CNG, TO PROVIDE MONITORING, MAINTENANCE AND AFTER HOURS OPERATION OF THE CITY OF NORMAN'S CNG FUELING STATION FOR THE TOTAL MONTHLY FEE OF \$2,070 AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

The City of Norman owns and operates a public/private Compressed Natural Gas (CNG) Fueling station with overnight time fill for the refuse and transit fleet located at the North Base Complex at 2351 Goddard Avenue. The average annual public total gallons sold is 50,000 gallons. The annual private (City use) total gallons sold is 384,000 gallons. This station has now been in service for eleven years and has a life-to-date gas throughput of 3,318,555 gallons of CNG. Between the sale of CNG fuel to the public combined with the use of CNG in the City's fleet over Diesel and Unleaded fuel, the City saves an average of \$750,000-\$850,000 annually depending on the market value of fuel. Oklahoma Natural Gas has reported the City's CNG fueling facility as one of the top nine (9) CNG throughputs in volume out of (70) Public/Private CNG Fueling Facilities in their ONG network. CNG-powered vehicles such as the refuse fleet and transit fleet require 24-hour per day, seven (7) days a week access for fueling. The station was built using funds from a federal stimulus grant and assistance from the Oklahoma Clean Cities Coalition Clean Air Grant. Major system components include three (3) compressors, fuel storage vessels, a gas dryer, a backup generator, four (4) fueling dispensers, and 57 time-fill dispensers throughout the complex.

The purpose of this contract is to provide a proactive maintenance and support program where the contractor performs after-hours repairs and uses automatic notification capabilities of various monitoring solutions to notify the fleet staff of impending or current problems. In addition, the contractor will be required to be on location within two (2) hours of an alert during or after business hours. The contractor will be expected to review with the City, detailed reporting about the current health of the CNG station and provide recommendations for improvement on a monthly basis. The scope of services will include after-hours, weekends and federal holiday monitoring of the stations' activities remotely, and provision of preventive maintenance, daily,

weekly, and monthly documentation of all work performed, emergency after-hours repairs, and optional scheduled repairs for the City's CNG station.

DISCUSSION:

On October 13, 2023, the City sought proposals through Request for Proposal (RFP) RFP2324-24, seeking services from a qualified vendor to provide the specified CNG fueling station maintenance. The City held a mandatory pre-bid meeting to discuss the RFP and walk the CNG station with prospective contractors on October 25, 2023. Pressure Solutions LLC of Tuttle, OK, Preferred Service CNG LLC of Oklahoma City, OK, and Clean Energy of New Port, CA, were the three (3) vendors that attended the on-site meeting. On November 1, 2023, proposals were received from two (2) vendors with pricing information summarized in the table below:

Service Provider	Monthly Monitoring	Non-Emergency Hourly Service	Emergency Hourly Service	Markup on parts	Estimated Emergency Calls (52 Annually)	Response Time	
Preferred Service CNG LLC Oklahoma City, OK	\$2,070.00	\$107.50 Two (2) Hour Minimum	\$161.25 Two (2) Hour Minimum	20 %	\$16,770.00	Two (2) Hours	Low Bid
Clean Energy Newport, CA	No Bid	\$175.00 Eight (8) Hour Minimum	\$260.00 Eight (8) Hour Minimum	No Bid	\$108,160.00	48 Hours	

Preferred Service CNG LLC of Oklahoma City has provided periodic CNG station maintenance services for the City of Norman previously and has demonstrated professionalism, responsiveness, workmanship, and overall customer service. Preferred Service CNG has three (3) State of Oklahoma Level I and II maintenance technicians on staff who have a combined 78 years of experience working on CNG stations with the same make and model of equipment the City of Norman owns.

If approved, the total annual cost of this contract will be \$41,610, which will be charged from CNG Maintenance & Repair – Contractor/Other (account 10550175-44229) for contract services and CNG Maintenance Supplies – CNG Station (account 10550175-43226) for parts. Parts requests and during-hours calls will be used on an as-needed basis.

If approved, this contract will be extended for five (5) twelve-month periods provided both parties agree to the terms and sufficient appropriations shall have been made for the particular fiscal year in which renewal is sought.

RECOMMENDATION:

Staff recommends that Contract K-2324-103 with Preferred Service CNG LLC of Oklahoma City, OK be approved.