



City of San Antonio

Agenda Memorandum

File Number: 15-6043

Agenda Item Number: 21.

Agenda Date: 12/17/2015

In Control: City Council A Session

DEPARTMENT: Building and Equipment Services

DEPARTMENT HEAD: Jorge A. Perez

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Interlocal Agreement for Use of Compressed Natural Gas facilities

SUMMARY:

This ordinance authorizes the City Manager or designee to enter into an Interlocal Agreement with City Public Service (CPS) Energy for Use of Compressed Natural Gas (CNG) facilities to fuel CPS Energy light duty vehicles. This ordinance also ratifies month-to-month extensions of the existing Interlocal Agreement with CPS Energy.

BACKGROUND INFORMATION:

The Building and Equipment Services Department (BESD) is responsible for providing fleet maintenance and repair services as well as fuel to City owned vehicles and equipment. In addition, the City currently has Interlocal Agreements to provide these services to VIA, SAWS and Lackland ISD at budget approved rates adopted through ordinance. On September 30, 2015, a six year agreement to provide CNG fuel to CPS Energy expired. CPS Energy has expressed an interest to continue utilizing the City's CNG facilities to fuel 11 of their light duty vehicles. This agreement shall terminate on September 30, 2016 and may be extended for up to two additional one year periods. Any such extension shall be authorized in writing on the City's behalf by the Building and Equipment Services Director.

ISSUE:

This ordinance authorizes an Interlocal Agreement between the City of San Antonio and CPS Energy for the use of the City's Compressed Natural Gas facilities through September 30, 2016 with the option of two additional one year extensions. This ordinance also ratifies month-to-month extensions of the existing Interlocal Agreement with CPS Energy that expired September 20, 2015 and allows them continued use of the City's Compressed Natural Gas facilities to fuel their vehicles. Historically, CPS Energy consumes approximately 340 diesel gallon equivalents of compressed natural gas annually for a total estimated annual cost of \$363.00.

ALTERNATIVES:

The City may elect to deny services to CPS Energy, which would require CPS Energy to purchase these services from other providers.

FISCAL IMPACT:

Fleet commodities sold to outside entities will be charged at rates that will cover all associated costs with providing such services. Article IV of the Agreement, Compensation, provides the specific rates to be charged. All rates are in accordance with budget approved rates adopted through ordinance each fiscal year.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing an Interlocal Agreement between the City of San Antonio and CPS Energy for use of the City's Compressed Natural Gas facilities through September 30, 2016 with the option of two additional one year extensions; and ratifying month-to-month extensions of the existing Interlocal Agreement with CPS Energy.