



**TO:** Board of Contracts and Awards  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services  
Lewis Griffith, P.E., Division Manager, Solid Waste Management  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator,  
Samol Hefley, Finance/Purchasing, and Shane Pettit, Assistant Division  
Manager, Solid Waste Management  
**SUBJECT:** Increase for CNG Facility Maintenance Agreement – Request for Bids  
Specification No. ES16-0546N, Contract No. 4600012338 – October 23, 2018  
**DATE:** October 1, 2018

**RECOMMENDATION SUMMARY:**

Environmental Services Department requests approval to increase Contract No. 4600012338 with Clean Energy, dba Clean Energy Corp., by \$100,000, for a cumulative contract total of \$299,500, plus applicable tax, budgeted from the Solid Waste Fund 4200, for ongoing preventative maintenance of a compressed natural gas fueling facility at the Transfer and Recovery Center.

**STRATEGIC POLICY PRIORITY:**

- Assure outstanding stewardship of the natural and built environment.

The use of natural gas produces less greenhouse gases and smog than traditional diesel fuel. An increase to this contract is required for ongoing maintenance of the compressed natural gas (CNG) collection fleet, and to allow Environmental Services to continue collection and disposal of solid wastes in a manner that results in a smaller carbon footprint, leaving a better Tacoma for future generations.

**BACKGROUND:**

The City executed a one-year contract with Clean Energy, dba Clean Energy Corp., in the amount of \$85,440, in March 2017, for the purpose of continuing preventative maintenance, fueling station upgrades, and emergency repair services for the CNG fueling facility. Supplemental Change Form No. 1 then extended the contract for one-year.

When the contract was executed the CNG fueling facility was operating adequately with only normal daily, weekly, and monthly preventative maintenance upkeep. Since then the CNG fueling facility has had breakdowns that required major rebuilds and parts replacements, outside of normal preventative maintenance requirements. This caused the need for an increase by \$114,060 for a cumulative contract total of \$199,500, which was done in Supplemental Change Form No. 2.

**ISSUE:** Construction of a new CNG fueling facility, capable of supporting an expanded collections fleet, will be completed by Fall 2019. Prior to the installation of the new facility, it is anticipated that the existing CNG fueling facility will require additional major parts replacements in the coming months. The additional work requires an increase of \$100,000 to the current contract value for 2018/2019.



ALTERNATIVES: One alternative would be to get Solid Waste Management (SWM) Facilities staff certified to work on the CNG fueling facility. Short-term there is not enough time to train up staff to maintain the existing CNG fueling facility. Additionally, SWM does not have enough staff to train while meeting existing staffing needs. This option should be considered for the long-term.

A second alternative is to continue with the existing contract with Clean Energy, but not increase the contract value. This option has the risk of extreme wear/overwork of the system and possible shut down, resulting in the CNG fleet not being fueled.

**COMPETITIVE SOLICITATION:**

This contract was originally awarded to Clean Energy (dba Clean Energy Corp.) as a result of Request for Bids Specification No. ES16-0546N in January 2017.

CONTRACT HISTORY: The original contract was executed in March 2017, based on a one year term with the option for three additional one-year extensions. Supplemental Change Form No. 1 extended the contract for one year in March 2018. Supplemental Change Form No. 2, executed in June 2018, increased the dollar amount to address unforeseen part rebuilds and replacements.

SUSTAINABILITY: CNG vehicles emit up to 20 percent less greenhouse gas compared to traditional diesel fuel, and results in a smaller carbon footprint, leaving a better Tacoma now and for future generations.

SBE/LEAP COMPLIANCE: Not Applicable.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	514050	5320100	\$60,000
ES Solid Waste Fund 4200	514050	5230100	\$40,000
<b>TOTAL</b>			<b>\$100,000</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	Various	\$100,000
<b>TOTAL</b>			<b>\$100,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$100,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes. The expense will be covered by existing budget variances.