

# Agenda Report

January 14, 2019

**TO:** Honorable Mayor and City Council

**FROM:** Fire Department

**SUBJECT: AUTHORIZATION TO INCREASE PURCHASE ORDER CONTRACT 1190660 WITH IPC (USA), INC. BY \$35,000 FOR A TOTAL AMOUNT NOT TO EXCEED \$109,000 FOR THE PURCHASE OF RENEWABLE DIESEL FUEL**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 21065, 15060 (c)(2), 15060 (c)(3), and 15378, and as such, no environmental document pursuant to CEQA is required for the project; and
2. Authorize an increase to purchase order contract 1190660 with IPC (USA), Inc. which had been awarded pursuant to a competitive bidding process from \$74,000 by \$35,000, for a total amount not to exceed \$109,000 for the continued purchase of renewable diesel fuel.

## **BACKGROUND:**

The Fire Department currently operates two (2) front-line trucks, eight (8) engines and five (5) rescue ambulances (RAs), and additional reserve and specialty apparatus. These vehicles are necessary to ensure public safety. Prior to December 2017 all fire apparatus used unleaded and diesel fuel, which is purchased and managed by the Public Works Department.

In fiscal year (FY) 2018, the Fire Department initiated a pilot program for renewable diesel fuel in select apparatus. Using renewable diesel fuel can have many beneficial contributions including reducing the City's carbon footprint, and minimizing fuel emissions that can be harmful to employees and to the environment. Following a formal bid process, the City Manager authorized a purchase order contract with IPC (USA), Inc. with an optional one-year extension to transition all fire apparatus to renewable diesel fuel if the pilot program proved successful. The use of renewable diesel in fire

apparatus has received strong positive feedback from fire personnel, with no apparatus issues reported.

On October 18, 2018 the City published a Notice Inviting Bids for a multi-year contract to provide renewable diesel fuel for the Fire Department. Four bids were received and publicly opened on October 30, 2018. However, upon detailed review of the bid documents, it was determined that the specifications lacked appropriate provisions to ensure reduction of aromatic levels in the fuel, and to assure emissions benefits to fire personnel operating the apparatus. On December 17, 2018, City Council rejected all bids received on October 30, 2018.

Staff is currently revising the specifications and expects to rebid in the next few months. Until a new contract is established, the Fire Department would like to increase the existing purchase order with IPC for the continued use of renewable diesel fuel.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract furthers the City Council's strategic planning goals to ensure public safety and to increase conservation and sustainability.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of the proposed contract, which provides for the purchasing of fuel, is a continuing administrative and maintenance activity (i.e., purchasing of supplies). Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

This action will increase Purchase Order 1190660 with IPC (USA), Inc. by \$35,000. Funding will be addressed by the utilization of FY 2019 budgeted appropriations in the Fire Department's General Fund operating budget account for Fire and Rescue Services Gas/Fuel account (10131015-813800). There are no anticipated impacts to other operational programs or capital projects as a result of this action.

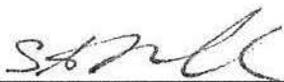
Respectfully submitted,

  
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