

AGENDA COVER MEMO

DATE: June 25, 2003
TO: Lane County Board of Commissioners
DEPT: Public Works
PRESENTED BY: Phil Guyette, Acting Public Works Support Services Manager
AGENDA ITEM TITLE: In the Matter of Awarding a Contract to 3 Kings Environmental, Inc. in the Amount of \$280,637.79, for the Decommissioning of the Existing Fuel System at the Delta Facility and the Construction of a New Fuel System, Contract FY03/04-01.

I. MOTION

MOVE TO AWARD A CONTRACT TO 3 KINGS ENVIRONMENTAL, INC. IN THE AMOUNT OF \$280,637.79 FOR THE DECOMMISSIONING OF THE EXISTING FUEL SYSTEM AT THE DELTA FACILITY AND THE CONSTRUCTION OF A NEW FUEL SYSTEM AS SPECIFIED IN CONTRACT FY03/04-01.

II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to 3 Kings Environmental, Inc. for the decommissioning of the existing Delta fuel system and the construction of a new fuel system?

III. DISCUSSION

A. Background

Lane County Department of Public Delta Facility has an on-site fueling system for providing gasoline and diesel to County vehicles and heavy equipment. The system was constructed in 1977 at the time the facility was built. The fuel delivery system includes four (4) 20,000 gallon underground storage tanks (USTs), in-tank turbine pumps, and six (6) dual-hose dispensers. The tanks are single wall fiberglass and the piping is steel, without cathodic (corrosion) protection.

The tank system has been tested for tightness (for leaking tanks or plumbing) every three (3) years since this was required in 1988. In 1993 the system was upgraded to meet the then current DEQ requirements for USTs.

B. Analysis

The local Department of Environmental Quality (DEQ) office conducted a UST inspection on June 27, 2002. The inspection revealed that the plumbing (fuel delivery lines) pipes were not cathodically protected, rendering the system out-of-compliance with 1999 UST rules. This meant that the plumbing would need to be replaced.

In February of 2002 Lane County Department of Public Works experienced a crack in the emergency generator UST, which caused the release of approximately 7,200 gallons of diesel. This tank construction was single wall fiberglass similar to the fuel system tanks.

The proposed new fuel system would be constructed using double-wall fiberglass tanks that are much heavier constructed. The interstitial space between the tank walls accommodates sensor equipment to determine if the inner or outer wall of the tank is ever breached. The plumbing is double-wall flexible piping with interstitial monitoring and is placed in a duct-way – resulting in a triple-wall piping system. All of the state-of-art tank monitoring equipment will also be installed as part of this contract.

The Budget Committee tentatively approved FY03/04 funding for this construction project at their scheduled meeting of May 13, 2003. Construction will not begin until after July 1, 2003.

C. Alternatives/Options

1. Award a contract to 3 Kings Environmental, Inc.
2. Do not replace the Delta Fuel System. The existing system is out-of-compliance and DEQ will likely revoke the County's Operating Permit if the system is not replaced. On July 1, 2002, Lane County received a temporary exemption from the piping corrosion protection contingent upon replacing the fuel system in the summer of 2003. This temporary exemption would be revoked. On-site fuel is essential to efficient Public Works operations and becomes extremely critical in times of emergency disaster response.

D. Recommendation

It is recommended that the Board approve entering into a contract with 3 Kings Environmental, Inc. in the amount of \$280,637.79 for replacing the Delta Fuel System as specified in Contract FY03/04-01.

E. Timing

Upon approval of the Board, a contract will be executed between 3 Kings Environmental, Inc. and the County Administrator.

IV. IMPLEMENTATION/FOLLOW-UP

None.

V. ATTACHMENTS

Board Order

Bid Recap

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER

(IN THE MATTER OF AWARDING A CONTRACT
(TO 3 KINGS ENVIRONMENTAL, INC. IN THE
(AMOUNT OF \$280,637.79, FOR THE
(DECOMMISSIONING OF THE EXISTING FUEL
(SYSTEM AT THE DELTA FACILITY AND THE
(CONSTRUCTION OF A NEW FUEL SYSTEM,
(CONTRACT FY03/04-01.

WHEREAS, at the duly publicized place and time on June 17, 2003, an authorized representative of the Department of Public Works, opened bids on the following:

Remove & Replace Fuel System at Delta Facility; and

WHEREAS, the lowest responsive bid to conform to bid specifications was received from 3 Kings Environmental, Inc., in the amount of \$280,637.79, and the Director of the Department of Public Works recommends that the bid be accepted; therefore it is hereby

ORDERED that the bid received from 3 Kings Environmental, Inc. be accepted as recommended; and it is further

ORDERED that a contract be awarded to 3 Kings Environmental, Inc., in the amount of \$280,637.79 in accordance with the bid specifications; and it is further

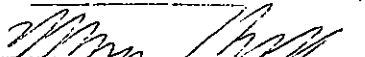
ORDERED, that a contract be executed in accordance with this Order and the bid specifications and the County Administrator be authorized to sign the contract.

DATED this _____ day of June, 2003.

Peter Sorensen, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 6-18-03 lane county


OFFICE OF LEGAL COUNSEL

CONTRACT FY03/04 01

Bid Opening: Tuesday, June 17, 2003

REMOVE & REPLACE FUEL SYSTEM AT DELTA FACILITY

BID RECAP

<u>VENDOR</u>	<u>BASE BID</u>	<u>UNIT COST PER TON - PCS</u>	<u>BID SECURITY</u>
3 Kings Environmental	\$280,637.79	\$125/ton	Bid Bond
Bergeson-Boese & Assoc.	\$300,184	\$64.80/ton	Bid Bond
Anderson Environmental Contracting	\$317,500	\$48.00/ton	Bid Bond
Meng-Hannan	\$395,969	\$72.75/ton	Bid Bond
PNE Corporation	(Non-Responsive)		