



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: MSA Date: 10/16/2020
General Manager

DATE: October 16, 2020
TO: General Manager
FROM: Director of Engineering & Compliance
SUBJECT: Approve an Agreement with Trillium in the amount of \$105,998 for Design, Permit, Procurement, and Construction of Modifications to the CNG Fueling Station for the CEC Grant project

RECOMMENDATION: That the Board authorize the General Manager to approve an agreement with Trillium in the amount of \$105,998 for Design, Permit, Procurement, and Construction of modifications to the CNG Fueling Station for the CEC Grant project.

BACKGROUND

On July 16, 2016, the CEC released a notice of Grant Funding Opportunity GFO-15-606 Community-Scale and Commercial-Scale Advanced Biofuels Production. At that time, staff together with Cornerstone Environmental Group-Tetra Tech (CEG-TT) began development of conceptual project scoping and preparation of a pre-application submittal in the Community-Scale project category (public project). On August 24, 2016, Staff together with CEG-TT submitted the pre-application to CEC with the interest to be selected as a qualified submittal to gain eligibility to prepare a final application. On October 4, 2016, the CEC posted the results of the pre-application process and provided notice that the District's pre-application was selected as being eligible to submit a full grant application for consideration of final selection. At their regularly scheduled meeting on October 21, 2016, the District's Board of Director's approved the proposal by CEG-TT to assist Staff's preparation of the full grant application.

On November 14, 2017, the District's full grant application was submitted to the CEC proposing an estimated \$3,647,989 project to convert biogas to a compressed natural gas (CNG) transportation fuel project. The District proposed to treat biogas generated by existing permitted operations in order to produce a renewable natural gas (RNG) that can be compressed and used as a CNG fuel for motorized vehicles. A biogas treatment system would be used to remove most of the non-methane constituents in the biogas in order to produce RNG. The biogas will be collected from existing permitted operations that could include a) LFG biogas from the Landfill, b) biogas from the Dry AD system, and c) biogas from the M1W regional wastewater treatment plant, or a combination of two or more of these existing biogas sources. The RNG produced will be directed to the District's CNG fueling facility located at the Franchise Truck Yard which then can be used by both the District's CNG fueled vehicles and the franchise waste collection trucks (currently GreenWaste Recovery's vehicles).

On February 17, 2017, the CEC posted results of the full grant application process which indicated that the District's project was one of six projects approved for grant funding. At that time, the District's project was the only project not awarded funding.

On December 7, 2017, the California Energy Commission (CEC) announced as part of their Second Revised Notice of Proposed Award - GFO-15-606 - Community-Scale and Commercial-Scale Advanced Biofuels Production Facilities that the Monterey Regional Waste Management District had been approved for a matching funds Grant Award of \$1,816,800 Grant to convert biogas to a CNG transportation fuel (\$3,647,989 project estimate). On March 23, 2018, the Board approved the CEC Grant Award and initiated the project's design, permitting, and construction development. The selection of the equipment, which is the subject of this Staff Report, is a critical element of the design and permitting process.

