

Date: April 8, 2008

Committee Meeting Date: April 17, 2008

Board Meeting Date: May 1, 2008

**BOARD MEMORANDUM**

**ACTION ITEM**

**TO:** Transit Planning and Operations Committee  
Santa Clara Valley Transportation Authority  
Board of Directors

**THROUGH:** Michael T. Burns  
General Manager

**FROM:** Mark S. Robinson  
Acting Chief Engineering & Construction Officer

**SUBJECT:** North Coach Division Fuel System Addition Project  
Construction Contract Award

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**Policy-Related Action: No**

**Government Code Section 84308 Applies: No**

**RECOMMENDATION:**

Authorize the General Manager to execute a contract with Balch Petroleum, the lowest responsible bidder, in the amount of \$549,850 for construction of the North Coach Division Fuel System Addition Project. This contract is 100% locally funded.

**BACKGROUND:**

VTA has successfully implemented a Community Bus Program as part of our comprehensive operational changes to bus service. The Community Bus Program has necessitated the procurement of gasoline powered, small capacity buses. Currently, these buses are fueled off-site since the existing VTA fuel dispensing infrastructure at the bus yards support only diesel fuel. The North Coach Division Fuel System Addition Project allows VTA to store and dispense unleaded gasoline on-site for the Community Buses that operate out of North Coach Division. In addition, existing leak detection and monitoring systems will be replaced, underground product piping will be reconfigured, and vapor recovery enhancements will be provided in accordance with regulatory requirements.

**DISCUSSION:**

The North Coach Division Fuel System Addition construction contract was advertised on March 10, 2008. Four bids were submitted on April 4, 2008 with the following results:

Balch Petroleum	\$549,850
American Construction & Environmental Services, Inc.	\$629,360
Paradiso Mechanical, Inc.	\$659,949
West Star Environmental, Inc.	\$955,300
Engineer's Estimate	\$784,973

Balch Petroleum is the lowest responsible bidder. The bid is 30% below the Engineers Estimate. VTA staff has completed a bid analysis, has determined the bid to be fair and reasonable, and recommends award of this contract to Balch Petroleum. The low bid is the result of the extremely competitive bidding environment in this construction market.

**ALTERNATIVES:**

VTA can continue to fuel the Community Buses off-site rather than from the existing bus facility. However, the on-going operational cost and inefficiency of the off-site fueling makes this option impractical.

**FISCAL IMPACT:**

Sufficient funds are available in the Small Bus Operating Facility Upgrades Project budget to perform this work. The project is budgeted with Fiscal Year 2008 local funds from the VTA Transit Capital Program.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

Based on identifiable subcontracting opportunities, a Small Business Enterprise (SBE) goal of 9% has been established for this contract. Batch Petroleum met the goal and has committed to 100% SBE participation on this contract.