

ORDINANCE No. 189874

Amend contract with HDR Engineering, Inc. for additional construction support services for the Columbia Boulevard Wastewater Treatment Plant Renewable Natural Gas Facility Project No. E10033 for \$229,000 (Ordinance; amend Contract No. 30003218)

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Environmental Services (BES) owns and operates the Columbia Boulevard Wastewater Treatment Plant (CBWTP), which treats an average of 28 billion gallons annually of wastewater in accordance with State of Oregon Department of Environmental Quality (DEQ) issued National Pollutant Discharge Elimination System (NPDES) permit requirements.
2. Currently, the CBWTP produces approximately 600 million cubic feet annually of digester gas, or biogas, from its anaerobic digestion process. Approximately 20% of the biogas is used onsite for digester and building heating boilers, 20% is sold to a nearby industrial user, and 40% is used for the cogeneration process (power generation and heat recovery). The remaining 20% is flared through a waste gas burner onsite.
3. In 2013, HDR Engineering, Inc. was retained, through a selection process, to provide predesign engineering services to identify and assess alternatives for beneficial use of the remaining biogas, and to recommend an alternative for the most beneficial use. Ordinance No. 185872 authorized HDR to proceed with the predesign phase, in the amount of \$298,600, and asked that BES report back to the City Council on the findings and recommendations at the conclusion of the predesign phase. The predesign phase was complete and an alternative, to reuse biogas for vehicle fuel, was the recommended alternative.
4. The recommended alternative, treating and utilizing biogas for vehicle fuel, was determined the most beneficial from various aspects, including financial, social and environmental aspects.
5. In 2015, the City Council authorized Ordinance No. 187022, which authorized HDR to further develop the gas treatment for vehicle fuel alternative, and proceed with final design and construction support services, in the amount of \$995,410, for total contract amount of \$1,294,010.
6. During the final design, it was further refined that treated biogas for vehicle fuel be best produced as Renewable Natural Gas (RNG) and transported via the gas utility pipeline network. Furthermore, it was determined that the RNG production capacity be increased to match the current total biogas production at the CBWTP (rather than capacity for only the excess biogas being flared). The increase in design capacity (from 400 standard cubic feet per minute for primarily the flared volume, to 1,100 standard cubic feet per minute) will help BES address the fluctuation issues in the biogas production process and provide more flexibility to prioritize and distribute the biogas to the highest value and maximize revenue.

7. The increase in the RNG production capacity required additional construction and start up support services by HDR, for the completion and operation of the RNG production facility. In early 2019, the City Council authorized Ordinance No. 189431 to increase HDR contract by \$228,000, for total contract amount of \$1,516,810, for the required support services.
8. The RNG production facility was initially projected to be completed in the fall of 2019. Due to a number of unanticipated design and construction changes, the project completion is currently scheduled for summer of 2020. These changes and schedule delays require additional construction support services from HDR to complete the project.
9. This council item is to obtain the City Council approval to authorize a contract amendment for HDR Engineering, Inc. for the needed additional construction support services to complete the project.
10. The established cost for contract amendment is \$229,000, for a total amended contract amount of \$1,745,810. Funds are available in the Sewer System Operating Fund, FY 19-20 Budget, Bureau of Environmental Services, WBS Element E10033.
11. The new RNG facility once operational is projected to provide significant revenue, clean air and climate benefits by generating renewable energy to displace dirty diesel in vehicle fuel.

NOW, THEREFORE, the Council directs:


- a. The Director of the Bureau of Environmental Services, or designee, is authorized to execute a contract amendment for the purposes described in Section 1, in the amount of \$229,000, for a total amended contract amount of \$1,745,810.
- b. The Mayor and City Auditor are hereby authorized to pay for the contract from the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

MAR 04 2020

Passed by the Council:
Mayor Ted Wheeler

Prepared by: Paul Suto
Date prepared: January 6, 2020

Cost Object - E10033

Mary Hull Caballero
Auditor of the City of Portland
By 

Deputy

167 185

Agenda No. **189874**
ORDINANCE NO.
 Title

Amend

Authorize contract amendment with HDR Engineering, Inc. for additional construction support services for the Columbia Boulevard Wastewater Treatment Plant (CBWTP) Renewable Natural Gas Facility, BES Project E10033 for \$229,000. (Ordinance; amend Contract No. 30003218)

INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED FEB 18 2020
COMMISSIONER APPROVAL Mayor—Finance and Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - <i>vacant</i> <i>Wheeler</i> <i>SMS</i> Position 3/Affairs - Hardesty Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Environmental Services Bureau Head: Michael Jordan Prepared by: Paul Suto Date Prepared: 1/6/2020 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i> Council Meeting Date: February 26, 2020	ACTION TAKEN: FEB 26 2020 PASSED TO SECOND READING MAR 04 2020 9:30 A.M.

AGENDA TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion) CONSENT <input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 10 minutes (for presentation, testimony and discussion)
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FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. <i>vacant</i>	2. <i>vacant</i>		
3. Hardesty	3. Hardesty	<input checked="" type="checkbox"/>	
4. Eudaly	4. Eudaly	<input checked="" type="checkbox"/>	
Wheeler	Wheeler	<input checked="" type="checkbox"/>	