

# TOWN OF PALM BEACH

Information for Town Council Meeting on: September 12, 2023

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TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Robert Miracle, CPA Deputy Town Manager, Finance and Administration

FROM: Dean Mealy, NIGP-CPP, CPPO Town Procurement and Contract Manager

RE: Diesel Fuel Tank Remediation and Replacement, **Resolution No. 111 -2023**

DATE: 25 August 2023

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## **STAFF RECOMMENDATION**

Town staff recommends that Town Council approve Resolution No. 111-2023, approving the retroactive engagement proposal for remediation in the amount of \$195,750, authorize cleanup, and replacement of existing underground fuel tank to Kimley-Horn and Associates, Inc. and authorizing the Town Manager or designee to coordinate with tank manufacturer regarding warranty, insurance company for reimbursement and authorizing support, coordination, and all submittals to applicable agencies specific to this repair, remediation and replacement.

## **GENERAL INFORMATION**

On July 17, 2023, Public Works Staff during their routine inspections, found water leaking into the fuel tank and notified the Florida Department of Environmental Protection "FDEP". Staff called a fuel tank and fuel line contractor for support in evaluating the situation. On July 18, 2023, FDEP visited the site to assess the conditions. Staff monitored the tank and skimmed off the fuel from the water surface. The fuel tank was found to have a longitudinal crack in the tank and water was infiltrating into the tank through this crack due to the ground water elevation. These fuel tanks are doubled wall, so for water to be entering into the tank means there is also a breach to the exterior shell of the tank. Therefore, staff has been working closely with the Risk Manager and Procurement and Contract staff to begin remediation and the replacement process.

The Central Fire Station is equipped with a 6,000-gallon diesel fuel tank that provides fuel for the onsite emergency generator and supplement fuel supply to the emergency generator located at Town Hall. In mid-July Town staff discovered that the tank had been breached and all of the fuel product was displaced by ground water. The Town has since taken the tank out of service and has requested Kimley-Horn to assist with a site environmental assessment and the replacement design of the fuel tank.

The Town has requested that Kimley-Horn and Associates, Inc. (KHA) address the following Scope of Services:

Task 1 - Underground Fuel Tank Environmental Assessment

Task 2 - Design Phase Services

Task 3 - Environmental Regulatory Permitting

Task 4 – Bid Phase Services

Task 5 - Environmental Site Remediation

It is the intent of the Town to utilize Cliff Berry, Inc (CBI) - Environmental Services & Waste Management for physical remediation.

There are multiple moving parts to the fuel tank breach and subsequent removal and replacement. Town staff utilized the existing continuing services contracts to select KHA to provide the umbrella design services. This allowed the Town to quickly get ECS Florida, LLC engaged as a sub-contractor to KHA. The overall scope is intended to address the remediation, insurance claim, tank warranty and eventual replacement. This process will take a multitude of small steps of which will be coordinated by Public Works, Finance, and the Town Manager's Office.

The Central Fire Station Fuel tank Replacement will be funded by way of two funding sources. A portion of the Consultant costs related to the mitigation and clean up, along with those general construction services to do the cleanup will be submitted to the Town's Insurance Carrier AIG for reimbursement. Because the impacts of the fuel leak and clean up are very fluid, Town Staff has met with AIG and continue to work with the Insurer on what those scopes services are. Those costs not covered by the Town's Insurer AIG will be funded by the Risk Management Contingency Fund. Those costs will be the design, bid and construction phase Engineering services and the construction of the new fuel tank and all associated restoration of the Central Fire station rear parking lot. Staff will continue to seek reimbursement for the fuel tank replacement as the tank was still under warranty.

It is the intent to provide updates monthly.

### **FUNDING/FISCAL IMPACT**

Funding will be from AIG, the insurance carrier for the remediation, and the Risk Contingency Fund. It should be noted that the insurance carrier and the tank manufacturer have been placed on notice as there will be multiple sources for reimbursement.

Finance and Public Works will continue to bring back to the Town Council all requests for approval of purchase orders and related proposals as work progresses.

### **PUBLIC WORKS REVIEW**

This item has been reviewed by the Public Works and is approved as recommended.

### **TOWN ATTORNEY REVIEW**

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney.