

MEMORANDUM

DATE: August 27, 2020

TO: Tom Crawford
Interim City Administrator

FROM: Matthew J. Kulhanek
Fleet & Facilities Manager

RE: Emergency Purchase Authorization – ATC Group Services LLC (Environmental Consulting Services)

The City recently removed two underground fuel storage tanks at 2000 S. Industrial Highway. In the course of this removal, a suspected fuel release was indicated in the fuel dispenser area. Notification was made to the State of Michigan as required and soil and water samples were taken for testing. The test results were received on July 6, 2020 which confirmed a release of petroleum product in the dispenser area and State was notified the same day that the suspected release was upgraded to a confirmed release.

The State required immediate removal of the contaminated soils and additional soil testing. This work was completed by the tank removal contractor, utilizing ATC Group Services as their environmental consultant, in late July and early August under a pending change order to the fuel tank replacement project.

The State requires the completion of an initial assessment report (IAR) no later than January 2, 2021. This initial assessment will require six groundwater monitoring wells to be installed at 2000 S. Industrial, preliminary sampling a week after the wells are finished, secondary sampling 10 weeks after preliminary sampling, testing and analysis of the sample results and completion of the initial report. Just the sampling schedule and getting test results back will be a minimum of 13 weeks after the wells are completed. To meet the State's deadline, the work has to proceed immediately.

ATC has provided a proposal in the amount of \$32,893.00 to complete the Tier 1 evaluation activities to comply with Part 213 of NREPA as required by the State. ATC is national, qualified environmental consulting firm who can complete the required activities and brings familiarity of the site, project and subsurface conditions. The cost estimate is based on that familiarity and they anticipate both preliminary and secondary samples will come back clean. If that is not the case, or the State requires additional actions, an amendment and additional funds may be required. Installation, and future closure, of the six groundwater monitoring wells are included in the proposal.

Additional contingency funds are not being requested at this time as the scope of work included in the attached proposal provides the City with everything necessary to complete the IAR as required by January 2, 2021. If the tests results come back indicating something that would prohibit completing the final closure report, then additional time would be available from the State to determine the course of action and revised schedule for these activities. The appropriate contract amendment with costs would be determined and considered for approval at that time.

The City would issue a best source purchase order to ATC Group Services LLC for the work upon receipt of all required documentation. The best source is justified because of the tight deadline from the State and ATC's familiarity with the site and project. Staff contacted the Systems Planning Unit to see if the City had a qualified environmental consulting firm under current contract for this work, which it doesn't. With the work being a result of a leaking UST system, I would request that funding be provided from the City's Risk Fund. This level of work was not budgeted in the FY21 Fleet Fund operating budget. Additionally, the City should inquire with their insurer about a potential claim as we are required to carry specific insurance coverage for USTs.

As provided in City Code 1:316, the Fleet & Facilities Unit of the City Administrator's Area is seeking an emergency authorization from the City Administrator to grant a purchase order to ATC Group Services LLC in the amount of \$32,893.00 to cover cost for environmental services required by the State of Michigan related to a confirmed release from the City's fueling infrastructure at 2000 S. Industrial Highway. Staff will prepare the appropriate documentation for council notification at the next available meeting as required by City Code.

Approval
Tom Crawford
Interim City Administrator

Date

From: Crawford, Tom <TCrawford@a2gov.org>
Sent: Thursday, August 27, 2020 2:53 PM
To: Kulhanek, Matthew <MKulhanek@a2gov.org>
Cc: Fournier, John <JFournier@a2gov.org>; Spencer, Colin <CSpencer@a2gov.org>; Horning, Matthew <MHorning@a2gov.org>
Subject: RE: Emergency PO - ATC Group Services

I'm ok approving PO. Funding would need concurrence with Horning first. I've cc'd Spencer and Horning here.



Tom Crawford, Interim City Administrator
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From: Kulhanek, Matthew <MKulhanek@a2gov.org>
Sent: Thursday, August 27, 2020 2:43 PM
To: Crawford, Tom <TCrawford@a2gov.org>
Cc: Fournier, John <JFournier@a2gov.org>
Subject: Emergency PO - ATC Group Services

Tom,

Please see the attached request for an emergency authorization of a PO for ATC Group Services based on their attached proposal. The emergency request should give you most of the information you need, but here it is in a nutshell.

We removed the USTs at S. industrial and found a confirmed release (leak/spill) at the fuel dispenser area, not around the tanks. We had to remove a bunch of soil and groundwater immediately as required by the State regulations. We are waiting for some final invoices on this work and will be submitting a change order which will wipe out most of the project contingency. Since it is a confirmed release, we have until early January to complete an initial assessment report which requires 6 groundwater monitoring wells at SI be installed, monitored and tested. Once the wells are in, the monitoring and testing will take at least 13 weeks so time is of the essence. Even if we could get on Tuesday's (9/8) Council agenda, we probably wouldn't make the State deadline.

I would also request that we consider the Risk Fund as the funding source. These additional funds weren't budgeted in the FY21 Fleet budget. There is also a chance that if the test results come back high, the State may require additional work. I'll also be reaching out to Mike Pettigrew to see if we can make a claim on our UST insurance. Please let me know if you have any questions.

Matthew J. Kulhanek
Fleet & Facilities Manager
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