



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 3, 2016

ITEM NUMBER: CC-4

SUBJECT: EMERGENCY REMOVAL OF UNDERGROUND FUEL STORAGE TANK

DATE: April 20, 2016

FROM: PUBLIC SERVICES DEPARTMENT – MAINTENANCE SERVICES DIVISION

PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY (714) 754-5123

RECOMMENDATION

Receive and file.

BACKGROUND

This report has been prepared and submitted in compliance with the City's Emergency Purchasing Policy Section 12-117 Emergencies, Sub-section (a) Process, (vi).

On March 18, 2016, a delivery of diesel fuel was being dispensed into the underground fuel storage tank at Fire Station #3 located at 1865 Park Avenue. During the delivery, the underground tank, piping and/or venting systems failed, as did the secondary containment systems, resulting in the discharge of an unknown quantity of diesel fuel into the soil below the storage tank.

After immediate action was taken to address the incident and contain any above ground fuel leakage, the required reporting and documentation related to the suspected release was submitted to the following agencies as required by law: Orange County Environmental Health (OCHD); State Office of Emergency Services; State Water Resources Control Board and the County of Orange Local Oversight Cleanup Program.

Once a determination was made that the tank was not holding the fuel, it became necessary to take immediate action to remove the remaining fuel from the tank and to remove the tank itself to address any loss of fuel into the environment. The remaining fuel was removed on March 21, 2016.

On March 24, 2016, per the City's Purchasing Policy, the Chief Executive Officer signed the Emergency Justification Form and approved an emergency Purchase Order in an amount not to exceed \$100,000 with MJK Construction for the immediate removal of the underground fuel storage tank, the preliminary testing of the surrounding soils and the development of an OCHD required work plan to address the removal of the leaked diesel fuel. See Attachments 1 and 2.

ANALYSIS

An emergency Purchase Order in an amount not to exceed \$100,000 was approved by the CEO on March 24, 2016, and issued by the Finance Department to immediately begin the removal of the damaged fuel storage tank and related systems. Necessary permits were obtained from Orange County Environmental Health and the City of Costa Mesa's Fire Department and Building Division. The tank was removed on April 13, 2016. Soil testing was completed and the

preparation of the required work plans to address the subsequent phases of the project began on that date.

Upon approval by OCHD, subsequent work will be performed by MJK Construction to determine the scope of any environmental contamination and the development of a proposed remediation plan. At that point, the work with the current contractor may cease and future work beyond that point may be formally bid based on the plan developed by MJK Construction and approved by OCHD, as the 'emergency' situation will have been addressed.

FISCAL REVIEW

The funding for the Purchase Order was provided by the Public Services Fleet Section operating budget, where it is anticipated that fuel cost savings from FY 2015-16 will be sufficient to cover the estimated cost of tank removal and preliminary testing of the surrounding soil.

ALTERNATIVES CONSIDERED

No alternatives were considered for this item.

LEGAL REVIEW

A legal review is not required for the proposed action at this time.

CONCLUSION

It is recommended that City Council receive and file the report in accordance with the adopted Purchasing Procedures and direct staff to continue to move forward with the emergency underground storage tank removal and soil remediation project.

ERNESTO MUNOZ
Public Services Director

BRUCE HARTLEY
Maintenance Services Manager

STEVE DUNIVENT
Interim Finance Director

- Attachments:
1. [Emergency Justification Form](#)
 2. [Purchase Requisition](#)
 3. [Proposal from MJK Construction, Inc.](#)