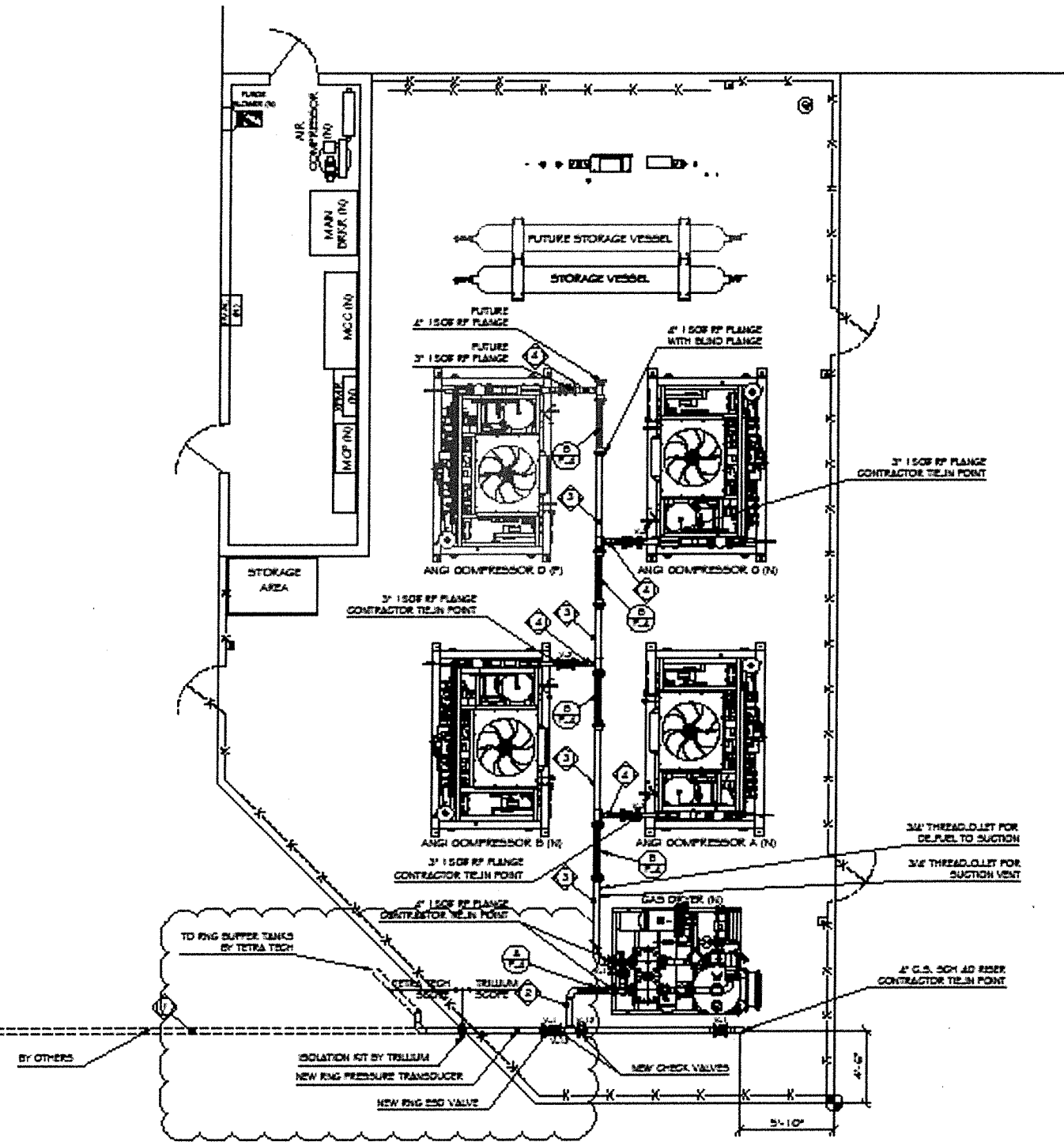
On March 22, 2019, the Board approved the award of a contract to Unison Solutions, Inc. of Dubuque, IA for the California Energy Commission (CEC) Grant project equipment supply in the amount \$2,908,025 (Bid Items 1, 3, 4, 5, 6, 8, and 9) excluding Sales Tax (estimated at \$230,000) and Shipping Charges (estimated at \$50,000). The equipment supply contract consisted of \$1,813,150 associated with the originally conceived scope of work and \$1,094,875 in new equipment scope for the landfill's hydrogen sulfide treatment system.

At the March 2020 Board Meeting, the board approved a \$247,000 contract to Monterey Peninsula Engineering and a \$1,275,000 contract for GCCS Improvements and Biogas Conditioning System Construction inclusive of approximately 10% contingency.

DISCUSSION

The CEC has approved a \$1,816,800 matching funds grant award to the District associated with the overall project cost estimate of \$3,647,989. To date the District has committed about \$3.75 million, or about 3% over the original grant project definition. The Grant's matching funds of \$1,816,800 would be applied against this amount as the District has accomplished meeting the 50% matching funds threshold required by the grant. The improvements to the Trillium CNG Compressor Station would increase the project cost to \$3.855 million, or about 5.6% over the original grant project definition.

