

Portland, Oregon

# FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Scott T. Gibson		2. Telephone No. 503-823-7615	3. Bureau/Office/Dept. Environmental Services
4a. To be filed (hearing date):  January 23, 2013	4b. Calendar (Check One) Regular   Consent   4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst:
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

Authorize contract with HDR Engineering, Inc. for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant (CBWTP) Biogas Utilization, Project E10033. (Ordinance)

**2) Purpose of the Proposed Legislation:**

To authorize a contract with HDR for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Biogas Utilization, Project E10033. Services include pre-design services and alternative analysis for most effective use for the CBWTP biogas.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |   |                                    |                                    |   |
|---|------------------------------------|------------------------------------|---|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast  | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East             |
| <input type="checkbox"/> Central City       |                                    |                                    |   |

**FINANCIAL IMPACT****4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

Legislation will not affect current or future City revenue.

**5) Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

The overall project cost estimate for the baseline alternative of cogeneration expansion is \$5,583,258 million. The level of confidence in this estimate is low. The engineering services cost estimate for the pre-design phase is \$298,600. The level of confidence in this estimate is optimal. All of the project costs are included in the BES 5-year Capital Improvement Program.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be created, eliminated or re-classified in the current year as a result of this legislation.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

No positions will be created or eliminated in the future years as a result of this legislation.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

**a) What impacts are anticipated in the community from this proposed Council item?**

Barring a different, more appropriate, alternative that arises from the alternative analysis, this Council item will lead to the expansion of the Columbia Boulevard Wastewater Treatment Plant (CBWTP) cogeneration facility. This expansion will require the work of contractors on treatment plant property. This work is not likely to negatively impact neighbors or the broader community.

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

BES staff has developed and continue to maintain a relationship with north Portland businesses and residents through support and commitment to the CBWTP Citizen's Advisory Committee. BES also drafts and mails an annual newsletter to north Portland neighbors that provides construction and operational updates to residents. The existing cogeneration facility at the CBWTP has been described in numerous newsletters. Finally, BES public involvement staff frequently provides updates on projects to neighborhood and business associations in north Portland. Frequently, neighbors and business owners are interested in the biogas cogeneration facility.

**c) How did public involvement shape the outcome of this Council item?**

During the design phase of the project, BES public involvement staff will provide an update to neighbors and stakeholders in the area to provide information and solicit comments related to this project. To the extent practicable, BES staff will incorporate public feedback into project development and project communications.

**d) Who designed and implemented the public involvement related to this Council item?**



BES public involvement staff in the BES Director's Office will design and implement project public outreach and involvement.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Stephen Sykes, Sr. Community Outreach and Public Involvement Coordinator, 503-823-7898, [stephen.sykes@portlandoregon.gov](mailto:stephen.sykes@portlandoregon.gov)

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

BES staff will provide project updates and notify stakeholders of the opportunity to provide feedback as we get into the design and construction phases of this project.

   
Dean Marriott, Director, Bureau of Environmental Services

APPROPRIATION UNIT HEAD (Typed name and signature)



# CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

City Council  
Agenda Item  
Staff Supplemental Report

TO: Commissioner Dan Saltzman  
THROUGH: Matt Grumm or Amy Trieu  
FROM: Scott T. Gibson/BES *Scott*  
DATE: December 21, 2012  
RE: PTE Contract with HDR Engineering, Inc.

Requested Council Hearing Date: January 23, 2012

## I. RECOMMENDATION

Authorize contract with HDR Engineering, Inc. for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant (CBWTP) Biogas Utilization, Project E10033. (Ordinance)

## II. BACKGROUND

Currently, the CBWTP produces approximately 550 million cubic feet annually of digester gas, or biogas, from its anaerobic digestion processes. Of which, approx 20% is used on site for digester and building heating boilers, 20% is sold to a near by industrial user (Malarkey Roofing Company), 40% is used for the cogeneration process (power generation and heat recovery), the remaining 20% is flared though a waste gas burner onsite.

CBWTP installed a cogeneration facility on site in late 2008, which consists of two engine generators to produce a total of 1.7 MW of electrical power. Since its start-up, it has successfully offset approx 40% of electrical power used on site annually (or approx 12.5 million kwh out of 31.5 million kwh used on site annually).

This project would utilize the remaining 20% portion of the biogas, which is being flared, for beneficial use.

HDR Engineering, Inc. has been selected to provide engineering services, bidding and construction support services for this Biogas Utilization project. The consultant selection was conducted in accordance with Chapter 5.68 of the Code of the City of Portland (RFP #BES123).

There were three proposals received in response to the solicitation. The other two engineering firms submitted proposals were Carollo Engineers and Brown and Caldwell.

The consulting engineering services for this project are being phased because the type of facility to be built is not yet certain. This is described below in more detail.

The baseline alternative in this project is to expand the cogeneration facility to utilize the remaining portion of the biogas, based on the experience and successful beneficial use from the existing CBWTP cogeneration system. During the pre-design phase of this project, the project team will also evaluate other alternatives to the baseline cogeneration alternative, to ensure the best and the most effective alternative for beneficial use of the remaining portion of the biogas is selected.

The other alternatives to be evaluated include: convert biogas to compressed natural gas (CNG) for vehicle fuel, convert to NG to inject in pipeline grid, and biogas sale to other local industrial users.

Based on the conclusion and recommendation from the project pre-design, the scope of work and fees for HDR to complete design and support construction will be negotiated.

This Council item is only for the pre-design phase of the project. At the conclusion of the pre-design, BES will report back to the City Council with findings and recommendations to obtain approval, through an additional ordinance, to proceed with completion of project design.

### III. FINANCIAL IMPACT

The compensation for this agreement is \$298,600. The level of confidence in this cost estimate is optimal. The pre-design and design phases are estimated at \$850,000 combined and the overall project cost estimate is \$5,583,258. The confidence in these estimates is low. The design phase will improve confidence as work is completed. The project is included in the adopted BES CIP budget for 2012-2013.

### IV. LEGAL ISSUES

None identified at this time.

### V. CONTROVERSIAL ISSUES

None identified at this time.

### VI. LINK TO CURRENT CITY POLICIES

The project is consistent with City policy for sustainability, green energy, and beneficial use of existing resources.

VII. CITIZEN PARTICIPATION

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The local community citizens will participate in the project through the Columbia Boulevard Citizen Advisory Committee (CAC). BES staff meets with the CAC regularly to update on projects at the plant and receive feedback.

VIII. OTHER GOVERNMENT PARTICIPATION

Completed project plans and specifications will be forwarded to DEQ for review and approval, as well as any required revision to the on site air discharge permit.

Potential discussion and agreement with PUC/PGE regarding the 2 MW limit for major power producers, which the cogeneration expansion will likely exceed the threshold.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

With the method used by the Bureau, it is estimated about 1.5 jobs are created by this action.

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

There are four M/W/ESB subconsulting firms in this contract and their participation is 19.5 percent of the contract amount for the predesign phase.

- X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? yes WHAT IS THEIR BUSINESS LICENSE NUMBER? 670538  
IS THEIR ACCOUNT WITH THE CITY CURRENT? yes IF NOT, HOW MUCH IS OWING? \_\_\_\_\_