



Agenda Report

May 6, 2024

TO: Honorable Mayor and City Council

FROM: Fire Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXTEND THE DURATION OF CONTRACT 31,446-1 WITH TACENERGY LLC FOR PURCHASES OF RENEWABLE DIESEL FUEL BY ONE YEAR, AND TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT BY \$200,000, FROM \$800,000 TO \$1,000,000

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision that CEQA only applies to projects that may have an effect on the environment;
2. Authorize the City Manager to extend Contract No. 31,446-1 with TACenergy LLC for the purchase of renewable diesel fuel by one year, for a total contract period beginning from April 21, 2019, to April 21, 2025, and to increase the total not-to-exceed amount by \$200,000, from \$800,000 to \$1,000,000; and
3. To the extent the amendments to Contract No. 31,446-1 could be considered a separate procurement subject to the Competitive Selection Process, grant an exemption pursuant to Pasadena Municipal Code (PMC) Section 4.08.049(B), contracts for which the City's best interests are served. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services.

BACKGROUND:

The Fire Department currently operates two (2) front-line trucks, eight (8) fire engines and six (6) 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 began to use renewable diesel fuel as it 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.

On April 15, 2019, Pasadena City Council accepted the bid submitted by TACenergy in response to specifications for renewable diesel fuel, and authorized the issuance of a five-year contract for an amount not-to-exceed \$800,000. The contract was awarded pursuant to a competitive bidding process. The City entered into Services Contract No. 31,446-1 with TACenergy on July 9, 2019 for purchases of renewable diesel fuel as needed by the Fire Department. To date, the use of renewable diesel in fire apparatus has received positive feedback from fire personnel, with no apparatus issues reported. The terms of Contract 31,446-1 ends on April 21, 2024. The Department would like to continue to use renewable diesel fuel in all fire apparatus.

In February 2022, the Public Works Department established Contract 32,224 with Falcon Fuels for city-wide usage of unleaded gasoline and renewable diesel fuel for an initial 3-year term, expiring in March 2025. However, the current contract amount under Contract 32,224 is insufficient to support the Fire Department's usage. The Public Works Department plans to exercise the contract extensions after the initial 3-year term, and increase the contract amount with Falcon Fuels to include additional funding to address the Fire Department's renewable diesel fuel usage.

Until the Fire Department can utilize the Public Works Department's renewable diesel fuel contract with Falcon Fuels, staff recommend a one-year extension and an increase in the contract amount by \$200,000 for Contract 31,446-1, with TACenergy.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers the City Council's strategic planning goal to ensure public safety.

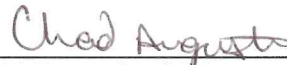
ENVIRONMENTAL ANALYSIS:

This project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The action proposed herein would provide for the purchase of renewable diesel fuel. No physical changes to the environment would occur. Therefore, there is no possibility that the proposed activity may have a significant effect on the environment and the project is exempt from CEQA.

FISCAL IMPACT:

This action will increase Contract 31,446-1 with TACenergy LLC by \$200,000 from a total not to exceed amount of \$800,000 to \$1,000,000. Funding will be addressed by the utilization of existing 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,



CHAD AUGUSTIN

Fire Chief

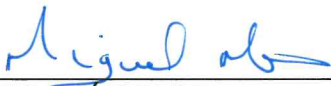
Fire Department

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Approved by:



MIGUEL MARQUEZ
City Manager