



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: June 13, 2022

TO: General Manager

FROM: Director of Engineering and Compliance

SUBJECT: Approve Payment for a 350KW Generator in the Amount of \$137,662.50 to Quinn Caterpillar of Salinas, CA. for Closure of RPO Agreement E26876

RECOMMENDATION: That the Board Approve Payment for a 350KW Generator in the Amount of \$137,662.50 to Quinn Caterpillar of Salinas, CA. for Closure of RPO Agreement E26876.

BACKGROUND

In 2018 the District entered into a Rental Purchase Option (RPO) agreement with Quinn CAT of Salinas, California for a trailer-mounted, mobile diesel-fired generator. The purpose of generator was to provide backup power for the District's Truck Yard facility that is leased to one of the franchise waste collection companies, Green Waste Recovery (GWR), and for the CNG Fueling Station that is owned and operated by Trillium. Backup power is necessary when access to the utility power provided by PG&E is not available. The term of the RPO agreement was a for six-month rental period and then an option for the District to purchase the generator with 75% of the rental expense deducted from the purchase price. The final payment for the generator has not been processed by the District and Quinn CAT is requesting at this time that the District comply with the terms of the RPO and submit the final payment or return the generator.



DISCUSSION

Since 2018, the District has used the 350KW generator on a couple of occasions to power the Truck Yard Facility and CNG Fueling Station during utility power outages of extended duration. There is some rather extensive effort required to connect the generator to the Truck Yard switchboards each time the generator is to be used. The connection takes 4-6 hours and requires a medium voltage certified technician to both establish the connection and to restore the original 'primary' connections once the power outage is over. The District recently used the generator to power the LFG Blower Skid and Enclosed LFG Flare during a weekend power outage by PG&E a couple weeks ago.

After reviewing the needs of the site, staff is supportive of the District's purchase of the generator and will seek to include it in the District's contingency plan for backup power supply. The generator has a "Tier 4 Interim" engine certification that meets applicable air regulations as a 'stationary' source and can be permitted to operate at MRWMD. As a 'mobile' source the "Tier 4 Interim" certification is no longer valid as mobile sources are now required to have "Tier 4 Final" certification for improved emissions. Staff will be investigating the use of this generator as i) part of the PG&E Electrification project that the Board recently approved or ii) at the Gas Plant where it has the potential to supply backup power to both the MRF office and the Truck Yard and CNG Facility. As additional electrical equipment will likely be required to automate both the generator startup and transfer from utility power to backup power, staff will bring forward to the Board the integration plan for this generator in the near future.

FINANCIAL IMPACT

The Board's approval of this payment for purchase of the 350KW generator will have a current fiscal year impact of \$137,662.50. These funds are available in a couple of locations; either from excess fiscal year revenues above budget or from unspent capital funds that were budgeted in the current fiscal year.

RECOMMENDATION

That the Board approve payment for a 350KW Generator in the Amount of \$137,662.50 to Quinn Caterpillar of Salinas, CA. for Closure of the RPO Agreement E26876.



Guy R. Petrabor, P.E.