The scope of the improvements to the Trillium CNG Compressor Station will generally include the design, permitting, materials and equipment supply, construction installation, startup and commissioning services. This will include, but not be limited to, both carbon and stainless steel piping, control valves, safety valves, emergency shutdown valves, control system devices to control both the District's supply of CNG and the Utility's supply of CNG, and programming modifications to the control system logic. A Plan View of the Trillium CNG Compressor Station is presented in the figure below for reference.



FINANCIAL IMPACT

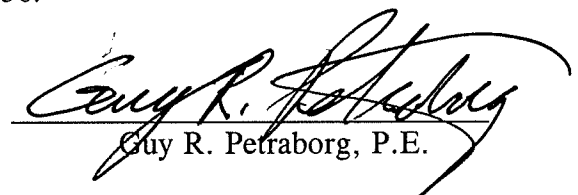
The cost of the modifications to the Trillium CNG Compressor Station was not included in the original FY2020/21 budget amount. Therefore, adjustments will be made to incorporate the costs of the Trillium changes for the CEC Grant Project under the authorized \$5.7 million Capital Improvement Budget for FY 2020/21. This will be accomplished by management of subsequent capital authorization requests during the remainder of the fiscal year and, if possible, via project deferral such as has previously implemented for the Module 7 construction project.

STRATEGIC PLAN

The District's involvement in the CEC Grant Award process fits under several general policy directives cited in the District's "Pillars of Sustainability" plan. Principally under the Community and Environment pillars which speak to the protection of Public Health and the Environment whereby the project will reduce permitted emissions from the District's operations by transforming biogas to an RNG which then in turn is used in CNG fueled vehicles to reduce emissions in the community's transportation element. A net negative GHG emission reduction results from the conversion of the biogas to a CNG transportation fuel. It is also in the Community's interests that close to half of the project costs will be from grant funding and not District's funds.

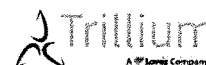
CONCLUSION

Staff respectfully recommends that the Board authorize the General Manager to approve an agreement with Trillium in the amount of \$105,998 for Design, Permit, Procurement, and Construction of modifications to the CNG Fueling Station for the CEC Grant project ARV-17-036.



Guy R. Petrabor, P.E.

Attachments:
Trillium Agreement



SERVICE AGREEMENT

This Service Agreement ("Agreement") entered as of this day of _____, ____ (the "Effective Date") by and between Monterey Regional Waste Management District, ("Customer") and Trillium USA Company, LLC, a Delaware limited liability company d/b/a Trillium ("Trillium").

WHEREAS Customer desires Trillium to perform service and maintenance of Customer's facility located at 14201 Del Monte Blvd., Monterey County, CA 93908 (the "Station") and Trillium desires to provide such services as described herein under the terms of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Date(s) of Service: TBD (the "Term").

Description of Services and/or Equipment: Customer Station "call-out" requests to Trillium and Trillium will provide as necessary diagnostic services, maintenance, repairs and replacement of parts as needed upon Customer's prior approval of such recommended services (collectively the "Services").

Estimated Total Service Agreement Amount (including all associated labor, travel, parts, equipment and taxes): \$105,998.00 (One Hundred five thousand nine hundred ninety-eight dollars).

Service Rates: Services will be billed at the Service Rates on Exhibit A, attached hereto.

Invoicing & Payment Terms. Trillium will invoice Customer upon completion of the Services. Customer shall pay each such invoice within thirty (30) days of the invoice date (the "Due Date"). If payment is not received by Trillium on or before the Due Date, Trillium will charge Customer interest at the rate of eighteen percent (18%) per annum, calculated for the period commencing on the Due Date and ending through the date Trillium receives full payment; provided that in no event will any interest be assessed and payable hereunder at a rate in excess of the maximum rate permitted by applicable law.

