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Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by WMM Date 4.13.07
General Manager

DATE: April 13, 2007
TO: General Manager
FROM: Assistant General Manager
SUBJECT: Call for Bids for Purchase of LFG Skid and Compression Equipment and Gas Filter System

RECOMMENDATION: That the Board of Directors authorize a Call for Bids for a landfill gas delivery and filter system. This unit is designed to provide back-up gas extraction and filtration capability in the event the main units go down. Funds totaling \$330,000 for the purchase of these two units were included in the FY 2006/2007 Budget.

DISCUSSION

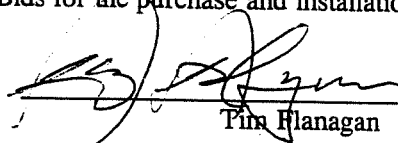
One of the main components of the District's land fill gas system is the extraction and compression equipment that brings the landfill gas to the engines. The District's LFG power generation facility does not back-up landfill gas extraction capacity in the event the main gas extraction unit goes down. The District has both regulatory and contractual compliance obligations that necessitate a system capable of continuous 24/7/365 operation for gas extraction and power generation. District staff recognized the need for back-up extraction and filtering capability and recommended a refurbishment of the former unit which had been removed in 2001 in the 2006/2007 Budget. Funds totaling \$330,000 were approved for the refurbishment and delivery of these systems.

District staff was originally going to refurbish the existing gas skid which has not been operational since 2001. Staff was going to have the original skid manufacturer, Shaw Specialties LFG, perform the refurbishment and repair work. However, during the discussion of the necessary repairs, the District received a proposal from Shaw LFG Specialties for a new unit that has enhancements the currently operating gas extraction system does not have, that was slightly below the budgeted amount for refurbishment. Shaw LFG Specialties was the original system designer and is currently the District's landfill gas field engineering consultant. The enhancements offered from the purchase of a new "gas skid" allows for the District to have the necessary back-up and perform regular filter maintenance without shutting the entire system down. Since the District generates about \$225 per hour from the sale of electricity currently, and since the current regular maintenance practice mandates the shutting down of the whole system for this maintenance, District staff believes that this installation is extremely cost-effective and allows for the necessary redundancy in order to ensure regulatory and contractual compliance.

Because this was originally budgeted as a repair or refurbishment, and not as a replacement or new purchase, staff is requesting a Call for Bids for a new gas extraction unit. Staff will use the specifications that were developed from the Shaw Specialties LFG proposal as the basis for the Call for Bids.

SUMMARY

It is recommended that the Board approve the Call for Bids for the purchase and installation of the back-up gas extraction and filter system.



Tina Flanagan