



# Board of County Commissioners Agenda Request

**10B**  
Agenda Item #

**Requested Meeting Date:** 2-14-23

**Title of Item:** Authorize Purchase of Diesel Fuel Tank

<input checked="" type="checkbox"/> REGULAR AGENDA	<b>Action Requested:</b>	<input type="checkbox"/> Direction Requested
<input type="checkbox"/> CONSENT AGENDA	<input checked="" type="checkbox"/> Approve/Deny Motion	<input type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY	<input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

<b>Submitted by:</b> John Welle	<b>Department:</b> Highway Department
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<b>Presenter (Name and Title):</b> John Welle, Aitkin County Engineer	<b>Estimated Time Needed:</b> 10 minutes
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**Summary of Issue:**  
 The 2023 Capital Facility Improvement Plan includes acquisition of a 10,000 gallon above ground diesel fuel storage tank at the McGregor Maintenance Facility to replace the 8,000 gallon underground tank that was installed in 1988. Replacement of this tank is necessary to allow continued 7400-gallon diesel fuel tanker delivery at wholesale pricing at this location. Wholesale pricing historically costs \$0.24-\$0.50 less per gallon less than local bulk fuel delivery. With an average annual use of 16,000 gallons of diesel fuel per year at the McGregor facility, this amounts to an annual cost savings of \$4,000-\$8,000 per year with the cost of tank therefore being recovered in a 5-10 year time period.  
 Quotes were received as follows:  
 True North Steel, Fargo, ND - \$35,675.00  
 STAFCO, Columbia City, IN - \$38,373.92  
 Centra Sota, Buffalo, MN - \$50,850.00

Note that this same tank was acquired from True North Steel, Fargo, MN in 2021 for the Aitkin Maintenance Facility at a cost of \$24,256. The cost of this tank has therefore increased 47% over this two-year time period.  
 All site work for tank removal and installation will be performed by maintenance staff/equipment. Additional services will be obtained for environmental testing/reporting and providing the electrical connection to the tank.

**Alternatives, Options, Effects on Others/Comments:**

**Recommended Action/Motion:**  
 Request authorization to purchase tank from True North Steel, Fargo, ND.

**Financial Impact:**  
 Is there a cost associated with this request?  Yes  No  
 What is the total cost, with tax and shipping? \$ 35,675  
 Is this budgeted?  Yes  No *Please Explain:*  
 \$45,000 was budgeted in 2023 for this purchase.