



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Fuel Kiosk Project Maintenance and Repair, Phase 3, Contract Amendment

1. Motion authorizing staff to amend the Contract with Cal Valley Equipment LLC for the Fuel Management Key Card Reader Kiosk Project, adding an additional amount of \$37,844.99, for five fuel kiosk installations and authorizing the City Manager to execute the necessary contract change order.
2. Resolution of Appropriation of Fleet Management Funds (6010) to provide adequate funds for Phase 3 of the Fuel Management Key Card Reader Kiosk Project, in the amount of \$37,844.99.

COUNCIL ACTION

Item Type: Action Item

Approved for March 2, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Prepared by:

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Reviewed by:

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Approved by:

Roubik R. Golanian, P.E., Interim City Manager

RECOMMENDATION

Staff respectfully recommends City Council approve a Motion amending the Contract with Cal Valley Equipment LLC for the Fuel Management Key Card Reader Kiosk Project, adding an additional amount of \$37,844.99, for Phase 3 which includes five fuel kiosk installations and a Resolution of Appropriation providing adequate funding for this proposed contract amendment.

BACKGROUND/ANALYSIS

The City owns and operates 15 fuel dispensing facilities at strategic sites throughout the City including the Public Works Corporation Yard, Utility Operations Center, Civic Center, Police Building, Fire Stations, and Parks. The fueling facilities dispense both diesel and unleaded gasoline for the City's fleet. The City's fuel dispensers are fitted with fuel kiosks which are used to control the dispensing of fuel, provide security, and perform data collection. The existing fuel management system is being replaced due to its age, outdated technology, functionality, and inability to integrate with the existing fleet management software.

On August 14, 2018, the City Council awarded the contract for the Fuel Management Kiosk Project per Specification No. 3666, to Cal Valley Equipment LLC (Cal Valley). Cal Valley was the lowest bidder by about 10 percent at \$448,663.54. The project scope included the replacement of fueling kiosks at all 15 fueling sites. Project contingency of 10 percent or \$44,866.35 was also included in the contract award.

Due to the considerable cost of the new fueling kiosks and the ongoing maintenance and regulatory costs of fueling infrastructure including kiosks, dispensers and fuel storage tanks, staff looked at the possibility of closing several smaller fueling sites at the fire stations after the City Council approved the contract. It was decided to ask Cal Valley to divide the project into three phases with the third phase consisting of these five smaller sites at fire stations. This would afford staff the time to determine if closing fuel sites was feasible. Cal Valley was authorized to initiate work on the first and second phases. Cal Valley completed the first two phases of the project in October 2020 which included 10 sites at a total cost of \$417,061.13.

Phasing the Fuel Management Key Card Reader Kiosk Project resulted in increased overall project costs. As a result, \$37,844.99 more is needed to complete the project. This covers the additional costs related to phasing and delaying this project.

Staff recommends continuing to invest in the fueling sites at these five Fire Station locations. Having fuel stored and dispensed onsite benefits the Fire Department's emergency response capabilities. The storage tanks also provide needed fuel for the fire station building's emergency backup power generators. Other nearby diesel fuel vendors are not well equipped for large fire apparatus and the cost of safely and legally removing fueling infrastructure are considerable.

The new E.J. Ward kiosks authenticate the user and equipment prior to dispensing fuel and accounts for all fuel received and dispensed. Phase 3 covers the removal of existing terminals at five Fire Stations and installations of the new E.J. Ward terminals for the amount of \$114,313.75. Phase 3 will effectively complete the update of all City managed fuel terminals as well as streamline the management of all fuel usage.

The current fueling kiosks at these five locations are outdated and lack the security of the newer models. The current fueling kiosks also use a different fuel management software, which means the City must pay for software licenses for two different systems.

Cal Valley is a Southern California approved installer of the E.J. Ward fuel equipment. The State of California Contractor's License Board website confirms that the license of Cal Valley is current, active, and in good standing. Both Cal Valley and E.J. Ward have performed exceptionally well on the first two phases of implementation.

The construction phase or installation of the hardware for the Phase 3 is anticipated to begin in July 2021 and be completed by August 2021.

FISCAL IMPACT

Funding totaling \$44,865.89 is available in the approved FY 20-21 budget in the following account: PL:52111-IMPROVEMNT-0000-6010, GL:51200-6010-PWD-0020-P0000-T0000-F0000-0000-0000-. There is \$31,602.87 still encumbered in contract 8000325 which will be used for Phase 3.

Staff respectfully requests that the City Council approve the Resolution of Appropriation to appropriate \$37,844.99 from the Net Position, Fleet Management Fund, Public Works Department (27900-6010-PWD) to the Fuel Management Key Card Reader Kiosk Project account (PL:52111-EQUIP-0000-6010, GL:51250-6010-PWD-0020-P0000-T0000-F0000-0000-0000-.)

ALTERNATIVES

Alternative 1: Approve a Motion amending the Contract (8000325) with Cal Valley for the Fuel Management Key Card Reader Kiosk Project, adding an additional amount of \$37,844.99, for five fuel kiosk installations and a Resolution of Appropriation providing adequate funding for this proposed contract amendment.

Alternative 2: Do not approve the attached Motion and Resolution. In this case, staff will not move forward Phase 3 of the Fuel Management Key Card Reader Kiosk Project. The City will continue to manage fuel usage with the two separate systems.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

EXHIBITS

None.