



MEMORANDUM

Resolution 25-001, A Resolution of the City Council of Homer, Alaska Awarding a Contract to Prism Design and Construction LLC in the Amount of \$317,440.28 for the Fuel Island Replacement Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.

Item Type: Backup Memorandum
Prepared For: City Council
Date: November 20, 2024
From: Leon Galbraith, P.E., City Engineer
Through: Melissa Jacobsen, City Manager

Background:

The Public Works Department operates a Fuel Island that provides fuel to all of the Cities mobile equipment and light duty fleet for all City Departments. This Fuel Island consists of a gasoline tank, diesel tank, and associated pumps and is a critical piece of infrastructure. The existing fuel island is over 30 years old and has failed its most recent State Certification inspection. The current tanks are Underground Storage Tanks (UST), which carry significant potential environmental liability, and further are located inside the Tsunami inundation zone, thereby making them a greater environmental hazard. It will take significant cost to make the repairs to the existing UST's in order to bring them back into State compliance. This still would not reduce the environmental risk of owning and operating UST's.

The new replacement tanks will be Above Ground Storage Tanks (AST) that will be skid mounted so they can be relocated to the new Public Works Campus once constructed. The AST's have less potential environmental liability and the nature of them being above ground slightly reduces the risk of operating them in the Tsunami inundation zone until they are relocated to the new Public Works Campus.

The current fuel management software is antiquated and no longer supported by the manufacturer, meaning that the program cannot be repaired if it stops working. RESPEC Engineering was hired to perform the final design for the replacement Fuel Island, which they completed in 2024.

The budgeted amount for construction of the fuel island replacement is \$350,000 from Public Works CARMA funds.

The project was bid through a competitive RFP process and the City received one proposal and has selected Prism Design and Construction LLC to provide and install the new Fuel Island and associated tanks and apparatus for the bid amount of \$317,440.28.

Recommendation:

The Public Works Department recommends that the City Council awards the construction of the Fuel Island Replacement Project to Prism Design and Construction LLC.