



TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., 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, Shane Pettit, Assistant Division Manager,
Solid Waste Management, and Phet Sinthavong, Senior Environmental
Specialist, Solid Waste Management
SUBJECT: Extend and Increase for CNG Facility Maintenance Agreement
Request for Bids Specification No. ES16-0546N, Contract No. 4600012338 –
October 15, 2019
DATE: September 26, 2019

RECOMMENDATION SUMMARY:

The Environmental Services Department requests approval to increase and extend Contract No. 4600012338 with Clean Energy, (dba Clean Energy Corp.), Newport Beach, CA, by \$250,000, plus any applicable taxes, for a cumulative total of \$549,500, budgeted from the Solid Waste Fund 4200, for ongoing preventative maintenance, replacement of two compressors, addition of two on-site compressors to meet operational needs of a compressed natural gas (CNG) fueling facility for the Solid Waste Management (SWM) fleet, through March 13, 2021.

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 necessary for ongoing maintenance of the CNG collection fleet, and to allow SWM 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:

ISSUE: Construction delays for the new CNG fueling facility, capable of supporting an expanded collections fleet have shifted to Fall 2020 from the originally anticipated completion in Fall 2019. The existing CNG fueling facility has three compressors needed to operate as designed. Two must be replaced immediately. Two additional compressors are needed to remain on site for immediate availability during future repair/replacement. When three compressors run at optimal function, the system is at maximum capacity. With only one compressor operating, the system is not meeting SWM fleet needs. The addition of the on-site compressors is a remedy to minimize overload on the working compressors, such as low performance and, in some cases, failure of the other compressors. Additional service is anticipated for the, currently overloaded, third compressor, before or shortly after replacement of the two compressors, because of the wear caused by the overload. Continued maintenance throughout the extended use of the existing system until the new CNG fueling facility is completed will require additional funds.



ALTERNATIVES: An alternative would be to continue without increasing the contract, replacing one or no compressors. The extreme wear and overwork of the system risks shut down, resulting in the SWM fleet not being fueled, and creating significant impacts to solid waste customers, including, but not limited to inability to provide service to all customers.

Another alternative would be to fuel at the nearest CNG station in SeaTac, WA. The additional time, cost, and effect on service routes would be inefficient, not environmentally sound, possibly delay services, and increase cost to ratepayers.

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. Bid results are shown below.

<u>Respondent (RFB)</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal</u> <u>Amount</u>	<u>Evaluated</u> <u>Submittal</u>
Clean Energy, (dba Clean Energy Corp.)	Newport Beach, CA	\$85,440	\$85,440

Pre-bid Estimate: None

CONTRACT HISTORY: The City executed a one-year contract with Clean Energy, (dba Clean Energy Corp.), in the amount of \$85,440, to continue preventative maintenance, fueling station upgrades, and emergency repair services for the CNG fueling facility through March 13, 2018. Supplemental Change Form No. 1 extended the contract for one-year through March 13, 2019. Supplemental Change Form No. 2 increased the contract by \$114,060 for a cumulative contract total of \$199,500. Supplemental Change Form No. 3, authorized by Resolution No. 40140, increased and extended the contract by \$100,000, for a cumulative total of \$299,500 through March 13, 2020.

SUSTAINABILITY: CNG vehicles emit up to 20 percent less greenhouse gas compared to traditional diesel fuel, and results in a smaller carbon footprint, supporting healthy neighborhoods and a thriving Puget Sound, leaving a better Tacoma for all.

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	\$22,500
ES Solid Waste Fund 4200	514050	5230100	\$227,500
TOTAL			Up to \$250,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	Various	\$250,000
TOTAL			\$250,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$250,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A