

8-B)



**City Council Agenda Item**  
**Meeting of March 1, 2016**

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**TO:** The Honorable Mayor and Members of the City Council  
**FROM:** James R. O'Connor, City Manager  
**DATE:** February 23, 2016

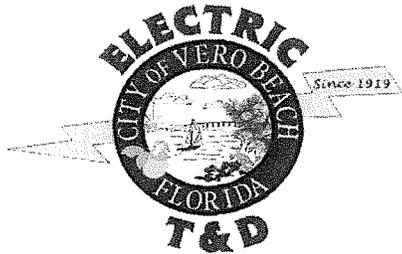
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**SUBJECT:** Bid #010-16/PJW – Fuel Removal & Tank Cleaning  
**REQUESTED BY:** City Manager/Electric Utility Operations Director

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The following is requested as it relates to the above-referenced agenda item:

- Request Council review and approval based on the attached supporting documentation.
- No action required. (Information only)



## Departmental Correspondence

E-Mail: [TFletcher@covb.org](mailto:TFletcher@covb.org)

**TO:** James R. O'Connor, City Manager  
**DEPT:** City Manager

**FROM:** Ted Fletcher, Director, Electric Utility Operations TF  
**DEPT:** Electrical T&D

**DATE:** February 23, 2016

**SUBJECT:** BID# 010-16/PJW Opened 02/09/16 Fuel Removal & Tank Cleaning

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### Background Information:

On November 6<sup>th</sup>, 2015 all generators at the Power Plant were shut down. However, there is remaining fuel in storage Tank 1. The tank contains 278,000 gallons of fuel Type 2 – off road diesel that are not intended for road usage. In order to proceed with the cleanup of the Power Plant, the fuel has to be removed and the tank has to be cleaned.

### Recommendation:

I am requesting approval for the following:

- Place this item on the March 1<sup>st</sup>, 2016 City Council Agenda;
- Award the contract to the lowest bidder Diversified Professional in the amount of \$24,999.00.

### Funding:

Funding will come from account number 401.9900.531.331001 – Professional Services.

### Analysis:

- **Strength:** Diversified Professional will:
  - 1) Perform the removal of fuel, the cleaning of both tank and pipe, and the removal of the pump at a cost of \$24,999.00.
  - 2) The price offered for #2 fuel oil is \$0.16 per gallon which will result in a value of \$44,480.00 (278,000 gallons x 0.16 = \$44,480.00). With the work being performed for a total of \$24,999.00, there will be \$19,481.00 payable to the City after the sale of the fuel (\$44,480.00 - \$24,999.00 = \$19,481.00).
- **Weakness:** None.

- **Opportunity:** Although it will take 150 days instead of 60 days to complete the work, this extension of 90 days will provide allotted time to locate a site for storage and to acquire buyers for the fuel as it is being removed. The other bids didn't provide the opportunity for prospective buyers.
- **Threat:** While the fuel is still at the Power Plant, we have to comply with OSHA spill prevention plan.

WTF:mp  
Attachment

CITY OF VERO BEACH  
POWER PLANT  
FUEL REMOVAL & TANK CLEANING  
BID #010-16/PJW OPENED 02/09/16

	Diversified Professional	Petrotech	Universal Environmental	Alpha-Omega	Cliff Berry, Inc.	SWS Environmental
#2 FUEL OIL PRICING					NQ	NQ
LESS THAN 1% WATER PER GALLON	+0.16	0.15	No Credit	-0.21		
1% TO 10% WATER PER GALLON	-0.34	0.05	No Credit	-0.25		
11% TO 15% WATER PER GALLON	-0.34	0.00	No Credit/No Charge	-0.35		
Over 15%	-0.34	-0.35	No Credit/No Charge	-0.85		
RESIDUAL/UNUSABLE FUEL/SLUDGE	-1.15	-0.84	No Credit/No Charge	-1.65		
FUEL REMOVAL, TANK & PIPE CLEANING & REMOVAL & REMOVAL AND PUMP REMOVAL	\$24,999.00	127,539.00	\$214,562.50	\$243,194.00		
Days to Complete	150	60	30	45		
BID BOND/CASHIER'S CHECK	N/A (under \$25K)	Ck #5502901202	√	Ck #1031108823		
ADDENDUM NO. 1	√	√	√	√		
ADDENDUM NO. 2	√	√	√	√		
ADDENDUM NO. 3	√	√	Not Submitted	√		
QUESTIONNAIRE	√	√	√	√		
VARIANCES	None Noted		None Noted	See Page 29		
DRUG FREE	√	√	√	√		
LOCAL BUSINESS	N/A	N/A	N/A	N/A		

Purchasing Division