



TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Gary H. Kato, Division Manager, Solid Waste Management
COPY: City Council; City Manager; City Clerk; SBE Coordinator; LEAP Coordinator;
Joe Parris, Finance/Purchasing; and Lewis T. Griffith, P.E., Assistant Division Manager,
Solid Waste Management
SUBJECT: Compressed Natural Gas Fueling Station at the Tacoma Landfill; Request for Proposals
Specification No. ES14-0169F – June 24, 2014
DATE: June 9, 2014

JP for MBS

SUMMARY:

The Environmental Services Department recommends a contract be awarded to TruStar Energy LLC, Fontana, CA, in the amount of \$773,774, plus sales tax, budgeted from the ES Solid Waste Fund, for a portable compressed natural gas fueling station, and parts and maintenance services for the fueling station for an initial two-year term with the option to renew for three additional one-year terms for a projected total of \$86,891, budgeted from the ES Solid Waste Fund, for a projected contract total of \$860,665.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
- Foster neighborhood, community and economic development vitality and sustainability.

This project provides fueling infrastructure that will enable Solid Waste Management's (SWM) truck fleet to operate more efficiently using compressed natural gas fuel and reduce environmental impacts by decreasing greenhouse gas and particulate emissions.

BACKGROUND:

ISSUE: The proposed fuel station will provide capability to fuel SWM fleet trucks with compressed natural gas at the Recovery and Transfer Center site. Using compressed natural gas fuel will enable SWM to cut fuel costs by approximately 20 to 30 percent compared to B20 biodiesel fuel. Compressed natural gas fuel will also reduce particulate truck emissions by 70 percent and reduce greenhouse gas emissions by 16 percent compared to B20 biodiesel fuel. SWM will phase in compressed natural gas trucks over the next 6 to 10 years.

ALTERNATIVES: Alternatives include not using compressed natural gas fuel or fueling trucks at an off-site natural gas fuel station. The economic and environmental advantages of compressed natural gas fuel make the option of continuing to use diesel fuel exclusively undesirable. The nearest public compressed natural gas fuel station is located at the Pierce Transit Facility in Lakewood. Staff time and additional fuel burnt by trucks driving to fuel their vehicles at that off-site location would offset the potential economic and environmental benefits of using compressed natural gas fuel.

COMPETITIVE SOLICITATION: Request for Proposals Specification No. ES14-0169F was opened May 13, 2014. Six companies were invited to bid in addition to normal advertising of the project. Two submittals were received.



<u>Respondent</u>	<u>Location</u>	<u>Rank</u>
TruStar Energy LLC	Fontana, CA	1
Clean Energy	Newport Beach, CA	2

Pre-bid Estimate: \$500,000.00

The recommended award is 68 percent above the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Compressed natural gas fuel will reduce particulate truck emissions by 70 percent and reduce greenhouse gas emissions by 16 percent compared to B20 biodiesel fuel that is currently used.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Environmental Services Department recommends a contract be awarded to TruStar Energy LLC in the amount of \$773,774, plus sales tax, for a portable compressed natural gas fueling station and parts and maintenance services for the fueling station for an initial two-year term with the option to renew for three additional one-year terms for a projected total of \$86,891 and a projected contract total of \$860,665, plus sales tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	ENV-02009-02-01	5330100	\$773,774
ES Solid Waste Fund 4200	519000	5320100	\$86,891
TOTAL			\$860,665

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	Various	\$860,665
TOTAL			\$860,665

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$773,774.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes