

TO: Andrew P. Powers, City Manager

FROM: Clifford G. Finley, Public Works Director

DATE: June 18, 2024

SUBJECT: Cogeneration Facility Upgrade (CI 5613)

RECOMMENDATION:

1. Award General Services Agreement to Collicutt Energy Services (Santa Fe Springs, CA) for cogeneration facility upgrade in the amount of \$507,487 with a reserve of \$75,000 for a total not-to-exceed amount of \$582,487 for a one-year term through June 30, 2025.
2. Authorize expense in the amount of \$582,487 for FY 2024-25 from A/C #624-8250-682-8300 (CI 5613 – Cogeneration Facility Upgrade).
3. Find that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to 14 CCR 15302.

LEVINE ACT ITEM: Yes

FINANCIAL IMPACT:

No Additional Funding Requested. \$1,200,000 is included in the Adopted FY 2024-25 Wastewater Capital Budget (CI 5613) with an additional budget carryover of \$2,441,000 for a total budget of \$3,641,000.

BACKGROUND:

The Hill Canyon Treatment Plant (HCTP) treats wastewater from the community of Thousand Oaks. Since the 1960s, HCTP provides advanced tertiary-level wastewater treatment. HCTP treats an average of eight million gallons per day of wastewater generated from domestic, commercial, and industrial sources, operating 24 hours per day, 365 days per year.

HCTP has three anaerobic digesters that process the digestate and fats, oils, and grease (FOG) that are brought into the facility for processing. Around 2007, a cogeneration system was added to the treatment plant to produce energy from the digester biogas. A byproduct of the energy generation process is heat, hence the

term 'cogeneration' which signifies combined heat and power generation. The heat from the cogeneration system became the primary heat source for the digesters, and a boiler installed in the mid-1990s became the backup source. In the years following, the City began accepting FOG to augment energy production, as well as provide a revenue source to further offset plant operational expenses.

Recommendations of the 2020 HCTP Master Plan included building a new FOG station, replacing the boiler equipment, and upgrading the cogeneration facility. The FOG Station Upgrade (CI 5441) was awarded on June 28, 2022, and is currently under construction, nearing completion. The purchase of a new boiler was authorized on January 16, 2024, while construction to upgrade the boiler (CI 5615) was awarded on February 27, 2024.

Recent issues with the cogeneration system, combined with the age and condition of the boiler, led to operational challenges and increased natural gas usage instead of digester gas to maintain the temperature of the digesters. In 2023, the City acquired the cogeneration system from the third-party owner. This enables the City to upgrade the cogeneration system to return it to full operation. With the completion of the cogeneration upgrade, the new FOG station, and the boiler upgrade, the three systems will work together resulting in increased and more consistent renewable energy production at HCTP, decreased use of natural gas, and more efficient use of treatment plant resources.

DISCUSSION/ANALYSIS:

On February 23, 2024, City staff published a formal Request for Proposals/Qualifications (RFP/Q) in the Thousand Oaks Acorn and on the City's online purchasing platform. City staff hosted a mandatory pre-proposal meeting on March 13, 2024, titled, Overhaul of Cogeneration Genset (CI 5613). Through the City's online purchasing platform, 2,074 users were notified of the RFP/Q, 15 potential proposers downloaded the RFP/Q, and 11 users followed to receive updates regarding the RFP/Q. Collicutt Energy Services (Collicutt) was the only vendor who attended the mandatory pre-proposal meeting and submitted a proposal by the April 5, 2024, submission deadline.

A review committee, consisting of qualified City staff, met with Collicutt to review their proposal. Overall, Collicutt submitted a proposal that demonstrated their understanding, ability, expertise, and desire to overhaul the cogeneration equipment. Work will include the takedown of equipment, and transportation to the repair facility where it will be completely upgraded with updated parts, tuned, and tested. Once the upgrade is completed, the equipment will be transported back to HCTP where it will be re-installed and commissioned. It is anticipated that the

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upgrade will take approximately four months to complete. Staff recommends that City Council award a General Services Agreement to Collicutt for an amount not to exceed \$582,487.

This project is categorically exempt from CEQA per Section 15302 (replacement/reconstruction of an existing facility).

This project also meets City Council's Top Ten Priorities #6, "Public Works + Infrastructure Investments."

Community Outreach: This project will be limited to work at the HCTP and is not expected to impact any neighboring residences. The work will occur at the north end of the plant and will have limited impact on plant operation.

LEVINE ACT (California Government Code § 84308):

This item is subject to the Levine Act. City Councilmembers who have received a campaign contribution of more than \$250 (aggregated) within the preceding 12 months from a party or their agent/representative, or a financially interested participant involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; or if applicable (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the official knew or should have known about the contribution, and participate in the proceeding.

All parties and their agents/representatives must disclose on the record of this proceeding any aggregated contribution of more than \$250 made to any Councilmember within the preceding 12 months. Councilmembers are prohibited from accepting, soliciting, or directing a campaign contribution of more than \$250 (aggregated) from a party, their agent/representative, or a financially-interested participant during a proceeding and for 12 months following the date a final decision is made. In addition, a party, their agent/representative, or a financially interested participant is prohibited from contributing more than \$250 (aggregated) to a Councilmember during a proceeding and for 12 months following the date a final decision is made.

CIP PROJECT PRIORITY (as outlined in FY 2023-25 CIP Program Budget)

Priority Three – A project that improves service quality or provides for higher standards of service, but has no associated time constraints for implementation.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

F. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.

PREPARED BY: Tim Mooney, Wastewater Treatment Plant Superintendent
Kim Sherman, Sr. Purchasing Specialist

Attachments:

Attachment #1 – Collicutt Energy Services Agreement