

City of Culver City, California
City Council Agenda Item Report

Meeting Date: December 10, 2007		Item Number: <u>C-7</u>
AGENDA ITEM: Award a Contract to JEM Industries, Inc. for the Underground Storage Tank Replacement Project at Fire Station No. 2 (P-871).		
Contact Person/Dept.: Eric Mirzaian / Public Works-Maintenance Operations Jane Leonard / Transportation		Phone Number: (310) 253-6410 (310) 253-6523
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒
Public Hearing: ☐		Action Item: ☐ Attachments: ☒
Public Notification: Master Notification List and City website www.culvercity.org on December 5, 2007; JEM Industries, Inc.; GEMS Environmental Management & Services, Inc.; Ami Adini & Associates, Inc.; Fleming Environmental, Inc.; via letter on December 3, 2007.		
Department Approval: Charles D. Herbertson 11/29/07	City Attorney Approval: Carol Schwab (by H. Iker) (12/05/07)	
Fiscal Impact Review: Marlee Chang (12/05/07)	City Manager Approval: Jerry B. Fulwood (12/05/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council award a contract to JEM Industries Inc. (JEM) for the Underground Storage Tank (UST) replacement project at Fire Station No. 2 (P-871) in an amount not-to-exceed \$149,372. <u>BACKGROUND:</u> Fire Station #2 is one of four (4) fuel dispensing sites owned and operated by the City. All of these sites contain UST's holding diesel and unleaded fuels for use in City vehicles. Over the past five years, Federal, State and regional mandates to protect underground water sources and ensure environmental compliance for non-contamination have become increasingly more stringent, requiring upgrades and significant modifications to current fuel dispensing components and equipment. Beginning in April 2004, staff from the Fire Department, Transportation Department, and Public Works Department has held an ongoing review of these requirements and the UST status at all City fuel sites. In order to most effectively support the fueling needs of the Fire Department while recognizing the increased costs to maintain these tanks underground, it was determined that both USTs at Fire Station #2 should be removed, modifying the fueling operation to one (1) above-ground storage tank for diesel fuel, which will provide a fueling capability while also serving to fuel the Fire Station's emergency backup generator.		

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The project will consist of removing both the existing 2,000 gallon gasoline UST and the 4,000 gallon diesel UST, and replacing them with one (1) new 2,500 gallon Above-ground Storage Tank (AST) for diesel fuel on a newly constructed concrete pad. The proposed new AST will be smaller in capacity than the previous UST due to low fuel usage at this site. The AST will have fuel dispensing capability and all tank monitoring systems, alarms and components to meet State Water Board, California Air Resources Board (CARB) and South Coast Air Quality Management District (AQMD) regulations. The project will also consist of installing a new diesel-powered generator to replace the existing generator currently located inside the fire station.

DISCUSSION:

On September 24, 2007, the City Council authorized staff to solicit bids for this project. On September 27, 2007, a Request for Bids was released to qualified contractors and advertised on the City's website and in Culver City News.

On November 15, 2007, the following bids were received via a public bid opening:

<u>Company</u>	<u>Bid Amount</u>
Ami Adini & Associates, Inc.....	\$133,975.00*
JEM Industries, Inc.....	\$135,793.00
GEMS Environmental Management & Services, Inc.....	\$138,821.00
Fleming Environmental, Inc.....	\$169,750.00

** Ami Adini's bid was determined to be incomplete, as noted below.*

The bid amounts above are based on the installation of a 2,500 gallon AST. Per an addendum issued to all contractors who attended the mandatory pre-bid meeting, proposers were required to submit bids for a 2,000 gallon AST as well. JEM was the only bidder to submit a proposal price for both AST sizes. JEM's bid for a 2,000 gallon AST came in at \$128,021.65. Staff has made the determination to utilize a 2,500 gallon AST for this project. Since JEM provided a bid for both sizes, they are the most responsive and qualified bidder for this project.

Staff has confirmed with the Contractors State License Board that JEM's license is current and in good standing. Staff also contacted references provided by JEM and received favorable reviews on their past projects.

The bid amounts above do not include the purchase of the emergency generator. The City will purchase this separately as a part of this project, utilizing appropriate procurement guidelines; staff believes this will reduce purchasing costs and better meet the needs of the operation.

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FISCAL ANALYSIS:

Funding for this project has been allocated into the Capital Improvement Project Fund account 42000871 (Fire Station No. 2 Fuel Tanks). Additional funding is also available in account 42000844 (UST Upgrades on City Property). Staff is also recommending a ten percent (10%) contingency equaling \$13,579 for this project.

42000871.....	\$150,000
42000844.....	<u>\$ 15,000</u>
Total.....	\$165,000

The underground tank regulations are always changing and become more stringent over time. As a result, the costs of the inspection and maintenance requirements are much greater for the underground tank. For the long term, staff believes the initial cost of moving the storage tank above ground will be a cost effective option because expenses related to the underground tank regulations will be avoided.

ATTACHMENTS:

Copy of bid from JEM Industries, Inc.

MOTION:

That the City Council:

1. Award a contract to JEM Industries, Inc. for the Underground Storage Tank replacement project at Fire Station No. 2 in the amount of \$135,793 plus a 10% contingency in the amount of \$13,579 for a total of \$149,372.
2. Authorize the Public Works Director/City Engineer to approve change orders in an amount not to exceed \$13,579, if necessary.
3. Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City.