



Legislation Text

File #: 20-0132, **Version:** 1

Resolution to Authorize an Increase to the Sole Source Purchase Order with DTE for Compressed Natural Gas Fueling Services (\$50,000.00)

The current Solid Waste fleet that services dumpsters runs on compressed natural gas (CNG). A nearby fuel source is essential to minimize excess travel time and interruptions in solid waste service. In 2017, the retail CNG fueling station in the Ann Arbor area began experiencing intermittent outages and has since been decommissioned. DTE has a corporate vehicle fueling station on the east side of Ypsilanti and has allowed the City of Ann Arbor to utilize these CNG pumps during limited weekday hours. This is the only CNG fueling station location within a feasible travel distance from Ann Arbor; the next closest fueling stations are located in Adrian and Taylor. Thus, a sole source purchase order with DTE was approved in October, 2019.

Because there are no new retail fueling stations being built in the Ann Arbor area, the City must continue to utilize DTE's private facility until the existing CNG fleet is replaced. This resolution if approved, will amend the current sole source purchase order with DTE to cover the cost of fuel for the front load trash and recycling trucks for the remainder of the fiscal year.

Budget/Fiscal Impact: Funding for this amendment is available in the appropriate approved Public Services Area Operation and Maintenance budgets.

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The compressed natural gas retail fueling station (CNG) in the Ann Arbor area has been decommissioned;

Whereas, Since the decommissioning, DTE has allowed the City to fuel its 3 solid waste vehicles that operate on compressed natural gas at their corporate location in Ypsilanti;

Whereas, The City has an existing sole source purchase order with DTE for Compressed Natural Gas in the amount of \$17,771.85;

Whereas, There is no alternative fueling station within a reasonable distance and there are no plans for new retail fueling stations to be built in the Ann Arbor area;

Whereas, DTE is willing to allow the City to continue to fuel its CNG vehicles at their corporate location

Whereas, the estimated fuel costs for these vehicles for the fiscal year is no more than \$50,000.00; and

Whereas, Funding for the fueling services are available in the appropriate approved Operation and Maintenance budgets within the Public Services Area;

RESOLVED, The existing purchase order be amended for an additional \$32,228.15 for a not-to-exceed amount of \$50,000.00;