



DATE: May 1, 2023

TO: Mayor and Members of the City Council  
President and Members of the Estero Municipal Improvement  
District (EMID) Board of Directors

VIA: Stefan Chatwin, City/District Manager

FROM: Ramon Towne, Interim Public Works Director/District Engineer  
Laura Galli, Engineering Manager  
Ryan Marquez, Senior Civil Engineer

DEPARTMENT: Public Works

SUBJECT: AGREEMENT IN AN AMOUNT NOT TO EXCEED \$289,002.25  
WITH TAIT ENVIRONMENTAL SERVICES, INC. FOR  
PROFESSIONAL ENGINEERING DESIGN SERVICES  
ASSOCIATED WITH FUEL SYSTEMS IMPROVEMENTS  
PROJECT (CIP 301-700)

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### RECOMMENDATION

It is recommended that the Council/EMID Board adopt the attached resolutions authorizing:

1. The Mayor/President to execute a professional services agreement in an amount not to exceed \$289,002.25 with Tait Environmental Services, Inc. (Tait) to perform professional engineering services for CIP 301-700 Fuel Systems Improvements Project (2021-2022); and
2. A project contingency of approximately 10% in the amount of \$30,000 with authority given to the City/District Manager or his designee, to execute contract amendments up to the contingency amount.

## EXECUTIVE SUMMARY

The City/EMID's unleaded and diesel fuel systems are at the end of their useful lives and due for replacement. Due to the specialized nature of this type of work, staff procured Tait in 2021 to perform a site assessment and prepare various conceptual design options for the replacement and removal of the existing fueling systems.

On January 17, 2023, the Council/EMID Board approved the issuance of a Request For Proposals (RFP) to prepare the construction contract documents and provide construction support services for this project. One proposal was received from Tait. The proposed fees in the amount of \$289,002.25 have been reviewed by staff, negotiated, and deemed to be appropriate based on the scope of services. Funding will be provided from the budget established for CIP 301-700. Currently, CIP 301-700 has an approved budget of \$3,077,945.50. Based on preliminary cost estimates, additional funding may be required to fully fund the project. A request for additional budget will be brought to the City Council/EMID Board once plans have been developed and construction costs estimates refined.

## BACKGROUND/ANALYSIS

The City has an unleaded fuel system and a diesel fuel system that provide fuel for the vehicles and equipment owned by the City and EMID including the two lagoon pump engines, and the emergency generator serving the Corporation Yard buildings, Lift Station 59, the two lagoon pumps, and lift station 25. These systems also have the capacity to provide fuel to the San Mateo Consolidated Fire Department in emergency situations.

The existing fueling systems to be replaced and their locations are further described as follows:

1. Two 10,000-gallon Under Ground Storage Tanks (UGSTs) with two fuel dispensers, installed in the early 1990s at the entrance to the Corporation Yard on Lincoln Centre Drive. The tanks hold *unleaded* gas for City vehicles. If demand for unleaded fuel were to decrease in the future as a result of transition to more electric or hybrid vehicles, fuel purchases would be spread out into longer periods while still utilizing the full tank capacity.
2. Two 5,000-gallon Above Ground Storage Tanks (AGSTs), installed in the early 1990s, in an open concrete vault with canopy immediately adjacent to and west of the lagoon pump station building. The tanks provide *diesel fuel* for vehicles and equipment via a single fuel dispenser and for the day tank inside the lagoon pump station. The diesel fuel system also stores fuel for the emergency generators at EMID's lift stations which is trucked to lift stations, as needed by staff.

3. One 210-gallon day tank for *diesel fuel*, installed in the early 1960's, inside the lagoon pump station building. The day tank provides fuel to the two lagoon pump engines and the large emergency generator serving the Corporation Yard Buildings and Lift Station 59. Lift Station 59 pumps all the sewage from the City to the Wastewater Treatment Plant in San Mateo.

Staff identified the need to remove and replace these fuel systems due to safety, environmental, and regulatory compliance concerns.

In addition, the project consists of the replacement of the existing dispensers and fuel control software and the construction of one diesel AGST (sizing to be determined) to provide diesel fuel for the Emergency Generator that serves the Corporation Yard and Lift Station 59.

In February 2021, following a competitive procurement, the City/EMID engaged Tait to perform a detailed analysis of the City/EMID's existing fuel systems, prepare a conceptual engineering assessment, and develop a Technical Memorandum outlining recommendations for improvements for design. At the Council/Board meeting on August 1, 2022, the Council/Board adopted Resolution No. 2022-91 approving a Request for Proposal (RFP) to provide professional engineering services for CIP 301-700. One proposal was received. It was determined prudent to advertise again, to encourage more proposals. At the Council/Board meeting on January 17, 2023, The Council/Board adopted Resolutions No. 2023-6 and 3701 approving the RFP to provide professional engineering services for CIP 301-700.

The RFP was sent to thirty-two consulting firms including those that specialize in fuel system design and seven ad agencies that advertise projects for the benefit of its consultant clients. A notice was also posted on the City's website. One proposal was received by Tait on the March 7, 2023 due date.

An evaluation committee consisting of staff members from Public Works Engineering reviewed the proposal. After the qualification-based selection process based on the RFP grading criteria, Tait was determined to be qualified. Tait has prepared a Technical Memorandum outlining recommended improvements to replace the existing fuel system infrastructure to the City/District's satisfaction and is considered qualified to perform the design work. Staff called references and received positive reviews of their work on similar projects.

#### CALIFORNIA ENVIRONMENTAL QUALITY ACT

CEQA General Rule Exemption: Award of an engineering professional services agreement is exempt from CEQA under 15061(b)(3) as the design services have no possibility that the activity in question may have a significant effect on the environment. However, during the design phase, staff will work with the consultant to make a CEQA determination on the anticipated construction work.

## FISCAL IMPACT

The proposed fees in the amount of \$289,002.25 have been negotiated and determined reasonable based on the scope of services to be provided. Additionally, a project contingency in the amount of \$30,000 or approximately 10% of the contract amount is recommended to pay for additional services to mitigate unforeseen tasks or for additional services that may be required. Funding in the amount of \$3,077,946 has been approved in the CIP 301-700 budget with the following breakdown.

<b>Funding Source</b>	<b>Amount</b>
Vehicle Replacement Fund (501)	\$ 327,946
CIP City (301)	\$1,375,000
Water Capital Investment (405)	\$ 687,500
Wastewater Capital Investment (455)	\$ 687,500
<b>Total</b>	<b>\$3,077,946</b>

The following table shows the use of funds for this project at this time:

<b>Expenditure</b>	<b>Amount</b>
Conceptual Engineering (TAIT)	\$ 5,665.00
Design & Permitting (TAIT)	\$ 289,002.25
Design Contingency	\$ 30,000.00
<b>Total</b>	<b>\$ 324,667.25</b>
<i>Budget Remaining</i>	<i>\$2,753,278.75</i>

In the 2022 Technical Memorandum, the preliminary project estimate was in the ballpark of \$4.25M. Based on this estimate and likely future inflation, additional funding may be required to fully fund the project. A request for additional budget will be brought to the Council/EMID Board once plans have been developed and construction costs estimates refined.

## CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Facilities and Infrastructure

## ATTACHMENTS:

Attachment 1: City Resolution  
Attachment 2: EMID Resolution  
Attachment 3: Agreement