

RESOLUTION NUMBER R- 307173

DATE OF FINAL PASSAGE DEC 15 2011

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE PURCHASE OF A LANDFILL GAS FUELED ENGINE GENERATOR FOR THE NORTH CITY COGENERATION FACILITY EXPANSION.

WHEREAS, on December 4, 1995, the City Council approved a twenty year contract with NEO San Diego LLC (NEO) to install landfill gas (LFG) collection systems at the City's Miramar North, West Phase I and West Phase II Landfills and to operate all the Miramar LFG collection systems at no cost to the City; and

WHEREAS, on February 25 1997, the City Council approved a contract and land lease with Minnesota Methane San Diego LLC (MM San Diego), to install a 3.8 MW landfill gas fueled cogeneration plant, North City Cogeneration Facility (NCCF) as a private facility at the North City Water Reclamation Plant (NCWRP); and

WHEREAS, these contracts have provided the NCWRP with electricity at a discount and the City with free electricity on most of the Miramar Landfill; and

WHEREAS, NEO and MM San Diego are now owned by Fortistar Methane Group (Fortistar); and

WHEREAS, on June 28, 2011, the City Council approved an eight year extension to these contracts allowing NEO to install additional LFG wells to provide fuel to a new 3.2 MW renewable fueled cogeneration plant to provide power to the Marine Corp Air Station Miramar and a new 1.6 MW City owned renewable cogeneration plant at NCWRP; and

WHEREAS, in conjunction with the new 1.6 MW City owned cogeneration plant, the Council approved a North City Expansion Project (NCEP) gas supply agreement pursuant to

which NEO will sell LFG to the Public Utilities Department at a favorable rate and will cooperate with the Public Utilities Department's plans to build the 1.6 MW NCEP expansion adjacent to the MM San Diego owned NCCF; and

WHEREAS, this City owned power plant will generate additional renewable energy to power the NCWRP and will generate revenue and cost savings of approximately \$360,000 per year; and

WHEREAS, the Purchasing and Contracting Department has conducted a competitive cooperative procurement for the 1.6 MW engine generator under the preferred pricing arrangements provided to the City under the National Joint Powers Alliance (NJPA); and

WHEREAS, the engine generator is available from the area Caterpillar dealer, Hawthorne Power Systems, pursuant to the competitive cooperative procurement; and

WHEREAS, this Purchase Order for \$2,200,000 will allow for a contingency of \$304,902 for integration of the engine generator package with the site development design builder's design; and

WHEREAS, under a separate procurement action now in progress, a design build contractor will be selected to perform all the site development and site preparation work and will place the engine generator equipment on concrete pads; and

WHEREAS, the power plant engine generator package is the long lead item in this construction process; and

WHEREAS, in order to receive the preferred gas pricing and allow Fortistar to obtain financing for the gas wells, which they will be installing on the West Phase II Landfill, the City agreed to a firm plant start up date to begin receiving landfill gas which is six months after

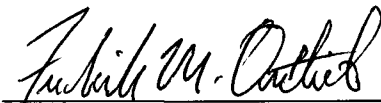
Fortistar begins operation of their 3.2 MW power plant for MCAS Miramar, anticipated to be September 1, 2012; NOW THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Mayor, or designee is authorized to execute a contract with Hawthorne Power Systems to provide a Caterpillar G3520C packaged engine generator, per the Request for Quotation of NJPA Contract Number 092409-CAT, in CIP Fund 700009, Annual Allocation A-BO.00001, CIP B-11139 North City Cogeneration Facility Expansion in an amount not to exceed \$1,895,098.

2. That the Chief Financial Officer is authorized to expend funds in an amount not to exceed \$2,200,000 is from CIP Fund 700009, Annual Allocation A-BO.00001, CIP B-11139 North City Cogeneration Facility Expansion, for the purchase of a Caterpillar G3520C packaged engine generation and for contingencies, contingent upon the City Comptroller furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Frederick M. Ortlieb  
Deputy City Attorney

FMO:cla  
11/14/2011  
Or.Dept: Public Utilities/Wastewater  
Doc. #268821\_3

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 6 2011

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 12.15.11  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor