



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute Amendment No. 1 to the Maintenance Service Agreement with Technology, Engineering & Construction, Inc. doing business as TEC Accutite for Aboveground and Underground Storage Tank Maintenance and Certification Services for a New Total Amount Not to Exceed \$296,250
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	2/18/2020
Staff Contact:	Tony Ndah, 408-586-2602, Chris Schroeder 408-586-3161
Recommendation:	Approve and Authorize the City Manager to Execute Amendment No. 1 to the Maintenance Service Agreement with Technology, Engineering & Construction, Inc. doing business as TEC Accutite for Aboveground and Underground Storage Tank Maintenance and Certification Services for a New Total Amount Not to Exceed \$296,250.00.

Background:

On July 11, 2019, the Purchasing Division released an Invitation for Bid (IFB) 2355 for monitoring, maintenance, testing, and training services at eighteen (18) City locations. Technology, Engineering & Construction, Inc. doing business as TEC Accutite is the lowest responsive bidder and was within the City's estimate for these services. The City Council approved the award and Maintenance Service Agreement with TEC Accutite on September 17, 2019.

The Maintenance Service Agreement with TEC Accutite provides the City of Milpitas Public Works Department with a dedicated and qualified contractor to perform Aboveground Storage Tank (AST) and Underground Storage Tank (UST) inspections, testing, and maintenance. Detailed inspections are required to monitor maintenance practices and to ensure that necessary repair work and maintenance are performed. Annual maintenance and certification services performed on the City's ASTs and USTs is essential to ensure that the tanks are operating in compliance with local, state, and federal regulations. Additionally, regular maintenance and testing of the fuel storage tanks is critical to ensure proper operation of the monitoring and dispensing equipment. These measures are important to prevent leaks or spills from the tanks, to protect the environment, and for worker and community safety.

Analysis:

After the contractor started work, it became apparent that the contract needed to be amended due to three sites inadvertently being left out of the scope and two tanks being misclassified in the original bid package. The recommended amendment clarifies the types of tanks for two sites in the scope of work, outlines the frequency of services required at these sites, and includes the additional three sites for inspection, testing, and maintenance service.

Further, in consideration for the increased scope of work, the amendment increases the total not-to-exceed contract amount by \$51,000 from \$245,250 to \$296,250 for the 5-year contract term.

Policy Alternatives:

Alternative 1: Direct City staff to provide the required services with in-house resources.

Pros: Increased work options for City staff.

Cons: City staff has limited resources in providing these services.

Reason not recommended: The City does not have the work force or equipment to perform AST and UST maintenance and certification services. The City would need to purchase equipment and hire additional staff, which would likely delay this work. By utilizing a contractor, all of the AST and UST sites will be tested on a regular schedule to remain compliant with Title 23 of the California Code of Regulations and Title 40 of the Code of Federal Regulations Part 112 to ensure proper operation. Additionally, approving this amendment will enable the City to continue to comply with annual regulatory testing, conduct routine maintenance, and provide for unforeseen repairs.

Policy Alternatives:

Alternative 1: Direct City staff to bid the work identified in the amendment.

Pros: The three new sites would be bid out.

Cons: Bidding a small project such as this would divert staff time from other projects and would be unlikely to offer any cost savings.

Reason not recommended: Diverting staff resources to rebid these three additional sites is not likely to result in cost savings to the City. Only two bids were received in response to IFB 2355 and TEC Accutite provided a bid that was 65% lower than the other bidder, offering significant cost savings to the City.

Fiscal Impact:

Amendment No. 1 is an increase of \$10,200 per fiscal year for a total increase of \$51,000 for the five-year contract. The first year will be funded in the amount of \$59,250.00 from the FY 2019-20 operations budget of the Public Works Department. Funds for the remaining years on this agreement will be subject to the annual appropriation of funds by Council during the annual budget process.

California Environmental Quality Act:

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Further, this action is also exempt under CEQA Guidelines Section 15301 as maintenance of existing facilities. Both Guideline citations provide an independent basis for determining that this action is exempt from CEQA.

Recommendation:

Approve and Authorize the City Manager to execute Amendment No. 1 to the Maintenance Service Agreement with Technology, Engineering & Construction, Inc. doing business as TEC Accutite for Aboveground and Underground Storage Tank Maintenance and Certification Services for a New Total Amount Not to Exceed \$296,250.00

Attachments:

Amendment No. 1 Aboveground and Underground Storage Tank Maintenance and Certification Services