



City Council Report

Date: January 11, 2021
To: City Council
Through: Marc Heirshberg, Acting Deputy City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Food to Energy Program, Phase 1: Flare to Fuel Project
Northwest Water Reclamation Plant
City Project No. CP0870
Council District 1

Purpose and Recommendation

The purpose of this report is to provide information to the Council concerning the selection of a Construction Manager at Risk (CMAR) for the proposed Food to Energy Program, Phase 1: Flare to Fuel project at the Northwest Water Reclamation Plant (Refer to Exhibit "A" for the project location).

Staff recommends that Council approve the selection of Archer Western Construction, LLC as the CMAR for this project, and award a Pre-Construction Services contract in the amount of \$105,721.00.

Background

In January of 2020, the City completed a feasibility study of implementing co-digestion of food waste in the existing digesters at the Northwest Water Reclamation Plant to generate additional biogas that could be converted into renewable natural gas and used as a fuel for the Environmental Management and Sustainability Department's truck fleet. The study determined that utilizing biogas to generate renewable natural gas under the federal Renewable Fuel Standard program was both environmentally friendly and economically feasible. The study recommended a phased approach in which a gas upgrading system would be installed initially to maximize revenue potential. The implementation of high strength food waste co-digestion was recommended for a future second phase. This contract is the first phase in City's Food to Energy program and includes the installation of a gas upgrading system which will "clean" the existing biogas at the Northwest Water Reclamation Plant to make it suitable for the City's existing natural gas distribution system. Utilizing this gas will allow the City to collect credit incentives from the federal Renewable Fuel Standard program.

Discussion

In October of 2020, Staff received two “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ’s, Archer Western Construction, LLC was recommended as the most qualified CMAR. Staff has prepared a contract and negotiated the fee for the Pre-Construction Services contract. During the Pre-Construction Phase, the CMAR will work closely with the project team to develop the project design, review the design for constructability, prepare cost estimates, and develop the project schedule and project phasing plan.

The last item developed during the Pre-Construction Phase will be the “Guaranteed Maximum Price” (GMP) for the project. The GMP will be brought to Council for review and approval.

Community Impact: The impact to the community will be minimal since all construction work will be performed inside the site wall of the Northwest Water Reclamation Plant.

Once underway, construction of this project is anticipated to last no more than 12 months.

Alternatives

An alternative to the approval of this Pre-Construction Services contract for the selected CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the need for the additional services provided by a CMAR contractor during the design phase. The proposed Food to Energy Phase 1: Flare to Fuel project will require extensive construction sequencing and constructability analysis by the contractor throughout the design phase to ensure that the improvements will be built without disruption to the operations of the Northwest Water Reclamation Plant.

Another alternative is to not perform the work. This is not recommended because the existing biogas is a valuable resource that is currently being disposed of and could be used for a greater benefit to the City.

Fiscal Impact

This pre-construction services contract is in the amount of \$105,721.00.

This project is funded by the Enterprise Fund.

Coordinated With

The Environmental Management & Sustainability Department and Water Resources Department concur with this recommendation.