

**CITY COUNCIL
COMMUNICATION:**

02-512

AGENDA:

SEPTEMBER 23,
2002

SUBJECT:

UST LEAK
DETECTION
MONITORING
SYSTEM
REPLACEMENT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

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FINANCE DIRECTOR

ITEM6

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

The Engineering Department is seeking the approval of the proposed Agreement with Seneca Corporation, Chris Risewick, President, 4140 E 14th Street, Des Moines, Iowa, for Replacement of the City's system that monitors its 14 Underground Storage Tanks (USTs) used for dispensing fuel, in an amount not to exceed \$147,231.25. The Iowa Department of Natural Resources (IDNR) requires leak detection monitoring on all USTs used for dispensing fuel. Passing monthly tests from this system are required by IDNR in order to have the tanks filled for dispensing fuel and by the insurance carrier to insure them for pollution liability. The City's current system that monitors its 14 USTs is deteriorating, and it is becoming continuously more difficult to run the required tests.

FISCAL IMPACT —

\$60,856.91 will be taken from Capital Improvement Program (CIP)-Underground Fuel Storage Tanks, Fund CP034, Organization ENG990000, Project BLD043; \$49,583.82; CIP-Airport Improvements Fuel System, Fund EN004, Organization AIR990000, Project AIR118; \$14,988.77 Wastewater Reclamation Authority/Wastewater Reclamation Facility (WRA/WRF) Operating Budget (OB), Fund EN251, Organization PWK770110; \$21,701.75 Equipment Maintenance Center, Fund IS010, Organization PWK010401. The Equipment Maintenance Center will be charged back during the remainder of this fiscal year and recovered from the departments that fuel vehicles at that site. This charge-back will result in about \$5,330.00 being charged to enterprise funds, thus leaving a net charge to the City's current Operating Budget of \$16,371.75.

RECOMMENDATION —

Approval. Staff recommends that Seneca Corporation be awarded a contract to install a new leak detection monitoring system and upgrade equipment at ten sites at a cost not to exceed \$147,231.25.

BACKGROUND —

The City operates fourteen (14) USTs from which unleaded gasoline and diesel fuel are dispensed to City vehicles. The IDNR requires that each tank be equipped with a leak detection monitoring system

that alerts the City to any unusual reductions in the amount of product in each tank. The current automatic tank gauging system was installed 10 to 12 years ago, and its functionality is rapidly deteriorating. Parts are no longer supported by the manufacturer, nor is it easy to locate maintenance personnel who are knowledgeable in maintaining the equipment. It is also difficult to run tests on the system to produce the periodic reports required by IDNR and the City's insurance carrier. The leak detection system must be properly operating in order for the City to legally provide fueling capabilities. Therefore, it was determined that the system required replacement, and a Request for Proposal (RFP) was distributed.

The original leak detection equipment used technology that could not perform a test at the same time a City employee withdraws fuel from the tank. Each monitoring test takes several hours to complete. Repeatedly, the City has had to re-run tests because even at early hours of the morning a City vehicle may need fuel. The WRF and Airport have also had to shut down operations on certain tanks at certain times in order to run successful tests. The new leak detection monitoring systems allow for continuous testing regardless of the need for dispensing fuel.

Parts for the current equipment are no longer supported by the manufacturer, and it is increasingly difficult to find maintenance personnel who are familiar enough with the equipment to repair it. Down time for repairs to the system has also interfered with the ability to run timely tests and renew insurance in the month that it is due.

Because of the necessity of being able to run successful tests, the City issued an RFP in August 2002 soliciting proposals from four companies for the replacement of the City's UST leak detection monitoring system. The City received one (1) response. The RFP required attendance at a pre-proposal site visit to each location and to a pre-proposal conference for questions and answers; only Seneca Corporation attended. The other potential proposers were contacted to determine why they had not attended. Their responses included the following: (1) (Marshalltown) indicated that he had another appointment at the time, (2) (Ankeny) stated he was too busy that day to be able to attend, and (3) (San Antonio, Texas) stated that the additional cost of travel would have made their proposal non-competitive. None of the non-responding companies made contact to indicate their inability to attend or to request re-scheduling. The proposed costs by site and in total are as follows:

Leak Detection Monitoring System:

| | |
|------------------------------------|------------------|
| 1. Wastewater Reclamation Facility | \$14,988.77 (OB) |
| 2. Equipment Maintenance Center | 21,701.75 (OB) |
| 3. Airport East Cargo Building | 16,250.85 (CIP) |
| 4. Airport South Cargo Building | 15,498.77 (CIP) |
| 5. Airport Maintenance Facility | 17,934.20 (CIP) |
| 6. Fire Station No. 3 | 18,644.10 (CIP) |

- | | |
|-----------------------|-----------------|
| 7. Fire Station No. 4 | 13,032.51 (CIP) |
| 8. Fire Station No. 5 | 14,912.52 (CIP) |

Spill/Overfill & Cathodic Protection Upgrades:

- | | |
|---------------------|-----------------|
| 1. Botanical Center | 3,859.01 (CIP) |
| 2. Police Station | 10,408.77 (CIP) |

Total: \$147,231.25

These costs have been reviewed by Staff and are reasonable expenditures for the leak detection systems. Staff recommends contract approval.