

Memorandum

TO: City Council

FROM: Tom Wesolowski , Public Works Director

DATE: May 19, 2025

SUBJECT: Receive bids and award contract for the Maintenance Center Fuel System Replacement, city project 25-08

ITEM NUMBER: 8.g

SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt resolution no. 25-36, accepting the base bid and alternate 1 from Minnesota Petroleum Service, Inc. for the Maintenance Center Fuel System Replacement, city project 25-08 and authorizing the mayor and city manager to execute a construction contract in the amount of \$499,765.00.

INTRODUCTION

Electronic bids were received and viewed on May 13, 2025 for the Maintenance Center Fuel System Replacement, city project 25-08. The project area is shown on the attached map. Council action is required to award the construction contract.

DISCUSSION

On April 7, 2025, the city council approved plans and specifications and ordered the taking of bids for the Maintenance Center Fuel System Replacement, city project 25-08. Accordingly, on May 13, 2025, three bids were received and viewed. All bids were received with the property bid security in the amount of five (5) percent of the total amount bid as required by the project manual. The bid amounts are listed below:

Contractor	Total Bid	Base Bid	Alternate 1
Minnesota Petroleum Service, Inc.	\$499,765.00	\$444,686.00	\$55,079.00
Zahl-Petroleum Maintenance Co.	\$655,106.00	\$585,378.00	\$69,728.00
O'Day Equipment, LLC	\$895,015.72	\$834,146.77	\$60,868.95
Engineer's Opinion of Cost	\$726,090.00	\$661,090.00	\$65,000.00

The base bid consists of:

- removal of the existing underground fuel tanks, dispenser pumps and associated electrical and control infrastructure
- installation of a new fiberglass coated steel tank, new dispenser pumps and associated

- electrical and control infrastructure
- restoration of all disturbed areas
- new fuel management and tracking software

The alternate bid consists of:

- installation of a canopy over the fuel dispenser area

Given the above information, Minnesota Petroleum Service, Inc. is the lowest responsible bidder. SEH, Inc., the city's engineering consultant for the project, has reviewed the bids and is recommending the city award the project to Minnesota Petroleum. A copy of the recommendation letter is attached. Minnesota Petroleum is a local company based in Columbia Heights and has completed similar fuel projects for cities throughout the metro area.

A canopy is not currently located over the fueling area. Given the fueling area is used by city staff all year, during early morning hours and in any weather, staff is recommending the addition of the canopy to shield staff and fuel pumps from adverse weather and increase safety with improved lighting and reducing the potential of ice build-up in the winter. The total of the base bid and alternate 1 results in a construction contract of \$499,765.00

The total estimated cost for the project including construction, engineering and administrative costs is \$680,000 and would be funded from the central garage fund. Based on the estimated delivery schedule for the materials, construction is expected to start in early to mid-September with completion of the project by the end of October.

RECOMMENDATION

It is recommended the city council adopt the attached resolution, accepting the base bid and alternate 1 from Minnesota Petroleum Service, Inc. for the Maintenance Center Fuel System Replacement, city project 25-08 and authorizing the mayor and city manager to execute a construction contract in the amount of \$499,765.00.

ATTACHMENTS

[Location Map](#)

[Recommendation Letter](#)

[Resolution 25-36](#)