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REPORT TO COUNCIL

SUBJECT

Action on the Award of Purchase Orders with Technology, Engineering & Construction, Inc. and California Hazardous Services, Inc. for Fuel Storage Tank Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara's Department of Public Works (DPW) manages the maintenance, repair, testing and regulatory compliance of its fuel storage tanks. The department has nine underground storage tanks (USTs) and three aboveground storage tanks (ASTs) at various locations throughout the City. The City typically contracts out the maintenance of the tanks to ensure they function properly. The services provided include certified testing, inspection, cleaning, repairs, fuel sampling and analysis and compliance training for staff.

Since 2016, the City has contracted with Technology, Engineering & Construction, Inc. and California Hazardous Services, Inc. to provide fuel storage tank services. The current purchase orders with these two vendors are set to expire on June 30, 2021.

DISCUSSION

On January 28, 2021, a competitive Request for Bids (RFB) was published on the City's bid notification system for fuel storage tank services. The RFB was viewed by 63 firms and four bids were submitted.

The RFB was divided into two service areas or packages:

- Package 1: Fuel storage tank compliance services including annual certified storage tank

testing, tank inspection services, repair services, and certified training.

- Package 2: Fuel quality maintenance services, including storage tank cleaning and fuel filtering services.

Bidders had the option of bidding on one or both packages. The bids received are shown below:

Package 1:

Vendor	Bid
Technology, Engineering & Construction, Inc.	\$41,420
Able Maintenance	\$63,243
Balch Petroleum Contractors and Builders, Inc.	\$87,943

Package 2:

Vendor	Bid
California Hazardous Services, Inc.	\$10,440
Technology, Engineering & Construction, Inc.	\$17,765
Able Maintenance	\$17,900
Balch Petroleum Contractors and Builders, Inc.	\$48,202

Technology, Engineering & Construction, Inc. was the lowest responsive bidder for Package 1, while California Hazardous Services, Inc. was the lowest responsive bidder for Package 2. Staff recommends award of purchase orders to Technology, Engineering & Construction, Inc. and California Hazardous Services, Inc. for Packages 1 and 2, respectively. Each purchase order will have an initial term of 12 months beginning on July 1, 2021 and ending on June 30, 2022, with up to four one-year options to renew each purchase order.

Summary of Purchase Orders:

Maximum compensation for the purchase order with Technology, Engineering & Construction, Inc. during the initial term shall be \$60,000. Maximum compensation for the purchase order with California Hazardous Services, Inc. shall be \$12,000 during the initial term. Pricing shall be fixed during the initial 12-month term of the purchase orders. After the initial term, vendors may request annual price adjustments subject to justification by the vendor and approval by the City.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15301 “Existing Facilities,” as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

FISCAL IMPACT

Funding is provided in the FY 2021/22 & 2022/23 Biennial Operating Budget, Vehicle Maintenance Fund Maintenance of Improvement and Grounds, which accounts for fuel tank storage services. Funding for future option years is subject to Council appropriations.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute a blanket purchase order with Technology, Engineering & Construction, Inc. to provide fuel storage tank compliance services for an initial term starting on July 1, 2021 and ending on June 30, 2022, with maximum compensation not-to-exceed \$60,000;
2. Authorize the City Manager to execute a blanket purchase order with California Hazardous Services, Inc. to provide fuel maintenance services for an initial term starting on July 1, 2021 and ending on June 30, 2022, with maximum compensation not-to-exceed \$12,000;
3. Authorize the City Manager to approve contingency amounts of 20 percent, or \$12,000 and \$2,400 on the purchase orders with Technology, Engineering & Construction, Inc. and California Hazardous Services, Inc., respectively, in the event additional or unexpected repairs or compliance services are required during the initial term; and
4. Authorize the City Manager to exercise up to four one-year options to renew the purchase orders through June 30, 2026, if all options are exercised, and subject to the annual appropriation of funds.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager