



## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Antonio Onorato, Program Manager- Finance  
(707) 259-8779 / Email: [anonorato@nvta.ca.gov](mailto:anonorato@nvta.ca.gov)  
**SUBJECT:** First Amendment to NVTA Agreement No. 14-19 with Hunt & Sons, Inc.

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### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute a First Amendment (Attachment 1) to Agreement No. 14-19, and a separate agreement to be prepared by counsel setting forth Hunt & Sons' insurance and indemnity obligations for the installation and maintenance of fueling equipment for an "on-site" fueling option at the Vine Transit Bus Maintenance Yard located at 720 Jackson Street in Napa, subject to approval by the City of Napa and compliance with all permitting requirements.

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

NVTA issued a Request for Proposals (RFP) for Fueling Services on July 18, 2014. Recently one of NVTA's contracted fuel suppliers, Hunt & Sons, approached NVTA staff and offered to install an above ground "portable" fuel tank to allow for on-site fueling, which includes a turn-key installation and maintenance at no cost to NVTA. Staff supports the proposal as it is likely to reduce the overall cost of fueling through reduced labor costs to fuel at off site facilities.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comment
3. Discussion and Vote

**FISCAL IMPACT**

Is there a Fiscal Impact? Yes. An estimated savings of \$54,500 in fuel and operations costs with an on-site fueling option.

Is it currently budgeted? NA

Where is it budgeted? NA

Future fiscal impact: Yes

Consequences if not approved: NVTA could forgo significant yearly savings in operating costs.

**CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** Installation of equipment would constitute a Categorical Exemption under the National Environmental Control Act (NEPA) 23 CFR § 771.118 paragraph (7): Acquisition, installation, rehabilitation, replacement, and maintenance of vehicles or equipment, within or accommodated by existing facilities, that does not result in a change in functional use of the facilities, such as: equipment to be located within existing facilities and with no substantial off-site impacts; and vehicles, including buses, rail cars, trolley cars, ferry boats and people movers that can be accommodated by existing facilities or by new facilities that qualify for a categorical exclusion.

**BACKGROUND AND DISCUSSION**

NVTA has always fueled its public transit fleet at retail fueling facilities. The existing fueling operation involves Transdev maintenance employees driving each bus from the Jackson St. transit yard to a fueling facility at the end of the day. Offsite fueling is not considered an ideal fueling procedure since it increases fuel and purchase transportation costs (labor to drive the vehicle to the site, fuel, and return it to the yard).

The unsolicited offer from Hunt & Sons is to install equipment for on-site fueling operations where a truck delivers (gasoline and diesel) fuels to a tank at the NVTA transit yard. This would allow yard maintenance workers to fuel the vehicles at their convenience and would relieve them of the burden of fueling buses at retail gas stations. On-site fueling offers other key benefits, including minimizing fraud and controlling and reducing overall fueling and operational costs.

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The July 18, 2014, RFP resulted in the award of fueling contracts to three vendors, including Napa Valley Petroleum (NVP), Hunt & Sons Inc., and Clear Energy. The non-exclusive agreements allow for the purchase of diesel, unleaded, and compressed natural gas to the Vine Transit fleet for a period of two (2) years, with two (2) one year option extensions at off-site facilities.

The RFP did not include an on-site fuel tank installation option largely because NVTA staff was not aware of the proposed tank technology at that time. However, the RFP did include a “wet-hose” option, which would have involved fueling NVTA’s vehicles directly from a tanker truck. The Wet hose option would not have had the protections of an on-site fueling operation to prevent and contain fuel spillage. City staff pushed back on this idea at the time, so it was dropped from consideration. Moreover, the yard is already over capacity and fueling from a tanker truck would put additional constraints on Vine bus operations.

In late 2016, Hunt & Sons Inc. informed NVTA that a small portable concrete multi-fuel tank is available. Subsequently, Transdev and NVTA staff met with Hunt & Sons, and their fuel distributor, Allied Petroleum, to discuss the feasibility of on-site fueling at the transit yard. A risk assessment and cost benefit analysis were conducted which convinced NVTA staff that the proposed on-site fueling operation was both practical and feasible. Hunt & Sons developed plans for the installation of a 4,000 gallon diesel/gasoline dual valve fuel tank on a portion of land not used for operations at the transit yard.

Hunt & Sons offered to install the fuel tank and ancillary equipment at the Transit Yard at no cost to NVTA, and to insure and indemnify NVTA, Transdev, and the City of Napa against injury and damages caused by the fuel transport or equipment failure, and to pay for all plans and expenses related to the installation of a fuel tank. If NVTA vacates the transit yard property, Hunt & Sons will remove the tank at no cost to NVTA and NVTA is under no future obligation to place a tank at another location or to purchase a pre-determined amount of fuel. NVTA is required to pay a \$1,500 permit fee to the City, but that is the only obligation of NVTA.

Allied Petroleum developed a permit application package, including plans, with NVTA as the project sponsor to obtain a City permit to install a 4,000 gallon, dual value fuel tank on the property. The application was submitted to the City of Napa on May 19, 2017, and is currently under review. NVTA staff made it clear that the submission of the permit application was not to be construed as an approval of the project or plans by NVTA or the City of Napa, but was a step in determining the feasibility of Hunt & Sons’ offer. The purpose of filing the application was only to obtain the City’s feedback regarding the proposal while NVTA staff continues to work with Allied and Hunt & Sons to obtain additional information regarding the installation and operation.

Neither the submission of the application nor the approval of the application by the City will obligate NVTA to allow for the installation of the tank. Prior to any installation, the parties must enter into a written agreement regarding the responsibilities of each party

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with respect to providing insurance, indemnity, and other essential terms. The installation will remain subject to the discretion of NVTA.

If a fuel tank is installed at the transit yard, NVTA could realize a substantial savings in the yearly operating cost for transit services. NVTA would bear the expense of a \$4,000 premise pollution liability provision under Transdev's insurance policy. The provision is necessary if a Transdev employee was found to be negligent in the event of spillage or contamination when transferring fuel from the tank to a vehicle. Nevertheless, NVTA could realize a yearly savings of up to \$54,500 as illustrated in the analysis below.

Fuel Cost Savings:	\$25,300
Maintenance worker cost to drive to/from fueling site:	\$33,200
Less additional insurance:	<u>(\$4,000)</u>
Estimated Annual Savings:	\$54,500
Permit Fee (non-recurring):	<u>(\$1,500)</u>
Estimated Year 1 savings:	\$ 53,000

In addition to the cost savings, reporting will vastly improve with an on-site tank. Currently, invoices are emailed as text files to NVTA. The file is then converted to an excel pivot table to analyze data. Although the file is adequate to pay an invoice, the data is limited in scope and additional data would be beneficial for long term planning purposes. The proposed on-site fuel tank would have a card lock station which provides additional security protocols and ease in record keeping of fuel transactions by providing management information and usage data the next day. Transdev supervisors or NVTA staff would have the ability to monitor and restrict card activity. Reports would include vehicle identification, employee name, time, date, gallons and cost for every transaction with summary data including miles per gallon and total fuel purchased per vehicle. A wi-fi internet connection would automatically generate a work order informing the fuel distributor when the tank is running low and in need of a re-fill.

NVTA will maintain its fueling services agreements with Napa Valley Petroleum and Clear Energy, and will continue to utilize their services when needed, as the existing fueling services agreements are not exclusive to any single vendor. Other than the allowance to provide an on-site fuel tank at the transit yard, all other terms and conditions still apply and remain in full effect.

### **SUPPORTING DOCUMENTS**

Attachment: (1) First Amendment to NVTA Agreement No.14-19

**FIRST AMENDMENT TO  
NAPA VALLEY TRANSPORTATION AUTHORITY (“NVTA”)  
AGREEMENT NO. 14-19**

**THIS FIRST AMENDMENT TO NAPA VALLEY TRANSPORTATION AUTHORITY (“NVTA”) AGREEMENT NO. 14-19** herein after referred to as “Agreement” is made and entered into as of this \_\_\_\_\_ day of **June, 2017** between the NAPA VALLEY TRANSPORTATION AUTHORITY (hereinafter referred to as “NVTA”), and Hunt & Sons, Inc., whose mailing address is 5750 South Watt Avenue, Sacramento, CA 95829, hereinafter referred to as "CONTRACTOR";

**RECITALS**

**WHEREAS**, in December 2014 NVTA contracted for specialized services, as authorized by Government Code Section 31000, in order to provide NVTA with fueling services for its transit fleet vehicles; and

**WHEREAS**, NVTA is continuously seeking cost savings in its fuel operation and operational readiness of its transit fleet; and

**WHEREAS**, the CONTRACTOR in support of this endeavor is able to provide an on-site fueling facility (wet-hose operation) and equipment at NVTA’s current maintenance yard facility location at no cost to NVTA and the City of Napa (Property Owner); and

**WHEREAS**, the CONTRACTOR agrees to provide all the necessary equipment required to operate a fully functional on-site wet-hose operation; and

**WHEREAS**, the CONTRACTOR agrees to provide necessary equipment, installation/de-installation, permitting, and maintenance related expenses at no cost to NVTA and the Property Owner; and

**WHEREAS**, the CONTRACTOR further agrees to insure and indemnify NVTA and the Property Owner against injury and damages.

**TERMS**

**NOW, THEREFORE**, the NVTA and CONTRACTOR agree to amend the Agreement as follows:

1. ATTACHMENT A – SCOPE OF WORK:

1. **On-Site Fueling / Wet-Hose Operation.** CONTRACTOR will provide a fuel tank and all necessary equipment required to operate a fully functional on-site fueling operation at the transit yard operation facility located on 720 Jackson Street, Napa, CA 94559, at no cost to NVTA and the City of Napa (Property Owner).

CONTRACTOR will execute a separate agreement regarding CONTRACTOR's obligations to operate and maintain the on-site fueling operation, and to insure and indemnify NVTA, the City of Napa, and Transdev against injury and damages caused by fuel transport or equipment failure.

CONTRACTOR shall pay for all plans, permits, and ancillary expenses related to the installation of a fuel tank. In the event NVTA vacates the transit yard property, CONTRACTOR will remove the tank at no cost to NVTA. NVTA shall have no future obligation to place a tank at another location, or to purchase a pre-determined amount of fuel.

CONTRACTOR shall develop a permit application package including plans with NVTA as the project sponsor to operate a 4,000 gallon, dual value fuel tank on the property. The permit application shall not be construed as an approval of the project or plan by NVTA or the Property Owner.

CONTRACTOR will provide at their own expense a card lock station on the fuel tank to provide security protocol and fuel transaction record keeping with daily reporting accessible to NVTA. Records at minimum will include the vehicle identification, employee name, time, date, gallons, and cost for every transaction with a summary data, including miles per gallon and total fuel purchased per vehicle.

2. Except as set forth above, the terms and conditions of the Agreement shall remain in full force and effect as previously approved.

**IN WITNESS WHEREOF**, this Agreement was executed by the parties hereto as of the date first above written.

"NVTA"

"CONTRACTOR"

NVTA, a joint powers authority organized under the laws of the State of California

Hunt & Sons, Inc.

By \_\_\_\_\_  
Kate Miller, Executive Director

By \_\_\_\_\_

ATTEST:

Approved as to Form:

By \_\_\_\_\_  
Karalyn E. Sanderlin,  
NVTA Board Secretary

By \_\_\_\_\_  
Jennifer Gore  
NVTA Legal Counsel