

**To:** Operations & Scheduling Committee

**Date:** 8/29/2024

**From:** J. Scott Mitchell, Chief Operating Officer

**Reviewed by:** *W.C.*

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**SUBJECT: Diesel Fuel Tank Replacement**

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**Background:**

County Connection has two 25,000 gallon single-wall diesel fuel tanks that were installed in 1981. The State Water Resources Control Board requires that all single-wall fuel tanks be replaced or removed by December 31, 2025. Single-wall underground storage tank systems that are not permanently closed will be out of compliance and cannot be operated. Although County Connection is actively engaged in migrating all buses to zero emission vehicles (ZEV) this process will take a minimum of 15 years to complete. In the meantime, it is imperative to replace the single-walled tanks in order to operate our existing diesel buses. Additionally, County Connection maintains the largest supply of renewable diesel in Central Contra Costa County, which has been identified as an emergency fuel source for emergency mitigation efforts by the County's Emergency Operations Center (EOC).

Staff has been researching multiple ways to replace these tanks to meet this regulation by December 31, 2025. Staff recommends purchasing two 25,000-gallon double-wall fuel tanks, piping, pumps, and fuel monitoring system from Blue1 Energy Equipment off of the Sourcewell Contract #092920-TAN. Sourcewell is a cooperative purchasing program, which offers governmental agencies competitive pricing and terms. County Connection will then issue a separate Invitation for Bids (IFB) for the removal and replacement of the tanks – the IFB will meet all public works procurement requirements. Staff believes this two-step approach will reduce the cost and shorten the timeframe to complete the tank replacement. This project is included in the Capital budget.

**Option 1:**

Purchase two fuel tanks and all related hardware from Blue1 Energy Equipment using Sourcewell Contract pricing and then issue an IFB for Removal and Replacement of Fuel Tanks.

**Option 2:**

Release an IFB for Replacement of Fuel Tanks, including materials and labor in one Bid package.

**Financial Implications:**

TDA Capital: \$481,573 for two 25,000-gallon fuel tanks and related hardware, and TSL system

**Recommendation:**

Staff recommends that the O&S Committee recommend to the Board of Directors to authorize the General Manager to approve the purchase of two (2) fuel tanks and related equipment from Blue1 Energy Equipment using pricing from Sourcewell Contract #092920-TAN. Purchase not to exceed \$481,573.

**Action Requested:**

Staff requests and recommends that the O&S Committee recommend that the Board of Directors at its September 15, 2024, meeting, adopt a Resolution authorizing the General Manager to release a purchase order and Letter to Proceed to Blue1 Energy Equipment for the purchase of two (2) fuel tanks. Total cost of the fuel tanks, including shipping to Concord facility, not to exceed \$481,573.