

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0404R

RESOLUTION AUTHORIZING THE SALE AND REMOVAL OF FOUR PROPANE TANKS TO SUPERIOR FUEL COMPANY IN THE AMOUNT OF \$112,000.

CITY PROPOSAL:

WHEREAS, the city of Duluth, public works and utilities department decommissioned four 30,000 gallon propane fuel tanks at 5131 Morris Thomas Road in Hermantown, Minnesota, in 1990-1991; and

WHEREAS, the city has determined that the four 30,000 gallon propane fuel tanks are surplus and the city purchasing division posted an offer to sell on the city's website; and

WHEREAS, the purchasing division received four offers to purchase and determined that Superior Fuel Company offered the highest net purchase price of \$112,000.

NOW THEREFORE, BE IT RESOLVED, that the Duluth City Council hereby authorizes the sale and removal of four 30,000 gallon propane fuel tanks from 5131 Morris Thomas Road in Hermantown, Minnesota, to Superior Fuel Company in the amount of \$112,000 to be deposited into Gas Fund 520, Department/Agency 500, Organization 1900, Object 4853.

Approved:

Approved for presentation to council:

Department Director
Purchasing Agent_____

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes the sale and removal of four 30,000 gallon propane fuel tanks at 5131 Morris Thomas Road in Hermantown, Minnesota, to Superior Fuel Company in the amount of \$112,000 to be deposited into the gas fund.

The city of Duluth has requested a turnkey removal that includes all tanks, related external piping and yokes, and site restoration including removal of concrete piers. The propane tank purchase price of \$128,000 minus removal charges of \$16,000 is a net purchase price of \$112,000.

The city purchasing division posted an offer to sell on it's website and received four offers to purchase by the May 13,2009, deadline. Superior Fuel Company was determined to have the highest net purchase price of \$112,000.

Offer to Sell 30,000 Gallon Propane Tanks and Mixing Plant Equipment Opened May 13, 2009		
Vendor	City/State	Base Bid
Lancaster Propane Gas, Inc.	Lancaster, PA	\$ 86,000.00
Total Energy Corp.	North Salem, NY	\$ 51,010.19
Superior Fuel Company	Superior, WI	\$128,000.00
Kruger Family Farms	Plainview, MN	\$ 68,680.00