Warranty. With respect to Services performed under this Agreement, Trillium warrants that same will be free from defects in workmanship for a period of one (1) month from the date of performance of such Services. If any failure to conform to the foregoing warranty is reported in writing to Trillium within said period, Trillium will, at its option, correct such nonconformity by suitable repair of the equipment or by furnishing and installing a replacement part as applicable. The effects of corrosion, impurities in gas and ordinary wear and tear are specifically excluded from the above warranty. Trillium will not be responsible for any repairs or replacements performed by Customer or others. With respect to all components of the equipment furnished by Trillium but manufactured by others, Trillium will pass all warranties of the manufacturers of such components to Customer to the full extent to which such warranties may be passed to Customer. TRILLIUM MAKES NO OTHER WARRANTIES OF WHATSOEVER NATURE, EXPRESS OR IMPLIED, CONCERNING THE EQUIPMENT, IT BEING THE INTENTION OF TRILLIUM AND CUSTOMER TO NEGATE EXPRESSLY AND TO EXCLUDE ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE EQUIPMENT, AND ANY OTHER WARRANTIES WHATSOEVER CONTAINED IN OR CREATED BY LAW.

Limitation of Liability. The remedies of Customer set forth herein are exclusive, and the total liability of Trillium to Customer under this Agreement, whether based on contract, warranty, negligence, indemnity, strict liability or otherwise, will not exceed the cash consideration actually received by the Trillium under this Agreement. Trillium shall not, under any circumstances, be liable to Customer for any defect in or failure or malfunction of the equipment resulting in loss of use, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of other goods, loss by reason of shutdown or non-operation, increased expenses of operation, cost of purchase of replacement fuel or claims of Customer or customers of Customer for service interruption whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability or otherwise.

Miscellaneous. No failure or delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or of any other right hereunder. This Agreement is made under and shall be construed according to the laws of the State of Texas, without regard to the conflict of law rules thereof.

Customer has caused this Agreement to be executed and delivered by its duly authorized representative and by signing below, Customer accepts and agrees to the terms set forth above.

Customer Representative – Printed Name and Title: _____

Customer Representative Signature: _____

Date: _____

October 6, 2020

Guy Petraborg
Monterey Regional Waste Management District
14201 Del Monte Blvd.
Marina, CA 93933

Mr. Petraborg,

Thank you for reaching out to Trillium with a request for a Service Order Proposal to upgrade the Marina CNG Refueling Facility with a new RNG Tie In. Based on the specifications provided by your consultants and MRWMD this Proposal includes a price for the following equipment and support:

- 4" CS Pipe Tie-In for RNG within 2' of CNG compound fence line to the Gas Dryer – Includes Required Valves and Regulator
- Compressed Air Line to Control Actuated ESD Valve
- Conduits and Conductors Required for Controls Integration
- Design, Engineering, Permitting for Trillium's portion of the RNG upgrade
- Controls Integrations and Programming

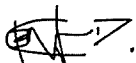
Proposed Schedule:

- Design – 3 weeks
- Permitting
- Construction – 4 weeks
- Commission and Inspection – 2 weeks

Contractor shall submit an AIA Application and Certification for Payment on a monthly basis to Owner. Application shall be AIA Document G702. Owner at its discretion may certify the document or submit to the Owners Architect for Certification prior to payment. Application shall include all work completed and equipment procured during the pay period indicated on the application.

Please contact me if you have any questions.

Thank you,



Val Gueorguiev
Manager, Sales & Customer Support
Trillium

EXHIBIT A

Price Breakdown

The price for the proposed equipment upgrade is **\$105,998**. This price includes installation, calibration, and commissioning associated with the proposed upgrade. Please see below the price breakdown for this upgrade:

Description	Cost
4" CS Pipe Tie-In, Actuator Valve & Regulator	\$ 13,887
Engineering, Programming, & Permitting Costs	\$ 15,993
Project Management & Commissioning	\$ 27,570
Mechanical, Civil, Electrical Construction	\$ 46,117
Freight	\$ 514
	<i>Sales Tax</i> \$ 1,917
Grand Total	\$ 105,998