

RESOLUTION 2019-094
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE PURCHASE OF TWO BIOGAS POWERED GENERATOR SETS
FROM WOODWARD INC. AS AN EXCEPTION TO THE COMPETITIVE
PURCHASING PROCESS

WHEREAS, Section 8-161(d)(1)(b) of the City Code authorizes the Purchasing Agent to negotiate purchases of supplies and services without utilizing a competitive bidding or proposal process where the Purchasing Agent determines that although there may be more than one source, the competitive process cannot reasonably be used, or if used will result in a substantially higher cost to the City, will otherwise injure the City's financial interests or will substantially impede the City's administrative functions or the delivery of services to the public; and

WHEREAS, the City operates two wastewater treatment facilities, Mulberry Water Reclamation Facility (MWRf) and Drake Water Reclamation Facility (DWRf), through which municipal wastewater is collected and passed through DWRf, where it is stabilized via equipment including anaerobic digestors to break down and consume organic material; and

WHEREAS, anaerobic digestion of wastewater solids occurs with help from natural microorganisms, which produce biogas, about 50% of which is currently beneficially reused at DWRf and the remaining 50% is expired by flaring off; and

WHEREAS, in 2016, the Fort Collins Wastewater Utility ("FCU") began construction and capital improvements at MWRf and DWRf, including studying co-generation systems; and

WHEREAS, in 2017, the City and Woodward Inc. entered into an agreement to leverage Woodward's engine expertise and industry contacts to design an economical combined heat and power project to reuse biogas to offset public electric power demands at DWRf; and

WHEREAS, Woodward recently identified a two-generator set custom system design through which it can provide FCU an economical biogas-powered combined heat and power (CHP) system at DWRf which also advances City climate action goals; and

WHEREAS, the estimated total cost for the (220kW x 2) 440 kW Woodward CHP system is \$368,000, approximately \$836/kW of generation capacity, represents a significant cost-saving per kilowatt of power generation, based on budgetary competitive quotes obtained in 2016 for similar self-contained systems at up to four times the cost of Woodward's design; and

WHEREAS, FCU staff has concluded Woodward's CHP generator set provides the most economical and complete option available, leveraging proprietary equipment from Woodward, its vendors, and clients in a customized utility-scale application that can also serve as a public-private partnership to showcase community co-generation solutions; and

WHEREAS, FCU staff has recommended contracting with Woodward to provide a biogas CHP system solution at DWRf, based on the cost-savings and the mutual benefits available through selecting a local vendor; and

WHEREAS, the City's Purchasing Agent has determined that although there may be more than one source for CHP system solutions, the competitive process, if used, will result in a substantially higher cost to the City based on the availability of the option Woodward is offering, would injure the City's financial interests by jeopardizing community benefits available through a long-term collaboration with Woodward, and would otherwise substantially impede the City's administrative functions or delivery of services to the public by delaying the DWRP project; and

WHEREAS, on September 19, 2019, the City's Water Board voted unanimously to recommend City Council approve staff's recommendation to purchase a CHP system solution through Woodward; and

WHEREAS, City Council appropriated \$4.7M in prior and current budget cycles for capital improvements at the City wastewater facilities, and \$2.95M of which appropriation remains unexpended; and

WHEREAS, Section 8-161(d)(3) of the City Code requires prior approval of this purchasing method by the City Council for all procurements which exceed \$200,000.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves the purchase of a combined heat and power system solution from Woodward Inc., as an exception to the City's competitive purchasing process requirements, for the reasons set forth herein, and authorizes the Purchasing Agent to negotiate and execute a purchase agreement.

Section 3. That the Purchasing Agent may use this approval, as authorized in City Code Section 8-161(d)(4), as the basis for negotiating the additional purchase of services from Woodward Inc. at any time within a period of five (5) years from the date of this Resolution.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 1st day of October, A.D. 2019.



Mayor

ATTEST:



City Clerk

