

CITY OF PALMER ACTION MEMORANDUM No. 10-019

SUBJECT: Authorize the City Manager to Award and Execute a Contract for the 8,000 Gallon Fuel Tank Bid to Greer Tank, Inc. in the Amount of \$84,479

AGENDA OF: May 11, 2010

Council action:	Authorized
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Approved for presentation by B. B. Allen, City Manager *B. B. Allen*

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – Public Works	<i>CKL</i>	
X	City Clerk	<i>JR</i> 5/3/10	
X	City Attorney	<i>[Signature]</i> 5/3/10	
X	Director of Administration	<i>AKW</i> 3/16/2010	
	Director of Community Development		
	Director of Community Services		
X	Director of Public Safety	<i>JO</i>	
	Director of Public Works		

Attachment(s): None

Certification of Funds:

	No fiscal impact.	
X	Funds are budgeted from this account number: 08-01-10-7132	\$85,000
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: *AKW*

Summary statement: On February 1, 2010, the City released a bid for one 8,000 gallon skid mounted tank with the ability to supply 4,000 gallons of diesel fuel and 4,000 gallons gasoline from a dual compartmental tank.

The bid specifications called for a Type I tank which has an inner and outer tank creating a double wall for environmental protection. The material thickness of the inner and outer tank shells, the head brazing, the relief venting and the weld joints called for in the bid are all in conformity with United Laboratories (UR®) Standard 142.

The tank will have gas pumps for each type of fuel. Each side of the tank will indicate the volume remaining in the tank. A fuel management system will track any fuel distributed to a vehicle or piece of equipment. The card reader system used to dispense fuel will also operate the gate entry system into the Public Works yard.

The bid opening was on February 22, 2010, at 2:00 PM Alaska Standard Time (AST). The City received two bids prior to 2:00 PM and the third bid arrived at 3:49 PM via Federal Express. The third bid was received late and was determined to be non-responsive. The revised bid results which included the late bid are as follows:

Company	Amount
Greer Tank, Inc.	\$ 84,479.00
Fuel Tank Maintenance Co., LLC	\$168,382.00
IBI, LLC	Non-Responsive

Background: In 2009 the City applied for to the Department of Homeland Security and Emergency Management for grant monies to fund a fuel and gasoline storage tank (\$85,000) as well as radios for fire response (\$56,200) and was awarded the grant. The City had participated in the Security and Vulnerability Assessment performed for the Matanuska-Susitna Borough by the State of Alaska Department of Homeland Security and Emergency Management. This assessment revealed that the City of Palmer needed a system for storage of diesel fuel and gasoline.

The State of Alaska Department of Homeland Security and Emergency Management performed an analysis of terrorist and all-hazards events which render Alaskan communities vulnerable ("FY 2009 HSGP Investment Justification"). According to the study, terrorism, earthquakes, floods, volcanoes and windstorms are all among the risks faced by localities within the State. Certainly, the Palmer area is vulnerable to all these events. As well, the occurrence of any of these events could threaten the electrical power grid. Currently, all City of Palmer vehicles refuel at a local gas station, as the City of Palmer has no fuel storage or dispensing capability. The gasoline and diesel fueling stations (upon which the City relies) are dependent upon having sustained electrical power to pump fuel, and very few area stations have back-up power generation. Because the City of Palmer has little back-up fuel storage capability, both Public Works and Public Safety would be limited in response to a major event involving an extended power outage.

Public Works has fuel and gas for up to two days of normal operation with the current available back-up fuel and gas supplies. In the event of an extended all-hazards event calling for road closures or debris removal, the heavy equipment would be inoperable after two days.

Public Safety (Police, Fire Rescue and Dispatch) has one day of gas and fuel reserve for the emergency response vehicles. In the event of an earthquake, natural gas lines could well be ruptured, and fires could ensue. It is essential that firefighters have sufficient fuel supplies to operate for an extended period of time, with or without electrical power.

Palmer Police Dispatch Center is the Public Safety Answering Point (PSAP) for the entire Matanuska-Susitna Borough. The Palmer Dispatch Center is responsible for dispatching all EMS, fire and rescue calls Borough-wide, as well as fire and police resources within the City of Palmer. In 2007, the City installed a new 35Kw backup generator for the Dispatch Center, using monies provided by a Homeland Security Grant. This generator provides crucial backup power

to the Dispatch Center, critical to the life and safety of every Borough resident. With a full fuel tank, this new generator will run for about one day. A prolonged area-wide power outage out lasting this reserve capacity would render Borough residents without a fire/EMS/rescue dispatch capability.

The tank will be located at the City's Public Works facility. Public Works will be responsible for pouring the concrete pad and completing the wiring for the storage tank.

This project will be funded with a Department of Homeland Security and Emergency Management grant in the amount of \$85,000. This grant was accepted and appropriated on November 10, 2009, with Resolution number 09-058.

Administration recommendation: Approve action memorandum 10-019.