



## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** February 20, 2024

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a Professional Services Agreement between the City of Denton and Stearns, Conrad and Schmidt Consulting Engineers, Inc., amending the contract approved by Purchasing on December 16, 2020, in the not-to-exceed amount of \$23,000.00; amended by Amendment 1 approved by Purchasing; said second amendment to provide a pricing evaluation and update of the original Scope of Work for the Landfill Gas To Energy Project for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7109-017 – providing for an additional second amendment expenditure amount not-to-exceed \$30,000.00, with the total contract amount not-to-exceed \$55,435.00).

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Promote Sustainability and the Environment.

### **INFORMATION/BACKGROUND**

The City of Denton operated a Landfill Gas to Energy (LFGE) project to create electricity through the combustion of landfill gas until 2020. Denton Municipal Electric (DME) bought out the contract for this end-use and decommissioned the project. It was determined the project was not financially advantageous to DME, the City, and its ratepayers. The City commissioned SCS Engineers to conduct a study on possible, alternative uses of landfill gas (LFG) generated at the landfill. The following conclusions were derived:

- Sufficient LFG exists to support beneficial reuse
- Only Flaring and High BTU (energy recovery) is financially viable
  - The Return on Investment (ROI) for High BTU is driven by:
    - Sale of LFG on the open market at a discounted Natural Gas Price
    - Viability and continued demand for Green Energy RINs and RNGs

The Solid Waste and Recycling (SWR) Department is seeking to resume the LFGE project. In restarting the program, the City would pursue entering into a revenue-generating contract where the City would receive an allocation of the Net Sales Revenue from the sale of gas to Third Party Purchasers, subject to the terms and conditions to increase the economic viability of an LFGE project, additional biogas from the Pecan Creek Wastewater Treatment Plant (WWTP) and Recycling would be included and revenue shared between SWR and Wastewater Department.

The purpose of the proposed contract with Stearns, Conrad, and Schmidt Consulting Engineers, Inc. is to obtain professional, third-party services to aid the City in the preparation of a request for proposal to obtain LFGE services, help in the evaluation of submittals, and complete a net present value evaluation of the proposed LFGE contract.

Request for Qualifications for professional engineering services was solicited using the City's formal solicitation process. City Council approved a pre-qualified list of engineering firms on October 8, 2019 (Ordinance 19-2305).

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On October 8, 2019, City Council approved RFQ 7109 for a prequalified list of professional engineering firms (Ordinance 19-2305).

This item will be presented to the Public Utilities Board (PUB) on February 26, 2024, retroactively, due to the February 12, 2024 meeting not having a quorum.

### **RECOMMENDATION**

Award Amendment No. 2 with Stearns, Conrad and Schmidt Consulting Engineers, Inc., to provide a pricing evaluation and update of the original Scope of Work for the LFGE Project for the Solid Waste and Recycling Department, in a not-to-exceed amount of \$30,000, for a total amended contract amount of \$55,435.

### **PRINCIPAL PLACE OF BUSINESS**

Stearns, Conrad and Schmidt Consulting Engineers, Inc.  
Bedford, TX

### **SUSTAINABILITY MEASURES**

To manage the landfill gas as required by TCEQ regulations, landfill gas is diverted to a flare station and destroyed through the flaring process. Operational costs and significant maintenance expenses for this process result in a financial loss.

Several advantages can be gained by producing a clean, reusable landfill gas. Implementing an LFGE program can help reduce gas emissions which minimizes greenhouse emissions and improves air quality. A program would also produce a renewable energy source with a strong potential of generating revenue.

### **ESTIMATED SCHEDULE OF PROJECT**

This project will be started upon approval with a completion date of 4-6 weeks.

### **FISCAL INFORMATION**

These services will be funded from Solid Waste account 660300.7879. Purchase Order #195654 will be revised to include the second amendment amount of \$30,000. The total amount of this contract is \$55,435.

**EXHIBITS**

Exhibit 1: Agenda Information Sheet

Exhibit 2: Original Contract and Amendment 1

Exhibit 3: Ordinance and Amendment 2

Respectfully submitted:  
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Purchasing Manager

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Legal point of contact: Marcella Lunn at 940-349-8333.