

COUNCIL ACTION FORM

**SUBJECT: WATER POLLUTION CONTROL FACILITY DIESEL TANK
REPLACEMENT**

BACKGROUND:

The City's Water Pollution Control (WPC) Facility has a 4,000-gallon above-ground storage tank (AST) used for storage of diesel fuel. The AST supplies both a vehicle fueling station and a 1,750 KW Caterpillar diesel engine. The Caterpillar diesel engine is used to generate electricity for emergency power. The current tank was found to be leaking and can no longer be used for fuel storage.

Once the existing AST has been closed and removed, a replacement AST will be installed in the existing concrete vault. The replacement will also have a 4,000-gallon capacity, but will be dual-walled with interstitial monitoring for leak detection. Replacing it with a tank of equal fuel capacity will ensure that the WPC Facility continues to be prepared for periods of prolonged power generation when necessary. The dual-wall and interstitial monitoring capabilities will detect small leaks earlier, thereby prolonging the life of the tank, as well as preventing spills of diesel fuel into the vault.

Project costs are projected as follows:

Design	\$17,200
Inspections	4,300
Construction Estimate	145,000
<u>Contingency, 10%</u>	<u>16,650</u>
Total Estimated Cost	\$183,150

The FY 2012/13 budget includes \$140,000 for diesel tank replacement. While the current cost estimate exceeds the budgeted amount, staff will be in a better position to recommend necessary budget adjustments after the bids have been opened.

ALTERNATIVES:

1. Approve the project plans and specifications, and issue a Notice to Bidders, setting August 1, 2012, as the bid due date and August 14, 2012, as the date for public hearing and award of contract. If no bids come in within the current budget, funding options will be provided to Council in the bid award Council Action Form.
2. Direct Water and Pollution Control Department staff to adjust plans and specifications to reduce the construction estimate before proceeding with this project.

3. Do not approve plans and specifications at this time.

MANAGER'S RECOMMENDED ACTION:

The current WPC Facility above-ground storage tank has failed and needs to be replaced. It is in the best interest of the City to replace the existing AST with a new 4,000-gallon dual-walled AST with interstitial monitoring for leak detection. This will ensure that the WPC Facility continues to meet its NPDES permit requirements during the need for emergency power. The new AST will also allow WPC Facility staff to more closely monitor the condition of the tank and perform maintenance if necessary. This will prolong the life of the tank and work to prevent spills in the future.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as outlined above.