



Folsom City Council Staff Report

MEETING DATE:	10/11/2022
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10925 – A Resolution Authorizing the City Manager to Execute a Design Consulting Services Agreement with TAIT Environmental Services, Inc. for the Corporation Yard Fuel Tank and Fuel Management System Replacement Project
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10925 – A Resolution Authorizing the City Manager to Execute a Design Consulting Services Agreement with TAIT Environmental Services, Inc. for the Corporation Yard Fuel Tank and Fuel Management System Replacement Project.

BACKGROUND / ISSUE

The current Corporation Yard fuel tanks are over 30 years old and have exceeded their useful life. The diesel tank has a slow leak and is unrepairable. Emergency operations planning typically recommends keeping two weeks' worth of fuel in reserve; the diesel tank allows for less than 12 hours reserve, and the unleaded tank is approximately 75% undersized compared to current industry best practices.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$66,141 or greater shall be awarded by the City Council.

ANALYSIS

Current industry best practices and emergency operations planning guidelines recommend keeping a minimum two-week fuel reserve. Obtaining the best pricing on fuel requires purchasing a full truck and tanker load (roughly 9,000 gallons) of product. Tanks may only be filled to 80% of their rated capacity to allow for product expansion due to thermal changes. These factors, combined with the City's average fuel usage over the last five years, result in recommended tank sizes of 18,000 gallons for unleaded gasoline and 23,000 gallons for diesel fuel. Depending on the pricing of prefabricated tanks, purchasing slightly larger capacity tanks may be more cost effective.

The City Corporation Yard's current fuel station consists of a 4,000 gallon unleaded gasoline tank and a 2,000 gallon diesel tank. Both tanks are repurposed, single-walled former underground storage tanks, mounted above ground and co-located within a secondary containment structure along with a central tank product fill station and four product dispensing pumps.

Modern, purpose-built aboveground storage tanks are double-walled, with their required secondary containment built into the tank itself. Modern tanks typically do not require an additional secondary containment structure.

The current secondary containment structure and infrastructure can be reused with new equipment but will only accommodate one of the new tanks, most likely the unleaded gasoline tank. The new diesel tank will need to be installed at a different location within the Corporation Yard.

The City Manager authorized the emergency procurement for construction services under the existence of threat to public health, welfare, and safety, pursuant to Folsom Municipal Code Section 2.36.150, Emergency Procurement.

While not required by the Municipal Code, this matter was presented to the City Council for the Council's awareness and ratification, which was recognized through the passage of Resolution No. 10839 on May 10, 2022.

Staff recommended that this emergency procurement be used to select a contractor through a competitive bidding process. Two Request for Proposals were released, with the first receiving no responses, and the second resulting in a single response from TAIT Environmental Services, Inc. for a total amount of \$196,898.00.

The scope of the Design Consulting Service Agreement with TAIT Environmental Services, Inc. will consist of preliminary engineering, environmental clearance, construction documents, and design, permitting, and construction services.

FINANCIAL IMPACT

Resolution No. 10839 authorized the appropriation of the amount bid by the successful contractor in the competitive bidding process, not to exceed \$1,000,000 from the General Fund (Fund 010).

Given the immediate lower per-gallon cost of fuel that will be purchased less frequently but in greater quantities, the projected return on investment is less than 10 years.

No significant revenue is anticipated from the sale of the existing equipment.

ENVIRONMENTAL REVIEW

This emergency replacement project is exempt from the requirements of the California Environmental Quality Act per Section 15269(b) and (c), Emergency Projects.

ATTACHMENT

Resolution No. 10925 – A Resolution Authorizing the City Manager to Execute a Design Consulting Services Agreement with TAIT Environmental Services, Inc. for the Corporation Yard Fuel Tank and Fuel Management System Replacement Project

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10925

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A DESIGN CONSULTING SERVICES AGREEMENT WITH TAIT ENVIRONMENTAL SERVICES, INC. FOR THE CORPORATION YARD FUEL TANK AND FUEL MANAGEMENT SYSTEM REPLACEMENT PROJECT

WHEREAS, the Corporation Yard fuel tanks are over 30 years old and have exceeded their useful life; and

WHEREAS, the diesel fuel tank located at the Corporation Yard has an unrepairable slow leak; and

WHEREAS, both of the fuel storage tanks at the Corporation Yard are undersized compared to current industry best practices and emergency operations planning guidelines; and

WHEREAS, the City Manager made a determination for emergency procurement for construction serves under the existence of threat to public health, welfare and safety, pursuant to Folsom Municipal Code Section 2.36.150, Emergency Procurement; and

WHEREAS, City Council ratified the City Manager's determination for emergency procurement through the passage of Resolution No. 10839 on May 10, 2022; and

WHEREAS, the project was publicly advertised August 1, 2022, and on August 31, 2022, one bid was received from TAIT Environmental Services, Inc. with an amount of \$196,898; and

WHEREAS, sufficient funds were appropriated through Resolution No. 10839 and are available in the General Fund (Fund 010); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Design Consulting Services Agreement with TAIT Environmental Services, Inc. for the Corporation Yard Fuel Tank and Fuel Management System Replacement Project in the amount of \$196,898.

PASSED AND ADOPTED this 11th day of October 2022, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

This page is intentionally left blank.