



Aitkin  
County

# Board of County Commissioners Agenda Request

**2P**

Agenda Item #

**Requested Meeting Date:** 3-12-24

**Title of Item:** Facility Improvement - McGrath Diesel Fuel Tank

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	<b>Action Requested:</b> <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
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<b>Submitted by:</b> John Welle	<b>Department:</b> Highway Department
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<b>Presenter (Name and Title):</b> NA	<b>Estimated Time Needed:</b> NA
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**Summary of Issue:**  
 The 2024 Capital Facility Improvement Plan includes acquisition of an above ground diesel fuel storage tank at the McGrath Maintenance Facility to replace the 8,000 gallon underground tank that was installed in 1988. Replacement of this tank is necessary to allow continued 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 12,000 gallons of diesel fuel per year at the McGregor facility, this amounts to an annual cost savings of \$3,000-\$6,000 per year with the cost of tank therefore being recovered in a 7-14 year time period.  
 Quotes were received as follows:  
 True North Steel, Fargo, ND - \$40,910  
 Westmor, Morris, MN - \$52,920

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 and in 2023 for the McGregor Maintenance Facility at a cost of \$35,675. The cost of this tank has therefore increased 69% over this three-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? \$ 40,910  
 Is this budgeted?  Yes  No *Please Explain:*  
 \$40,000 was budgeted in 2024 for this purchase.