



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 25, 2023

DATE: July 25, 2023
TO: Peter Zanoni, City Manager
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500 Gallon Above Ground Fuel Tank Purchase and Install at Kinney St. Storm Water Pump Station

CAPTION:

Motion authorizing execution of a one-year service agreement with R & R Petro Services, Inc., of Corpus Christi, in an amount not to exceed \$59,818.11 for the purchase and installation of a 500-gallon above ground fuel tank for the Public Works Department, with FY 2023 funding of \$14,954.00 from the Storm Water Fund.

SUMMARY:

This motion authorizes the purchase of 500-gallon above-ground fuel tank. The fuel tank will be installed under a service agreement following the City's procurement process.

BACKGROUND AND FINDINGS:

Two belly 250-gallon fuel tanks at Kinney Street pump station have exceeded their life expectancy and need replacement. These tanks are located below motors that generate power to run the pumps.

The current tanks are 17 years old and require replacement. R & R Petro Services will disconnect both fuel tanks and replace them with one common above-ground 500-gallon fuel tank. After analysis, staff determined that replacing the tanks with two more tanks of similar size would require the motors to be removed. This operation would be much more costly than replacing the tanks with one above-ground 500-gallon tank.

R & R Petro Services will reconnect all appropriate plumbing and electrical.

PROCUREMENT DETAIL:

Finance & Procurement conducted a competitive Request for Bids process to obtain bids for the purchase of a 500-gallon fuel day tank. The City received one responsive, responsible bid, and is recommending the award to R & R Petro Services, Inc., of Corpus Christi. When soliciting the Request for Bid there was a total of 219 vendors notified of the solicitation. Procurement conducted a price comparison on the tank itself and the current market price reflected 17.45% cost savings with R & R Petro Services, Inc.

ALTERNATIVES:

Replace in-kind with underground fuel tanks at a much greater expense. **FISCAL IMPACT:**

Expenditures will total \$14,954 for FY2023. The remainder \$44,864.11 will be expended with FY2024 funding.

FUNDING DETAIL:

Fund:	4300
Organization/Activity:	32040
Mission Element:	
Project # (CIP Only):	
Account:	520130

RECOMMENDATION:

Staff recommends approval of this motion authorizing execution of a one-year service agreement with R & R Petro Services, Inc., for the Public Works Department, as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement