




**TO:** Board of Contracts and Awards  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services   
Eric Johnson, P.E., Interim Division Manager, Science and Engineering  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator,  
Samol Hefley, Finance/Purchasing, and Jody Bratton, Senior Project Manager  
**SUBJECT:** Service Contract with Clean Energy for Supply of Compressed Natural Gas  
Fueling Equipment, Request for Proposals Specification No. ES19-0001F  
– April 16, 2019  
**DATE:** March 29, 2019

---

**RECOMMENDATION SUMMARY:**

The Environmental Services Department requests approval to award a service contract to Clean Energy, Newport Beach, CA, in the amount of \$1,820,793.55, plus a ten percent contingency, for a projected contract total of \$2,002,873.00, plus applicable sales tax, budgeted from the ES Solid Waste Fund 4200, for supply of compressed natural gas (CNG) fueling equipment and ancillary equipment to be used in the Solid Waste Management Maintenance Shop and CNG Fueling Station Upgrade.

**STRATEGIC POLICY PRIORITY:**

- Assure outstanding stewardship of the natural and built environment.

The Solid Waste Management (SWM) Maintenance Shop and Compressed Natural Gas Fueling Station will create facilities to allow for the maintenance and fueling of the Environmental Services Department (ESD) conversion of all SWM’s collection truck fleet from diesel fuel to CNG. Doing so will create an environmental benefit by reducing greenhouse gas emissions and supporting the use of renewable fuels for transportation purposes.

**BACKGROUND:**

In accordance with the 2008 Climate Action Plan and the Environmental Action Plan, the City has committed to reducing its fossil fuel consumption by 15 percent by 2020 compared to 2014 usage. In 2015, the ESD commenced conversion of its diesel-powered collection system fleet to CNG and built a CNG fueling station at the Tacoma Recovery and Transfer Center. The initial CNG fueling facility was built to support up to twenty-five (25) collection system trucks. Over the past several years the ESD has continued to convert its collection system fleet and plans to achieve full conversion by end of 2024. The CNG-fueled collection system fleet, when fully converted, will have 75 trucks.

The equipment to be supplied by this contract is very specialized and requires an unusually long lead time to manufacture. Because of this constraint, the ESD proposes to purchase this equipment under one contract while the design and contract documents for the modifications to the CNG Fueling Equipment System (necessary for the equipment installation) are being developed by staff under a separate contract. This will allow for the equipment to be delivered approximately six months earlier than if the equipment purchase and facility modifications were combined into a single contract. Engineering design and equipment installation is anticipated to commence in April 2019. The completion of the design work and installation of the on-site



improvements needed for this equipment are planned to coincide with equipment delivery. This contract will allow for the needed improvements to support the fueling requirements for the additional collection system fleet arriving this Fall to the facility.

**ISSUE:** The upgrade to SWM's CNG Fueling System is necessary to ensure that fueling operations can be provided for the expansion of the CNG collection system fleet. The subject equipment purchase of the CNG fueling equipment will replace inadequate existing equipment designed for a much smaller fleet of trucks.

This equipment is paramount to the successful operation of the SWM's collection system fleet. Failure of the existing equipment could lead to disruption in solid waste collection. This type of failure could result in negative impacts to public health and safety.

**ALTERNATIVES:** An alternative to the project is to continue to utilize the diesel-fueled vehicle fleet under current practices. This alternative will not provide the benefits we are seeking to reduce fossil fuel dependence and decrease greenhouse gas emissions.

**COMPETITIVE SOLICITATION:**

Request for proposals (RFP) Specification No. ES19-0001F was opened on March 5, 2019. Eight companies were invited to bid in addition to normal advertisement of the project. Two submittals were received. Submittals were evaluated and scored by a Selection Advisory Committee (SAC) and below are the resulting scores of the submittals. The RFP process was consistent with the City's Purchasing Policies and allowed the City to evaluate not only the cost but other important factors associated with this specialty equipment to determine the lowest and best responsible Respondent. Evaluation criteria included: Location of Major Assembly (5%), Proposer Equipment to be Supplied (30%), Initial Cost (35%), Maintenance Service Agreement Costs (5%), Schedule (20%), and Small Business Evaluation (5%). The City received two proposals in response to the advertised RFP. After careful review and evaluation of this proposal, the ESD is confident that the proposal from Clean Energy meets the City's evaluation criteria based on receiving a score of 91%, and represents good value for the City and its utility customers.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Rank</u>
<b>Clean Energy</b>	<b>Newport Beach, CA</b>	<b>1</b>
Trillium, A Loves Company	Houston, TX	2

**CONTRACT HISTORY:** New contract.

**SUSTAINABILITY:** CNG-fueled vehicles emit up to 20 percent less greenhouse gas compared to traditional diesel fuel and result 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
4200 – ES Solid Waste Fund	ENV-02009-12-04	5310100	\$ 2,002,873.00
<b>TOTAL</b>			<b>\$ 2,002,873.00</b>

\*plus applicable sales tax

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4200 – ES Solid Waste Fund	512000	Various Rates	\$ 2,002,873.00
<b>TOTAL</b>			<b>\$ 2,002,873.00</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$2,002,873.00**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**