



City of Grand Island

Tuesday, April 27, 2004

Council Session

Item G14

**#2004-93 - Approving Contract Award for Engineering Services
for Fuel Storage and Handling Areas Evaluation and Upgrades -
Utilities Department**

Staff Contact: Gary R. Mader;Dale Shotkoski

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: April 27, 2004

Subject: Award Contract for Fuel Storage & Handling Upgrade-
Eng. Services - Platte Generating Station

Item #'s: G-14

Presenter(s): Gary R. Mader, Utilities Director

Background

Platte Generating Station fueling facilities currently consist of a 500,000 gallon No. 2 fuel bulk storage tank surrounded by an earthen berm, a locomotive fueling area, an above ground gasoline tank and two smaller above ground No. 1 diesel fuel tanks. C.W. Burdick Station fueling facilities consist of a No. 6 fuel oil bulk storage area with a 4.5 million gallon capacity and a No. 2 fuel oil bulk storage area with a 450,000 gallon capacity. Both tank areas are surrounded by earthen berms. There are also two smaller above ground diesel and gasoline tanks. The bulk oil storage areas at Burdick Station have been in place since the 1950's and the facilities at PGS since the early 80's.

New Federal regulations for Oil Pollution Prevention [40 CFR Part 112] require that the containment around bulk oil storage facilities and associated loading areas be "sufficiently impervious to contain oil". In addition, because the total fuel capacity of the fuel tanks at the C.W. Burdick Station is over 1,000,000 gallons, the regulations require an analysis of the consequences of a worst-case catastrophic release of oil on downstream users and sensitive environments. The new regulations will require a thorough review and upgrade of the current bulk oil storage facilities.

Anticipated activities necessary to meet the Federal regulations include:

- ? Evaluation of the oil containment and fuel transfer areas at all bulk oil storage areas.
- ? Design of necessary upgrades for the earthen berms and associated fuel transfer areas at both plants.
- ? Evaluation and design of a new vehicle fueling facility at PGS that would eliminate the existing three separate fueling areas.
- ? Evaluation of a worst case release of oil from C.W. Burdick Station.

Discussion

A Request for Proposal for engineering services to evaluate the existing facilities and design necessary upgrades to the fuel storage and handling facilities was drafted by plant staff and

advertised in accordance with City procurement procedures. Engineering services for this type of project have typically been solicited by the Department on an actual cost/not to exceed basis, which allows for changes in the work scope as the project progresses. Changes in procurement or installation requirements often occur as detailed engineering is performed and this arrangement has been found to be the most equitable for both the City and the engineer. Proposals were received from the following firms.

HWS Consulting, Lincoln, NE
RDG Geoscience, Omaha, NE
HDR, Omaha, NE
Black & Veatch, Overland, KS
MFG, Inc., Omaha, NE

Utility engineering staff reviewed the bids for compliance with the City's detailed specifications. Using a matrix of the Department's established evaluation criteria, which included fees, company and personnel experience, contract forms, and proposal responsiveness. Each proposal was independently reviewed by each of the three members of the evaluation group. A tabulation of the evaluation factors indicated a consensus selection of the firm of Black & Veatch for this project.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the contract award to Black & Veatch for the Fuel Storage & Handling Upgrade-Engineering Services.
2. Deny the award of the contract for the Fuel Storage & Handling Upgrade-Engineering Services.
3. Modify the contract for the Fuel Storage & Handling Upgrade-Engineering Services to meet the wishes of the Council.
4. Table the issue.

Recommendation

City Administration recommends that Council award the contract for Fuel Storage & Handling Upgrade – Engineering Services to Black & Veatch of Overland, KS, in an amount not to exceed \$59,600.

Sample Motion

Approve the award of the contract for Fuel Storage & Handling Upgrade-Engineering Services to Black & Veatch of Overland, KS.

RESOLUTION 2004-93

WHEREAS, the City of Grand Island invited proposals for Engineering Services for Fuel Storage and Handling Areas – Evaluation and Upgrades for the Utilities Department, according to plans and Request for Proposals on file at the Platte Generating Station; and

WHEREAS, proposals were due on April 2, 2004; and

WHEREAS, Black & Veatch of Overland Park, Kansas, submitted a proposal in accordance with the terms of the Request for Proposals and all other statutory requirements contained therein; such proposal being in an amount not to exceed \$59,600; and

WHEREAS, a proposed agreement with Black & Veatch for such services has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Black & Veatch of Overland Park, Kansas for Engineering Services for Fuel Storage and Handling Areas – Evaluation and Upgrades for an amount not to exceed \$59,600 is hereby approved.

BE IT FURTHER RESOLVED, that an agreement between the City and such contractor be entered into for such project; and the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 27, 2004.

RaNae Edwards, City Clerk