



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the Issuance of a Purchase Order to GraniteFuel LLC for a Biogas Dehydration System (F21-004)

REPORT IN BRIEF

Authorize the issuance of a Purchase Order in the amount of \$324,621.79, including staff training in the amount of \$5,000.00 and sales tax in an estimated amount of \$26,390.79, to GraniteFuel LLC of Concord, ON Canada, for a Biogas Dehydration System.

EXISTING POLICY

Pursuant to Section 2.08.040 (d) of the Sunnyvale Municipal Code, Council approval is required for the procurement of good and/or services greater than \$250,000 in any one transaction.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

Currently, two Caterpillar generator engines generate most of the electricity used to power the Water Pollution Control Plant (WPCP). These generator engines are primarily fueled by biogas provided by anaerobic digesters, landfill gas recovery system and an air blended natural gas system. To ensure these engines operate optimally, the WPCP uses the Power Generator Facility (PGF) to dehumidify the biogas fuel which reduces contamination of the generator engine oil, increases engine life, and consequently reduces the costs derived from the frequency of engine overhauls and loss of power generation downtime. Within the PGF is a biogas dryer which performs the dehumidifying action. The existing biogas dryer was installed in 2007 and needs replacement due to frequent breakdowns causing insufficient biogas fuel drying. Insufficient removal of moisture reduces the methane content in the fuel available to the generators. The moisture in biogas can also combine with other contaminants such as hydrogen sulfide to form corrosive substances in the gas system

An Invitation for Bids was advertised on the Demandstar public procurement network on September 16, 2020. Sealed bids were opened on October 21, 2020, with two (2) bids received. GraniteFuel LLC submitted the lowest responsive and responsible bid in the amount of \$298,231.00 (excluding sales tax), as shown in Attachment 1 Bid Summary. It is recommended that Council authorize the issuance of a purchase order to GraniteFuel LLC for one (1) Biogas Dehydration System and training for staff. WPCP staff possess the expertise to install the replacement Biogas Dehydration System, but training for use of the equipment is necessary.

FISCAL IMPACT

Costs for the purchase total \$324,621.79. Budgeted funds are available in the Capital Project 830210 - Repairs to the Power Generation Facility, and the Wastewater Equipment Replacement Fund - P20201.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

RECOMMENDATION

Authorize the issuance of a purchase order to GraniteFuel LLC for one (1) Biogas Dehydration System in the amount of \$324,621.79, which includes staff training in the amount of \$5,000.00 and sales tax in an estimated amount of \$26,390.79.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Bid Summary