



# REPORT TO COUNCIL

## City of Sacramento

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915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

Consent  
**March 28, 2006**

Honorable Mayor and  
Members of the City Council

**Subject:** Change Order: North Area Corporation Yard Tank Removal– Change of Scope

**Location/Council District:** 918 Del Paso Road, Sacramento (County)

**Recommendation:**

Adopt a resolution: 1) suspending competitive bidding, 2) approving the project's change of scope, and 3) authorizing the City Manager to execute a change order with AES Enterprises, Inc. in the amount of \$243,867 for underground storage tank and related piping removal and surface restoration to include over-excavation, removal and disposal of contaminated materials.

**Contacts:** Brian Reilly, Senior Engineer (916) 808-8427  
Reina J. Schwartz, Director of General Services (916) 808-7195

**Presenter:** Not Applicable

**Department:** Department of General Services

**Division:** Fleet Management

**Organization No:** 3259

**Summary:**

- On August 30, 2005, City Council awarded a contract to AES Enterprises, Inc. in the amount of \$213,793 for the removal of six underground storage tanks, related piping and fueling infrastructure at the North Area Corporation Yard (NACY), 918 Del Paso Road in Sacramento.
- The tanks and related infrastructure have been removed and disposed of; however, significant levels of fuel, oil and antifreeze contamination from tank overfilling and leaking piping must be remediated before closure of the tank excavations.
- This report requests Mayor and City Council approval to suspend competitive bidding, to allow a change of scope of the original contract to include remediation of the oil and antifreeze tank site and disposal of contaminated materials, and to authorize a change order with AES Enterprises, Inc. in the amount of \$243,867.
- Contamination from a documented diesel fuel release in 1987 remains and will be addressed in a future report to City Council after development of a final remediation plan.



**Committee/Commission Action:** None

**Background Information:**

In June 2003, the City purchased the property at 918 Del Paso Road for use as a NACY for City operations. The property was formerly owned by Consolidated Freightways, a trucking company, and there were six underground storage tanks used to store fuel, oil, waste oil and antifreeze. There was known underground contamination at the fuel site from a documented diesel fuel release in 1987.

On August 30, 2005, City Council authorized a contract with AES Enterprises, Inc. for \$213,793 to remove the underground storage tanks and related infrastructure at the site. The tanks and infrastructure have been removed; however, significant levels of fuel, oil and antifreeze contamination from possible overfilling and leaking piping remains. This request addresses over-excavation and disposal of contaminated materials from the oil and antifreeze tank site and disposal of contaminated materials removed from around the fuel tanks. The remediation of diesel fuel contamination from the 1987 release will be addressed in a future report to City Council after a final remediation plan is developed and is approved by the State of California Water Quality Control Board (SCWQCB). An open excavation area remains at the diesel fuel site that must be addressed in the near future due to the safety hazard posed by the open pit and to prevent the spread of the diesel plume.

Based on consultation in October 2005 with regulators from the SCWQCB, the City's contracted ground water monitoring consultant, and the geologist for AES Enterprises, Inc., over-excavation and proper disposal of the contaminated soils is the best method of addressing the problem. Because of the impending rainy season, time was of the essence for this excavation process. AES Enterprises, Inc. had the capabilities, proper certifications for performing the work and were already on site performing the tank removals. Staff authorized them to proceed with over-excavation and disposal of contaminated materials from the diesel fuel tank site and from the oil and antifreeze tank site to prevent further contamination migration due to rain and possible structural failure of the occupied shop building adjacent to the excavation site.

The change of scope for this project is as follows:

- Saw cutting, removal and demolition of additional concrete slab areas.
- Over-excavation, removal and disposal of contaminated materials at the waste oil and antifreeze tank site. This site will be considered clean and may require no further action or future monitoring pending SCWQCB review.
- Over-excavation, removal and disposal of contaminated materials used for backfill around the fuel tanks. Additional excavation and disposal may be necessary to remove extremely contaminated materials remaining at the site. This will be addressed in a future report to City Council.
- Providing and placing of clean back fill materials at the oil and antifreeze tank site.
- The total cost for performing the work outlined in this change of scope is \$243,867.

A claim has been filed to the State Underground Storage Tank Cleanup Fund to recover costs associated with the cleanup, a change of assignment has been requested for funds previously

allocated for clean up of the diesel fuel, and a claim has been made to the State of California Orphan Site Cleanup Account for both the oil tank area and diesel fuel area. However, all claims and assignments are subject to the approval of the SCWQCB and may not cover all of the costs.

**Financial Considerations:**

The NACY Sight Acquisition CIP (BC16) has sufficient funds to complete the original contract with AES Enterprises, Inc. in the amount of \$213,793. Funding for the additional work will be from the Fleet Facilities CIP (BA01) in the amount of \$164,000 and the Corp Yard Maintenance CIP (CB56) in the amount of \$80,000, for the total amount of \$243,867.

**Environmental Considerations:**

This project was previously analyzed in a Negative Declaration that was completed as part of the overall NACY Master Plan when the site was acquired. In addition, although the City will be overseeing the contractor's work, the SCWQCB has jurisdiction over the project site and remediation issues.

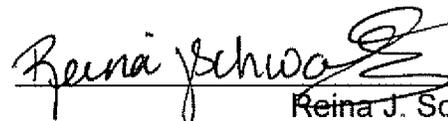
**Policy Considerations:**

The action requested herein is consistent with the City's goal to achieve sustainability and enhance livability. It is also consistent with the master plan developed for the NACY site.

**Emerging Small Business Development (ESBD):**

The contractor meets the 20% participation level for ESBDs.

Respectfully Submitted and Approved by:

  
Reina J. Schwartz

Director, Department of General Services

Recommendation Approved:

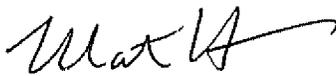
  
Ray Kerridge  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council  
March 28, 2006

**NORTH AREA CORPORATION YARD TANK REMOVAL CHANGE OF SCOPE**

**BACKGROUND**

- A. On August 30, 2005, City Council awarded a contract to AES Enterprises, Inc. for \$213,793 for the removal of six underground storage tanks, related piping and fueling infrastructure at the North Area Corporation Yard, 918 Del Paso Road in Sacramento.
- B. The tanks and related infrastructure have been removed and disposed of; however, significant levels of fuel, oil and antifreeze contamination from tank overfilling and leaking piping must be remediated before closure of the tank excavations.
- C. This report requests Mayor and City Council approval of the change of scope of the original contract to include remediation and disposal of contaminated materials from the oil and antifreeze tank site, suspension of competitive bidding, and authorization of a change order with AES Enterprises, Inc. in the amount of \$243,867 for a total contract amount of \$457,660.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. It is in the best interest of the City to suspend competitive bidding and competitive bidding is suspended.
- Section 2. The project's change of scope is approved.
- Section 3. The City Manager is authorized to execute a change order with AES Enterprises, Inc., P. O. Box 937, Brentwood, CA 94513-0937, in the amount of \$243,867 for the North Area Corporation Yard Tank Removal project (712-500-BC-16). Funding for the additional work will be from the Fleet Facilities CIP (420-500-BA01) in the amount of \$164,000 and the Corp Yard Maintenance CIP (420-500-CB56) in the amount of \$80,000.

